



# **NEPCon Strategy**

## **2014-2020**

**January, 2014**

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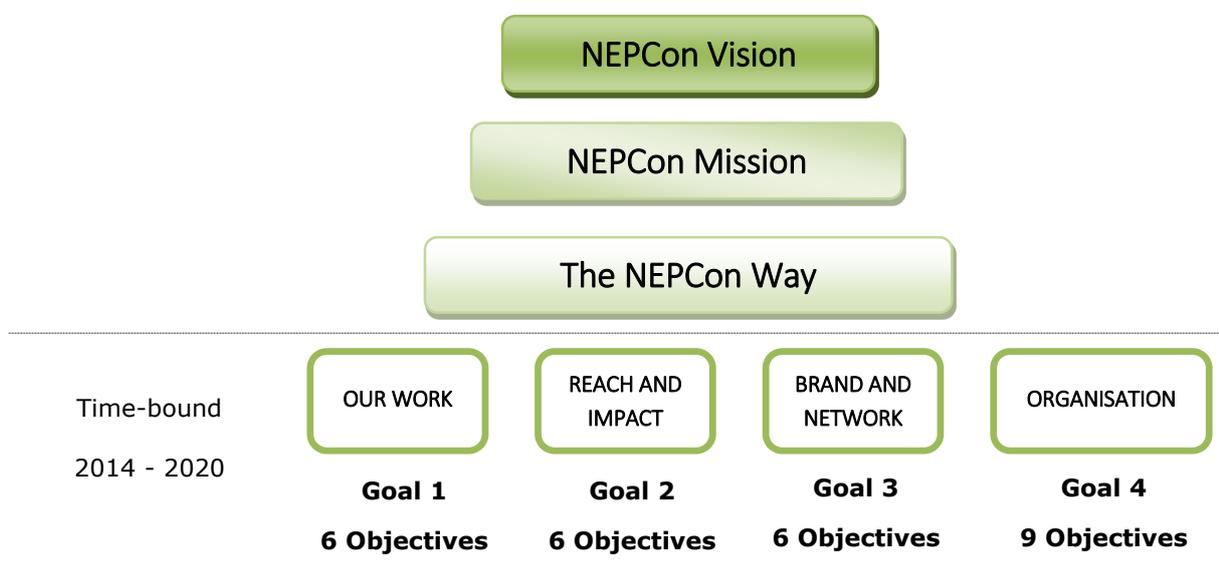
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## Introduction

This document describes the NEPCon strategy for 2014-2020. The strategy is founded on the NEPCon vision, mission and its guiding principles called The NEPCon Way.

The 2020 strategy consists of four broad goals, each with a number of objectives. The NEPCon Way, the goals and the objectives are arranged around four themes: 1. Our Work (services and projects); 2. Reach and Impact (of what we do); 3. Our Brand and Networks; 4. Organisation (setup and capacity of NEPCon).

The figure below illustrates the elements that form the strategic framework for NEPCon activities:



The different elements of the strategic framework are further detailed in the following sections.

The strategy was developed in a participatory process, with input from managers and staff across the organisation. A managers' planning workshop in spring 2013 marked the commencement of the process with senior management leading onwards with support from the board. Staff had additional opportunities to provide input along the way.

Key terms used in the strategy are defined in Annex 1.

## Vision

*A world where human choices ensure a sustainable future.*

## Mission

*To build capacity and commitment for mainstreaming sustainability.*

## The NEPCon Way

<b>Our work -Services and projects with high potential for change</b>
<ul style="list-style-type: none"><li>➤ We choose our activities based on transparency, credibility and potential for change</li><li>➤ We seek to be at the forefront of technical innovation to enhance our activities</li><li>➤ We engage in improving the standards and governance of the systems we work with</li><li>➤ We engage in projects targeted to promote and support sustainable development</li></ul>
<b>Reach and Impact - Expanding consciously into mission critical areas</b>
<ul style="list-style-type: none"><li>➤ We seek to expand in regions and market segments with highest potential for impact</li><li>➤ We aim to minimise system costs while maximising the impact and credibility</li><li>➤ We develop and implement systems to monitor the impacts of our activities</li><li>➤ We seek to add value by addressing the needs and gaps in global sustainability efforts</li></ul>
<b>Brand and Networks - Innovative leadership in mainstreaming sustainability</b>
<ul style="list-style-type: none"><li>➤ We openly share our expertise, knowledge and tools to mainstream sustainability</li><li>➤ We nurture and expand our networks among responsible businesses, consumer organisations and NGOs</li><li>➤ We operate according to the sustainability principles we promote</li><li>➤ We observe ethical business practices, expecting the same from our clients and partners</li></ul>
<b>The Organisation - Passionate people in supportive organisational framework</b>
<ul style="list-style-type: none"><li>➤ We strive to be a financially healthy organisation to better fulfil our mission</li><li>➤ We seek and engage passionate and positive staff with high integrity</li><li>➤ We reward engagement, execution and excellence</li><li>➤ We continuously support the professional and personal development of our people.</li></ul>

# 2020 Goals and Objectives

## OUR WORK

**Goal 1.** Increased uptake of sustainable practices in supply chains and production landscapes leading to a healthier environment and enhanced livelihoods.

