# THEORY OF CHANGE

Theory of Change approaches can be used to enable and articulate a broad understanding of how change happens in a particular context, the role of an organisation in bringing about that change, and important assumptions. Theories of Change are often developed during the design phase of a programme, but may also be formed during an evaluation. They can be seen as both a process and a product.

The term *'Theory of Change'* first emerged in the 1990s. Its purpose at that time was to address some of the problems evaluators faced when trying to assess the impact of complex social development programmes. These included poorly articulated assumptions, a lack of clarity about how change processes unfolded, and insufficient attention being given to the sequence of changes necessary for long-term goals to be reached (O'Flynn 2012). Theory of Change thinking has progressed rapidly since then, and is becoming increasingly popular within social development.

A Theory of Change (ToC) can be applied at any level of intervention from a project or programme through to the work of an entire organisation. It can be described as an:

> *"on-going process of discussion-based analysis and learning that produces powerful insights to support programme design, strategy, implementation, evaluation and impact assessment, communicated through diagrams and narratives which are updated at regular intervals"* (Vogel, 2012, p5).
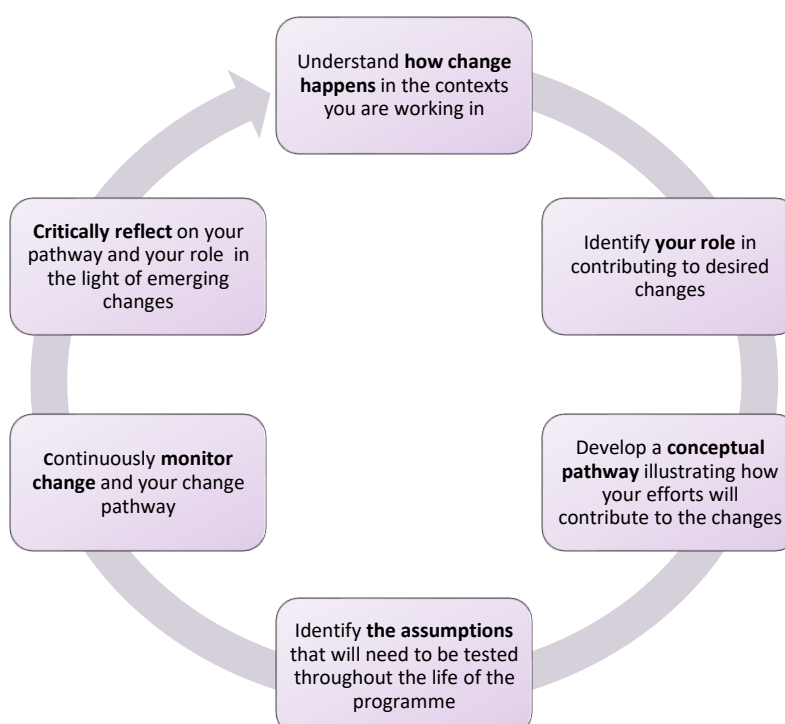
However, when people refer to ToCs they can mean two different but interconnected things: the process through which the theory is developed, or the resulting product.

## Theory of Change process

A ToC can be developed after a desired change or set of changes has been identified. Sometimes, however, a visioning exercise is carried out as part of the process. This aims to identify the desired, long-term change, explain why it is important, and clarify who benefits.

The process of developing a ToC can be very different, depending on the level of development intervention (project, programme, organisation), the nature of the intervention, and the timing of the exercise. However, some parts of the process are common to many theories of change (see figure 1). These are described in the sections below:

**Figure 1: Theory of change cycle of planning and reflection**



- Understand **how change happens** in the contexts you are working in
- Identify **your role** in contributing to desired changes
- Develop a **conceptual pathway** illustrating how your efforts will contribute to the changes
- Identify **the assumptions** that will need to be tested throughout the life of the programme
- Continuously **monitor change** and your change pathway
- **Critically reflect** on your pathway and your role in the light of emerging changes

*Understand how change happens:* A key first step is normally an assessment of how change could happen in relation to a particular issue or context. This might involve investigating:

- which factors in the external context could help or hinder change;
- who has the power to influence change, positively or negatively;
- what or who needs to change, and at which levels (e.g. national, regional, community); and
- over what timeframes.

