

# Theory of change

## Tools for Shared Agendas, No 4

March 2026



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*Tools for Shared Agendas* is a series of practical instruments designed to support collective work on place-based challenges under conditions of complexity. The tools build on established frameworks in systems thinking and transformative innovation policy and are adapted for use within Shared Agenda processes.

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## 1. Why working with a theory of change matters

In Shared Agendas, actors come together around a problematic situation they want to address. They agree on a shared direction of change and promote alternatives that they consider necessary to move towards that direction. These alternatives may involve new practices, new organisational arrangements, new business models or new forms of collaboration.

At the same time, actors develop a systemic diagnosis of the structural features of the dominant system that sustain the problematic situation. They identify which of these function as facilitators and which as inhibitors in relation to the shared direction.

They then organise portfolios of actions both to generate and expand relevant alternatives and to influence the facilitators and inhibitors that shape whether those alternatives can emerge, stabilise and spread.

Working with a theory of change matters because it clarifies how these actions are expected to contribute to progress towards the shared direction — through the development of alternatives and through deliberate engagement with system conditions.

A theory of change makes explicit the reasoning that links actions, alternatives and facilitators and inhibitors. It distinguishes between what actions directly produce and how progress towards the shared direction is observed and interpreted over time.

## 2. What the theory of change template enables actors to do

The template supports structured reasoning about contribution in complex, place-based contexts. Working with the template enables actors to:

- clarify the shared direction and the vision of the future they aim to advance;
- identify structural features of the dominant system that sustain or shape the problematic situation — such as rules, investment patterns, routines, infrastructures or power relations — and determine which of these function as facilitators (favouring progress towards the shared direction) and which function as inhibitors (constraining it);
- determine which of the most relevant facilitators and inhibitors can be influenced through collective action;

- configure portfolios of actions focused on influencing selected facilitators and inhibitors and on generating and expanding alternatives to dominant practices;
- specify how actions are expected to influence those facilitators and inhibitors and contribute to progress towards the shared direction;
- distinguish between outputs produced by actions and system-level signals that indicate whether progress towards the shared direction is advancing and whether alternatives are gaining ground;
- build and revisit a coherent narrative explaining how change is expected to happen and how collective effort relates to the shared direction over time.

### 3. How the theory of change template is structured

The template is organised around six interrelated elements that structure the relationship between shared direction, facilitators and inhibitors, and collective action.

#### Shared direction of change

Shared direction defines the orientation of change that actors decide to pursue together. It expresses the changes they want to achieve and the future state they aim to move towards.

Direction provides orientation for collective action. It serves as the reference point against which challenges are articulated, facilitators and inhibitors are identified, and portfolios of actions are configured.

#### System conditions

System conditions describe the structural features of the dominant system across five interrelated dimensions:

- Policies and governance
- Markets
- Investment and financing
- Science, technology and infrastructures
- Society and culture

These features include rules, routines, investment patterns, institutional arrangements, infrastructures, norms and power relations that sustain the

current problematic situation and shape whether alternatives can emerge, stabilise and expand.

In relation to the shared direction, some of these conditions function as facilitators, favouring progress towards that direction, while others function as inhibitors, constraining it.

Working with system conditions enables actors to understand how they operate, identify which are most relevant for advancing the shared direction and for strengthening viable alternatives, and decide where collective action can make a difference.

## **Portfolios of actions**

A portfolio of actions brings together a set of coordinated actions within a Shared Agenda.

A portfolio may be organised around influencing a specific set of facilitators and inhibitors, or around developing and expanding a defined alternative that contributes to the shared direction. In practice, both dimensions are often combined.

The focus of the portfolio defines its objective, the types of actions required, and the actors that need to be involved.

The actions within a portfolio are interdependent because they contribute to the same strategic objective — whether by acting on structural conditions, strengthening an alternative, or both.

Several portfolios may coexist within the same Shared Agenda. Each mobilises a specific combination of actors and actions. All contribute to progress towards the shared direction.

## **Assumptions about contribution**

Assumptions articulate the reasoning that explains how actions within each portfolio are expected to contribute to progress towards the shared direction.

They are formulated while portfolios are being configured. For each portfolio, actors clarify:

- which facilitators and inhibitors the actions seek to influence;
- how the actions are expected to generate, strengthen or expand relevant alternatives;
- how influencing these conditions and developing these alternatives are expected to advance the shared direction.

This step ensures that portfolio design remains grounded in the systemic diagnosis and in the intended direction of change. It requires actors to make explicit why selected actions are considered strategically relevant, rather than focusing only on what is feasible or readily available.

Assumptions make the underlying reasoning explicit and open to collective examination and revision as implementation unfolds.

### **Outputs (action-level)**

Outputs refer to the direct results produced by actions. They may include initiatives launched, instruments introduced, partnerships formalised, resources mobilised, operational arrangements established, or new business models developed.

### **System-level signals**

System-level signals refer to observable developments beyond the immediate outputs of actions that are relevant to progress towards the shared direction.

These may include regulatory adjustments, shifts in dominant practices, changes in investment patterns, reorganisation of value chains, or the wider uptake of emerging alternatives.

System-level signals are interpreted in relation to the shared direction and informed by the shared vision of the future. They help actors assess whether and how the system is moving, even partially or unevenly, towards the changes they seek to advance.

## **4. When and how the template is typically used**

The template is used once a shared direction and a systemic diagnosis have been established.

It is typically applied when portfolios are being configured or revised and when actors need to clarify how collective action is expected to influence identified facilitators and inhibitors and support the development of relevant alternatives.

As implementation proceeds, outputs are documented and system-level signals are observed and interpreted collectively. Revisiting the template allows actors to reassess assumptions, reconsider the relevance of selected facilitators and inhibitors, and verify whether portfolios remain strategically oriented towards the shared direction.

## 5. How SharedAgendas.org works with the theory of change template

SharedAgendas.org uses the theory of change template to support the process of building and refining Shared Agendas.

The template is used to build a clear narrative of how change is expected to happen. It helps actors clarify how their actions aim to influence relevant facilitators and inhibitors, how they generate and expand alternatives to dominant practices and arrangements, and how these efforts relate to progress towards the shared direction. It also allows them to verify whether their collective energy is focused on what matters most for advancing that direction.

## 6. Relation to other templates

The theory of change template is used once key elements of the Shared Agenda process are in place.

It builds on previous steps in the sequence:

- the problem has been explored and clarified through the problem framing wheel;
- a shared direction and vision of the future have been defined;
- facilitators and inhibitors have been identified and analysed using the pentagonal map;
- possible actions have been discussed or proposed.

The theory of change template then brings these elements together. It clarifies how selected actions, organised in portfolios, are expected to influence identified facilitators and inhibitors, promote relevant alternatives, and contribute to progress towards the shared direction.

## 7. The theory of change template