### *Objectives*

- 1.1 Expand NEPCon activities in the area of field-based conservation projects.
- 1.2 Demonstrate the viability of sustainable business model and create related awareness among businesses and producers.
- 1.3 Establish NEPCon Academy as a recognised, innovative global leader conducting capacity building and research activities within social and environmental certification, sustainable sourcing and business practices and conservation.
- 1.4 Establish NEPCon and maximise its potential as a standard development organisation.
- 1.5 Develop a clear concept and full NEPCon service package for Sustainable Sourcing that can be offered in the form of modules of different service components.
- 1.6 Build capacity for advocacy work related to selected public and corporate policies for mainstreaming sustainability in supply chains.

## REACH AND IMPACT

**Goal 2.** The impact and influence of NEPCon is extended to more geographies and sectors which hold the highest potential for change.

### *Objectives*

- 2.1 Maintain and grow existing portfolio of services, products and projects with an increased customer loyalty and support in all operating regions.
- 2.2 Establish a system for periodic review of the viability and impact of existing services that allows to take decision to continue, withdraw or strengthen any of them as necessary.
- 2.3 Expand NEPCon's institutional presence into South-East Asia and China.
- 2.4 Explore opportunities and viability to expand NEPCon's institutional presence in Africa and South Asia.
- 2.5 Extend NEPCon's sustainability assurance work into agriculture sector.
- 2.6 Explore opportunities and networks for expansion into new sectors such as tourism, water and cotton.

## BRAND AND NETWORKS

**Goal 3.** Enhanced recognition of the work and brand of NEPCon as a partner of choice.

### *Objectives*

- 3.1 Switch the NEPCon name. Establish and brand the new name internally and externally.
- 3.2 Strengthen, clearly articulate and consistently communicate the value proposition of NEPCon and its service areas.
- 3.3 Expand and strengthen NEPCon's networks and impact among NGO community, acquiring and actively harnessing membership of relevant global organisation, including ISEAL and IUCN.
- 3.4 Document the impact of NEPCon's work and effectively communicate it to stakeholders with a focus on clients and donors, and the public constituency in Denmark.
- 3.5 Enhance the reach and influence of NEPCon's communications with a focus on social media, collaboration with other newsletters, targeted participation in events and conferences, and other such measures.
- 3.6 Strategically increase focus on relationships with the brand owning companies that are creating or may create market pull throughout the supply chains to mainstream sustainability.

## THE ORGANISATION

**Goal 4.** Build a highly competent organisation with motivated workforce, robust support systems and adequate funds.

### *Objectives*

- 4.1 Re-organise and optimally structure NEPCon to enable the organisation to effectively fulfil its mission through its certification activities and non-profit project work without the risk for conflict of interest.
- 4.2 Optimally structure NEPCon as a fully recognised non-profit membership organisation, increasing its public legitimacy and positioning the organisation to better access public funds in Denmark and elsewhere.
- 4.3 Implement the front-back-head office model for regional offices to improve efficiency and quality in service delivery to ensure satisfied clients.
- 4.4 Strengthen the HR into a robust function commensurate with the requirements of an expanded NEPCon.
- 4.5 Improve NEPCon's motivation and staff development package.
- 4.6 Increase our ability to deliver sustainability services in an efficient and cost effective way through lean work procedures.
- 4.7 Strengthen financial systems, associated human resource capacities and procedures to enable real time availability of key financial information for decision making, based on prior definition of the key information requirements.
- 4.8 Increase NEPCon's equity to the level that can cover six months operating expenses while aspiring long term to eventually attain 12 months cover.
- 4.9 Increase donor support for NEPCon organisational development.

## Background

The certification movement is maturing and sustainability assurance is taking new dimensions. More and new sustainability standard systems are entering the arena and the competition within the systems is increasing. Some industries are developing their own standards, believing no single third party system can meet their needs for the thousands of products they produce and source. Likewise they are keeping their options open to work with a multitude of third party standards than committing to a particular one.