The assessment may be based on common understanding of how change happens amongst the different stakeholders developing the ToC. In some circumstances research might be commissioned to generate additional insights and conclusions. This often involves methodologies such as power analysis, political economy analysis, stakeholder analysis and gender analysis.

*Identify your role:* The next stage is to explicitly identify an organisation or programme's own role in bringing about the desired, long-term change(s). This means deciding which changes an organisation and its partners can contribute to directly and/or indirectly, and which areas of change are beyond their scope.

*Develop a conceptual pathway:* Once an organisation or programme has defined its own role in bringing about the desired long-term change, it usually develops a conceptual pathway. At the minimum, this means defining a set of desired changes at different levels from short-term changes through to longer-term goals. In many cases, these changes are developed into a conceptual map or diagram which both captures the desired changes and illustrates the linkages between them. This can be done in different ways. However, the most well-known conceptual pathway is a **causal chain** or **impact pathway** (see figure 2).

> Some people call the conceptual pathway and the thinking behind it a **Theory of Action**, to distinguish it clearly from the Theory of Change, which focuses more on how change happens in a context.

*Identify assumptions:* The identification of assumptions is a critical part of ToC thinking. These can be seen as the conditions that are necessary for change at one level to influence change at the next level. Assumptions may be focused on the needs, interests or behaviours of key stakeholders. Or they might be focused on cause-effect relationships in the conceptual pathway (HIVOS 2014).

*Ongoing monitoring:* The regular monitoring of change is an important part of a ToC approach. This enables organisations to assess where change is happening, and where it is not happening, and to track whether or not they are making progress towards their longer-term goals or impact.

When applying a ToC approach it is important for organisations to look at the changes that are occurring in combination with the assumptions. This can be done by comparing assessments of change at different levels of a conceptual pathway, and attempting to draw conclusions about how change at one level is (or is not) influencing change at another. If change is happening at one level but failing to translate into change at another level, there is a good chance that the assumptions may be false or incomplete, in which case they need to be revised.

*Critically reflect:* Critical reflection is a vital part of a ToC approach. Monitoring or evaluating change, and reflecting on critical assumptions, should lead an organisation or programme to question itself on a regular basis. Important questions to ask include the following:

- Is the ToC still valid?
- Is the organisation / programme working with the right people in the right way?
- To what extent have observed changes led to changes in the lives of targeted populations?
- What is better understood now than before?
- What needs to change in the understanding of how change happens or an organisation's specific role in contributing to change?

Through this critical reflection, organisations can gradually refine their ToC; better articulating how change happens and their role in helping bring it about, and better appreciating the assumptions that underpin their work.



**Figure 2: A typical impact pathway or causal chain**
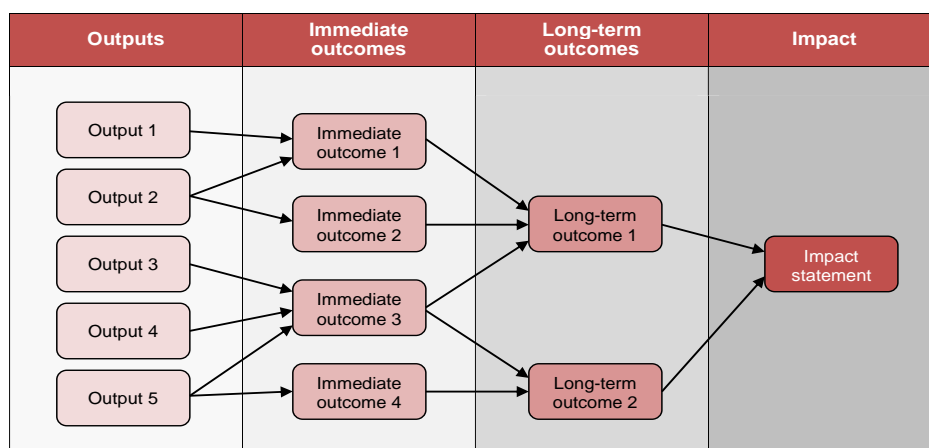
## Theory of Chain product

