

Theory of Change Development & Consultation Process

October 2023

Consultation Process Summary

In September 2022, Preferred by Nature staff gathered in Istanbul to participate in our Development Week event, where staff – who are also Preferred by Nature’s organisational members and highest governing body - met in person to engage in training, information sharing, and discuss future directions of the organisation. Two days were dedicated to discussions around our organizational strategy, including the need for a Theory of Change.

In February 2023, the Preferred by Nature **senior management team** synthesized the input from staff at Development Week about the organisational strategy and began undertaking a process to develop a Theory of Change, to allow us to better specify, evaluate and monitor how well our activities are allowing us to achieve our intended impacts (i.e., our mission).

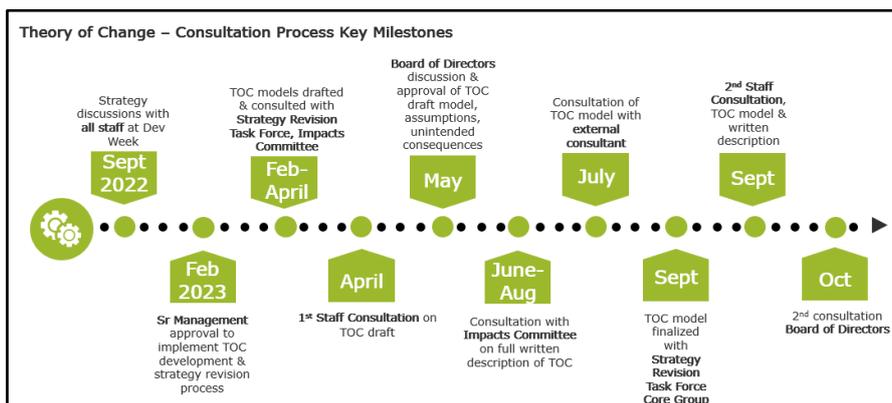
While the organisational strategy described what we wanted to do, it was not clearly linked to how we believed those efforts will help us accomplish our mission. This is where we believed a Theory of Change could help – showing the pathway between our activities and intended outcomes. At the same time, it was discussed that the organisational strategy is currently at its midpoint - a good period to undertake a mid-term evaluation and possible revision. It made sense therefore to initiate a process to develop the Theory of Change first, before any major strategy revisions were made, as it was otherwise difficult to assess what changes needed to be made to our strategy.

A **Strategy Revision Task Force** was created, composed of 11 staff from various divisions of the organisation. A consultation process began where it was discussed what our Theory of Change is, and how to represent it both visually and in text. Various versions were developed (30+) and discussed amongst a core group of the Task Force members. When the core group was happy with a version that we believe best represents what impacts we aim to make and our pathways to getting there, the Theory of Change draft model underwent consultation with:

- the full **Strategy Revision Task Force**
- the already established **Impacts Committee**, and
- **full staff/members** at our monthly online staff webinar.

The Theory of Change model was subsequently consulted with the Preferred by Nature **Board of Directors** for their feedback, as well as engagement in half-day facilitated discussion around key assumptions and potential unintended consequences that should be considered. Based on Board input, a **written text version** describing the Theory of Change was developed to accompany the diagram, and shared with the Impacts Committee for input and feedback.

A **second consultation of full Preferred by Nature staff** was undertaken in September for input in the revised Theory of Change diagram and written text, and input was considered before second consultation of the Theory of Change with the **Board of Directors** in September.



Our vision: A world where human choices ensure a sustainable future

How the Sustainability Framework and our Theory of Change are connected

Based on our decades of experience working with land managers and assessing sustainability risks, mapping supply chains, and helping stakeholders to implement market-based sustainability solutions, we contribute regularly to the development and improvement of a number of sustainability standards and related regulations. This allows us to understand the common themes among various systems and standards that are important to achieving sustainability. Based on this experience, we developed a unified framework that can be applied to any sector, commodity or geographic area, and to producers of any scale, to define sustainability.

The Sustainability Framework is divided into four principles, the fundamental sustainability elements considered globally relevant. The four principles define the overall, highest-level issues that must be achieved for land management, and trade and processing of resulting commodities and related services, to be sustainable.

In our Theory of Change, three of the principles represent the outcomes that are necessary to achieve to realise our intended impact. These are Principles 2, 3 and 4, which focus on people, nature and climate respectively. Principle 1 is focused on responsible management and business practices and provides more generic requirements which are enablers to assuring achievement of the other three regarding positive impacts on people, nature, and climate:



Preferred by Nature has benchmarked the third-party certification standards that we work with as a certification body against the Sustainability Framework Standard (including a consultation process with the scheme owners). In addition, the Framework has been benchmarked against the ILO's Declaration on Fundamental Rights, the EU Deforestation Regulation, and is most often used as the basis for any non-certification activity that we implement. In that way, the Framework itself has become the "common denominator" in which we define and measure the impacts of our combined activities.

The Sustainability Framework Programme is the service-delivery mechanism in which we help companies to implement sustainability goals either:

- as an add-on service to current third-party certification systems they are already working with (i.e., when companies are interested in assurance of certain sustainability aspects are not covered under that system),
- when there is not currently a suitable certification available for the specific commodity or geographic region the company is sourcing a commodity from, or
- if a company is seeking a one-stop-shop certification for a broad variety of commodities in their supply chains.

In this way, the Sustainability Framework serves as the basic foundation of our Theory of Change, serving as a:

- programme through which we implement a specific set of activities;
- a unified definition of sustainability across our activities;
- a common means to undertake monitoring and evaluation of the outcomes and impact in our Theory of Change.