NEPCon has grown in size, recognition and influence. In addition to a healthy sustainability assurance portfolio, we are implementing a growing number of biodiversity conservation and capacity building projects on the ground. We have also evolved as an organisation, partly through our continued strong collaboration with the Rainforest Alliance. Building on the two organisations' strengths, we have built our respective capacities to effectively deliver together the greater good of sustainable sourcing around the world.

NEPCon is enhancing its non-profit profile. We are keen to expand our work on natural resource conservation and sustainable livelihoods as the major part of our mission. We are also re-positioning our organisation to better access new opportunities such as in forest legality, sustainable sourcing, agriculture, tourism, nature conservation, sustainable livelihoods and mainstreaming sustainability in CSR policies.

Together, these considerations have shaped the thinking behind this strategy. Whilst this strategic plan responds to new opportunities and challenges, it very much builds on the previous strategic plan. In that sense, it represents a blend and balance between sustaining NEPCon's legacy, future thinking and innovation.

The definition of goals under the strategy followed the four dominant pillars of NEPCon: Our Work, Reach and Impact, Brand and Network, and The Organisation. Each of these pillars must have a clear goal to serve and for them together to achieve the vision and mission. The goals have a set of specific objectives embodying the results contemplated. Some of these objectives are qualitative, others are quantitative but all are measurable to enable tracking progress and making course correction during implementation.

The strategy doesn't go down to the granular details of outputs and activities that are best addressed through the process of annual work planning (see more info on this below).

## Remarks on the Vision

At NEPCon we have chosen our vision to describe the future state of the world that we wish to see, contribute to and be a part of.

Our vision is derived from the understanding that the world's natural resources are under growing pressure. Despite all efforts, important global biodiversity values continue to be lost at an alarming rate.

Several factors are contributing to this, with human choices at the heart of them all. These choices range from land-use planning, technologies and law enforcement at the production level to sourcing, corporate governance and regulations at the consumption level. The trade and supply chains connect the two and play a critically important role by making sourcing decisions and by filtering choices for the consumers.

NEPCon believes that the world is not destined to doom, and that biodiversity conservation and human wellbeing can both be achieved. The dream of a sustainable future can become a reality. We have faith in the collective wisdom of mankind and recognise the potential of positively influencing choices along supply chains in securing the sustainability of human wellbeing on a healthy planet.

Our strategy is therefore premised on employing the conviction and experience of NEPCon to shape human behaviour for a sustainable future. We will do this by further developing the production and sourcing standards that we have associated with in the past, and by supporting the development of new sustainability standards to encompass further production systems in more countries around the world.

The strategy commits us to practice sustainability internally in our organisation and to help others to do the same. To this end, NEPCon will offer high quality advice and support services to our constituency of businesses, policy makers, and communities on the ground. These services will include sustainability assurance, biodiversity conservation, capacity building, and awareness raising.

This vision will inspire and motivate the skilled and motivated workforce that make the NEPCon of today and tomorrow.

## Remarks on the Mission

Our mission will drive the day to day work of NEPCon and our staff. The mission statement essentially summarises the focus of the organisation's projects and services. Whilst a compelling vision is essential in lending purpose to an organisation's work, it is the commitment to action that makes a difference. This is also true at the broader level of society where commitment and actions have sadly not kept pace with the vision of long term sustainability. A lot of progress has been made in the past three decades but a lot more remains to be done to secure the world's future. For this reason, we have elected to put building capacity and commitment to sustainability at the heart of our mission.

Creating and sustaining commitment to sustainability is a great challenge in a world where the forces of extravagance, profit maximisation, and pervasive poverty often work against sustainability. Despite their immensity and complexity, we will seek to transform these challenges into opportunities, consistently promoting the understanding of sustainability through its work with its constituency. More specifically, market outreach, sales, service delivery and project implementation all represent opportunities to create greater understanding and commitment for sustainability. We will also strengthen our work in impact assessment and communication that will enable us to make a stronger business case for mainstreaming sustainability and to generate support for it.

We recognise that awareness-raising alone would not suffice. We must also act for the change that we advocate. We believe that our best contribution will come from capacity building for sustainability which by design has a multiplier effect. Therefore capacity building makes the second important focus of our mission. All of our key services as well as certification standard development, training, and project implementation are aimed at building the society's capacity for a sustainable future. This will continue to strongly characterise NEPCon's work going forward.

## Remarks on The NEPCon Way

NEPCon has a set of guiding principles. Over time, these have become embedded in the institutional culture of the organisation. There is a broad and strong ownership of these principles that members of staff identify with.

Going forward, these will continue to be an integral part of the strategy, guiding our decisions and choice of future services and programmes. Listed below, these principles relate to different aspects of the organisation and collectively make what is popularly known as The NEPCon Way.