As well as being seen as a process, a ToC can also be understood as a product. The product is normally a mixture of diagram and narrative summary. ToC products can be extremely varied, but are typically narratives of between two-five pages in length, accompanied by a diagram.

The content, length and level of detail of a **ToC narrative** is obviously linked to its nature and purpose, as well as the audience for which it is developed, such as organisational or programmatic staff, funders or wider supporters. However, there are often common elements. Some of these are described in the table below (see HIVOS 2014).

A **ToC diagram** may be quite similar to a conceptual pathway, such as the impact pathway or causal chain shown in figure 2. However, when producing ToC diagrams for external audiences, organisations often produce high-quality visualisations that can easily communicate the ToC to different stakeholders (see figure 3 on the following page for an example).

As well as a conceptual pathway, ToC diagrams may also include different elements of a ToC narrative, including key stakeholder groups, strategies, partner organisations and important assumptions, as well as an explanation of the linkages between different change statements.

If a ToC narrative and diagram is generated following a valid and useful ToC process then they are complementary. In this case the product can serve a very valuable purpose, not just for communication but also as a basis for monitoring, evaluation, impact assessment and learning.

However, there has been a tendency in recent years for people to skip some or all of the process, and go straight to developing a theory of change product, especially if demanded by a donor as a condition for funding. In worst cases the ToC narrative is also left out, and a standalone diagram is all that remains. INTRAC believes this is not a genuine ToC, and should not be labelled as one.

## Links to planning, monitoring, evaluation and impact assessment

ToCs can be linked into planning, monitoring, evaluation, impact assessment and learning processes in several ways. Some of these are described in the following sections. (Note that some do not require a ToC to be developed using all the steps describe in figure 1.)

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### Theory of Change Narratives: common elements

***The stakeholder groups or individuals involved in the ToC development process:*** it is often useful to include a description of how a ToC was developed, and to list the different stakeholders that were involved.

***The desired overall change or vision:*** this may be the desired impact of the organisation or programme. It is helpful to identify the range of different individuals, groups or organisations the intervention aims to affect.

***The current situation:*** this could involve a description of key actors and factors who might influence the process, including an analysis of the problems and underlying causes an intervention is seeking to address. Sometimes, organisations include a summary of power and/or gender dynamics, or an analysis of the key drivers of change.

***The objectives of the organisation or programme:*** this may include timeframes in which changes are designed to be achieved, and the proposed contribution of the intervention.

***The main strategic choices and rationale:*** including an outline of why some strategic paths were chosen and not others; this might also include an explanation of key intervention strategies (but not a detailed list of activities to be undertaken).

***Key stakeholders:*** this could include the organisations or partners which will carry out the work, as well as stakeholders that have the potential to influence, block, delay or support the work.

***The critical assumptions***: an outline of the main assumptions underlying the strategic choices and conceptual pathways; this might also include a description of how these assumptions might be tested, or of measures designed to mitigate risks.

***An explanation of the diagram or visualisation:*** *if the ToC is accompanied by a diagram then it might need some explanation. This may include explanations of how different change statements are linked.*

***Supporting evidence:*** *this could include the evidence designed to support the ToC, or descriptions of how the programme intends to collect further evidence in the future.*

***How the ToC will be used:*** *this could include a description of monitoring, evaluation or learning processes linked to the ToC, or how else it might be used during the implementation of the programme.*

**Figure 3: Book Aid International Theory of Change**



Source: Book Aid International. *Our Theory of Change: How we change lives in the long-term.*

**Design and planning:** A ToC is most commonly used to provide analysis that contributes to improved programme design and planning. For example, a ToC at organisational level might enable the development of a better strategic plan; whilst a programme ToC could lead to a better-designed programme, with a more realistic and effective programme plan. Monitoring and evaluation (M&E) is always more effective when linked into clear and realistic planning processes.