## Implementation

The preceding sections mostly deal with the questions of 'what' of the strategic plan. They outline what will be achieved at the broader organisation level and under the various components. A pertinent question is 'how'?

This strategy provides a broader sense of direction, focussing on the overall goals and objectives that we will pursue in the following years, recognising that output and activity level details are best left to annual work plans. Such a pragmatic approach allows the organisation the flexibility to adapt and prioritise implementation according to the opportunities and resources available in successive years.

Thus, annual work planning will be the main tool for implementing the strategy. This will entail an annual review of the organisation's work and plans in the latter half of a given year. The review will include programme and financial review of the past year, financial forecast for the following year, existing and new opportunities facing our organisation, and any challenges we must address. The intention is not to rewrite the strategy every year but the annual review process shall inform any adaptation of the strategy that may be necessary to keep it relevant and useful. Changes or adaptations, if any, will mostly be at the objectives level. The overall integrity of the strategic framework of vision, mission, goals and The NEPCon Way will be maintained.

The approach to implementation also recognises that there may be new products and services that we might be asked to perform or that we may wish to develop. In choosing our direction, we will be guided by The NEPCon Way. It will serve as a benchmark and filter that every new opportunity must pass through to qualify for NEPCon's investment of effort and resources.

## Monitoring and Evaluation (M&E)

NEPCon's collection and use of monitoring information has evolved over the years. This will be further built on and improved, especially in consideration of the impact assessment and communication that prominently figures in this strategic plan.

In further developing the system, it will be kept in view that monitoring and evaluation doesn't become a self-fulfilling exercise. M&E can often consume a disproportionate amount of organisational resources and thus become more of a drain than value added. NEPCon will thus strive for an M&E system that is cost effective, objective and robust and serves to achieve better results and to credibly communicate them to stakeholders for sustaining and growing their support. It would be more useful to track few select indicators credibly than tracking a large number of variables with a questionable quality of information.

To this end during 2014, NEPCon will continue to shape the set of key performance indicators that we wish to track, covering services, projects and our overall organisational performance. The indicators will be grouped into three categories of those to be tracked on monthly, quarterly or yearly basis.

This will be accompanied by a review of the monitoring tools and information collected currently. The preference will be to adopt and adapt existing tools rather than creating new ones. All efforts will be made to integrate the information requirements in the existing system of data collection so that the information becomes available as a routine than to have to be collected specifically at additional costs. New data collection tools may be instituted, only if necessary.

The gathered monitoring information will be analysed and considered in the monthly and quarterly meetings of the management to enable any course correction and inform future decision making. It will also feed into the annual work planning process mentioned above, and will form the basis of reporting to the board.

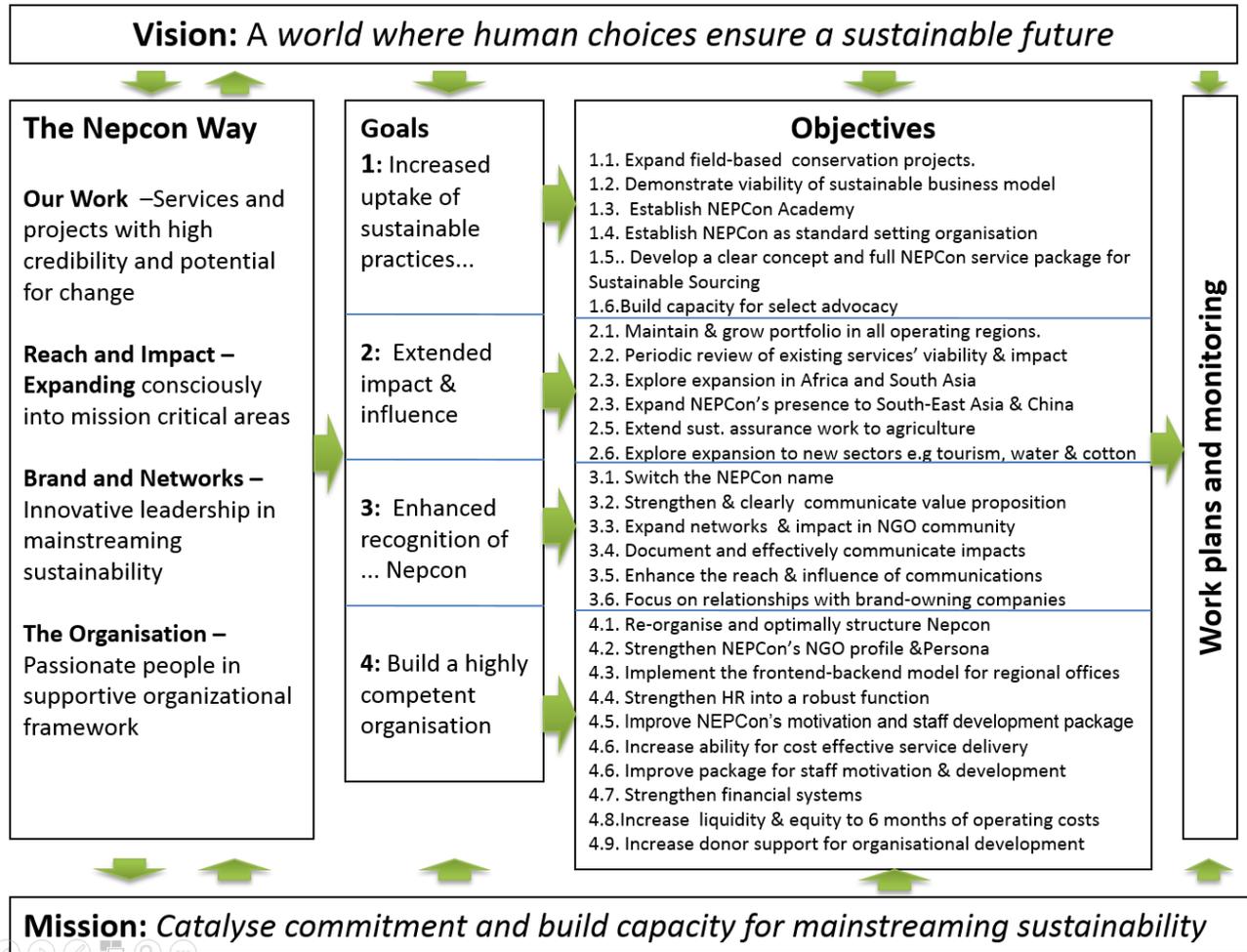
Ideally, the information routinely collected on select indicators should also contribute to NEPCon's impact assessment and communication. A separate parallel mechanism of impact assessment is better avoided to remain cost effective. However, we will commission an external independent review of NEPCon's work every 3 years for an unbiased assessment and objective feedback to the management and the board.

In addition, NEPCon will also collaborate with universities and other academic and professional organisations for undertaking case studies around its various aspects and projects. It will also support interns for similar work. The purpose will be to generate a steady stream of credible information around the impact of NEPCon's work to be regularly communicated to stakeholders.

## Annex 1. Definition of the Key Terms Used in the Strategy

- a) **Vision** describes a future state of the world or a part of it that an organisation envisions and wishes to contribute to. It can be time bound such as vision-2050 or can be open ended. An organisation can seldom achieve it fully. It remains an aspiration that inspires and guides the work of the organisation.
- b) **Mission** is a statement of recurrent actions that an organisation consistently takes, every single day, in the pursuit of its vision. If the vision is about change, the mission is about action to effect the change.
- c) **Goals** are statements of what an organisation wishes to achieve. They are relatively long term, seldom quantified, and their achievement or lack of it is not entirely in the control of the organisation such as 'capacity for legal sourcing in Europe enhanced'. The organisation alone can't be accountable for fully realising the goal on its own. However it will be responsible for the contributions it accepts to make towards the goal, and these contributions are often embodied in 'objectives'.
- d) **Objectives** are specific, preferably quantified, achievements that an organisation chooses to make. Objectives are meant to be within the organisations' reach and therefore it is accountable for them and can claim full credit for them, for example 'Expand NEPCon's institutional presence into South-East Asia and China.'
- e) **Outputs** are concrete indicators of an objective being achieved such as 'a legal sourcing manual', 'reports of training workshops' and 'number of personnel trained in forest legality'.

## Annex 2. Summary - the elements of the strategy



*A unique perspective*

## About NEPCon

NEPCon is an international, non-profit organisation that works to ensure responsible use of natural resources and secure sustainable livelihoods worldwide. We aim to transform land-use, business practice and consumer behaviour through the delivery of credible certification services as well as our involvement in innovative projects.

By engaging with companies, organisations and governments, we empower people to be part of the solution in tackling some of the greatest environmental threats facing mankind - including climate change and biodiversity loss. All of our services enable our customers to communicate their commitments to their clients and the public.

FSC®, SmartLogging, Sustainable Agriculture Network/Rainforest Alliance chain of custody certification, carbon forest verification and timber legality verification services are provided in collaboration with the Rainforest Alliance. NEPCon is accredited for PEFC Chain of Custody certification (DANAK reg.no.7029).

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