**Results frameworks:** A results framework can be generated from a ToC in at least three different ways:

▪ A results framework can be generated directly from a ToC diagram or conceptual pathway. This involves developing indicators (or sometimes monitoring questions) for each of the changes contained in the diagram or pathway.

▪ A similar option is to copy over a selection of the changes covered by a ToC into a results framework. This means the results framework can be kept smaller and more manageable, and only focus on the immediate M&E requirements. For example, some longer-term changes described in a ToC could be left out of a results framework in the initial stages of a programme.

▪ Organisations often develop a logical framework based on a ToC. This can be problematical, especially if a logical framework only allows one or two main outcome (or purpose) statements. ToCs generally

contain multiple change statements at different levels, and it is not possible to reflect them all in a logical framework. In response, practitioners can get very creative; perhaps turning some change statements into indicators, or including them at the output level of a logical framework. However, this is never ideal.

Traditional results frameworks tend to be based around indicators of change. However, for a ToC they can be expanded to include evaluation or learning questions covering the linkages between different change statements, or questions related to key assumptions. The more flexibility the better.

**Regular review:** Monitoring of change forms an important part of ToC thinking. Linking M&E processes to a ToC helps organisations to assess where change is happening, and where it is not happening, and to track whether or not they are making progress towards their longer-term goals or impact. Critical parts of a conceptual pathway, and the linkages between change at different levels, may be continually assessed, with programme alterations based on real-time M&E data.

Organisations often find it useful to hold regular reviews, where staff and other stakeholders are given the opportunity to assess whether, or how far, changes articulated in a ToC are being achieved. These reviews

frequently include a mixture of formal M&E information and findings based on the knowledge, experiences and opinions of programme staff.

*Evaluations:* A Theory of Change normally sets out explicit, desired changes, which means that it provides an effective framework for the assessment of long-term change. Many evaluations are theory-based. This means they are based on an explicit ToC that explains the theory of a development intervention or set of interventions. A theory-based evaluation usually attempts to assess change at each stage of the theory to test the linkages (assumptions) between different levels of change. Essentially, a theory-based evaluation sets out to test a ToC to see if the theory holds true.

Sometimes, however, an initial ToC was not developed, or was considered inadequate. In these cases, theory-based evaluations often start by reconstructing a ToC, focusing on the change pathways and assumptions after the event. The first step covered in figure 1 – understanding how change happens – may be left out, with the focus instead on what an organisation or programme hoped to achieve and how.

**M&E methodologies:** Many methodologies for data collection and analysis involve the development, use or adaptation of ToCs. For example, methodologies like process tracing and contribution analysis often involve working backwards from an observed change to retrospectively develop a theory of how it came about. The pathways to change can then be investigated to help assess a programme's contribution. Other methodologies, like outcome harvesting, generate multiple stories of change. These are sometimes mapped onto the changes contained in a ToC in order to find patterns, clusters or gaps.

*Testing of assumptions:* When applying ToC approaches, it is important to look at change in combination with assumptions. This can be done by comparing assessments

of change at different levels and attempting to draw conclusions about how change at one level is (or is not) influencing change at another. In particular, if change is occurring at one level but failing to translate into change at another level there is a good chance that assumptions may be false or incomplete. This might mean amending or discarding assumptions, or introducing new ones.

Sometimes, particularly when assumptions are uncertain, contested, or critical to a programme – or when there is evidence they may be wrong – programmes can develop learning questions around the assumptions, and can devote resources towards testing them. This could be done, for example, by drawing staff together to discuss an assumption, or by commissioning a research project to investigate it in more depth.

*Enhancing communication:* For multi-actor initiatives, jointly undertaking a ToC process can be critical in order to come to shared understanding and ownership. This can then be used to help develop a collective MEL process and framework for impact monitoring. This is important because aligning the systems and MEL practices of multiple partners in a programme is often difficult (HIVOS, 2014).

*Summary:* There are many links between ToC approaches, and M&E and impact assessment processes. When done properly, a ToC approach helps lay out a framework within which planning, monitoring, evaluation, impact assessment, learning and improving can all take place more effectively. This does not mean that ToC thinking necessarily makes M&E easier. On the contrary, it sometimes makes it much more difficult. But it makes it more useful because it better reflects the reality of what is happening (Green 2013).

Some of the strengths and weaknesses (or limitations) of ToC approaches, as applied to M&E and learning, are shown in the table below (see also James 2011, Vogel 2012).

| STRENGTHS | WEAKNESSES AND LIMITATIONS |
|---|---|
| ❑ A ToC can develop a common understanding amongst stakeholders of what an intervention is trying to change, and how. | ❑ If only done to satisfy external stakeholders, ToC products may end up as complicated or unrealistic models of what an intervention aims to achieve. |
| ❑ It provides a framework for M&E and impact assessment by articulating desired short- and long-term changes. | ❑ ToCs encourage people to think about multiple levels of desired change, and how they are interlinked. Transferring all of this into a results framework may result in disproportionately large M&E requirements. |
| ❑ By explicitly dealing with long-held assumptions, and testing them through ongoing M&E, ToC thinking can support innovation and 'out of the box' thinking. | ❑ Many ToCs ended up as just extended logical frameworks – 'logframes on steroids' as Green (2013) puts it. |
| ❑ ToC diagrams can enable organisations to look at the whole picture of what they are trying to achieve, and then identify which are the most important bits to monitor and evaluate. | ❑ Organisations that already invest heavily in knowledge management, critical review and internal learning may not gain that much extra from a ToC process. |
| ❑ ToCs encourage people to look at changes rather than the easier-to-measure activities and outputs. | ❑ Many ToCs are developed at the proposal stage for programmes, when limited time and resources constrain the deep thinking and participation required. |
| ❑ ToC thinking can provide opportunities to think clearly about how to contribute to significant, lasting change. This sometimes leads to leaps of insight. | ❑ ToCs sometimes attempt to forecast over long time periods, making them quickly obsolete as the context changes around them. |

## Evolution of ToCs

In the early 2010s there was a lot of focus and enthusiasm around ToC thinking. Whilst not considered a magic bullet, it was hoped that ToC thinking could re-emphasise the kind of deeper thinking and analysis around change that the logical framework approach was intended to promote when it was first introduced. However, contributors to a major review of ToC approaches in 2012 felt strongly that if ToC products or processes were prescribed as a condition of funding, ToC thinking would quickly become a compliance exercise and lose much of its value (Vogel 2012). That appears to have happened amongst some sections of the social development community.

Nonetheless, many organisations do continue to benefit from ToC approaches, especially when de-coupled from funding relationships. At the same time, ToC thinking has evolved over the past decade. In particular, there have been attempts to align ToCs better with complex programmes, or programmes that require constant adaptation in the face of changing circumstances or evolving evidence of what does or does not work. This often means ensuring that ToCs are kept light and flexible – less effort being spent to make them perfect as the start of a programme, and more effort devoted to constantly reviewing and updating them over time in order to contribute to real-time decision-making.

## Further reading and resources

There is no single comprehensive publication on Theory of Change. However, HIVOS has developed a ToC Guide called *"Theory of Change Thinking in Practice"*, which can be downloaded from https://hivos.org/document/hivos-theory-of-change/. It contains many practical sections dealing with different aspects of ToCs, including a section on monitoring, evaluation and learning.

## References

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