



Theory of Change

A Guide for Small and Diaspora NGOs

Cathy James

August 2013



The Common Ground Initiative is co-funded by Comic Relief and UKaid, and managed by Comic Relief



1. The reality of change

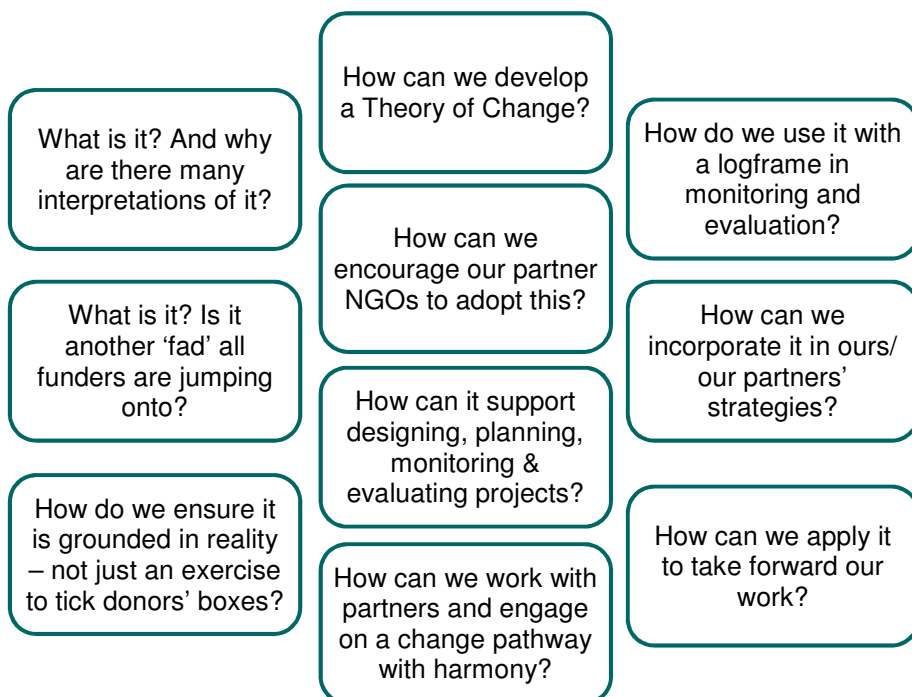
Theory of Change is nothing new. It is not just a donor fad or yet another hoop to jump through. It is an on-going process of reflection to explore change and how it happens in our context. Yet it can provide a very powerful learning lens which makes us ask ourselves and others simple but important questions about what we are doing and why. By focussing attention on the lasting changes we aim to bring, and reflecting on what really contributes to those kinds of changes, it can help us step out of 'project activity' mode, question our assumptions, and focus on what really matters. It enables us to learn from others, build a common understanding of our work and develop clarity in our strategies and partnerships. It provides a clear framework for learning, monitoring and evaluation.

*"I came away feeling enlightened and reinvigorated to overcome the challenges ahead. Why did no one take us through this process when we started? We've wasted so much time and effort. This is so simple, yet it makes everything so clear."
(Southern NGO director)*

But Theory of Change needs to be done well. It should not be about producing a document to share with donors and partners. Instead, it needs to be a process that involves the people we exist to serve and those with whom we work. As one of the participants at the 2013 Peer Learning Programme (PLP) seminar said:

"I came to this workshop with a presentation about how wonderful our Theory of Change was. We have invested massively in consultants, annual meetings, trainings... We did the whole lot. But our starting point was wrong. We were trying to impress the donors. We sat in London and developed all this Theory of Change stuff. I have learnt that Theory of Change has to start with the community. It is the communities that are all too aware of the changes they want to see and how change happens. They live the reality of change."

Suddenly, so many people in the development world are talking about 'Theory of Change' or more often, making passing references to it. Many are confused as to what it really means. Participants at the PLP learning event asked:



This guide therefore aims to help address these questions and highlights a few useful resources. It includes the following:

- Part 2 clarifies what Theory of Change is and how it fits with the logframe.
- Part 3 shares some benefits and challenges of using it and who has found it helpful.
- Part 4 suggests how to encourage southern partners to reflect on and/or develop their own Theory of Change.
- Part 5 provides some practical ideas about how to go about a Theory of Change process (including participatory ranking and analysis tools that have been helpful) and how it can support strategic planning and monitoring, learning and evaluation.
- Part 6 draws out what makes a good Theory of Change process.

2. What is “Theory of Change”?

When you mention ‘Theory of Change’ to southern practitioners, their faces tend to go blank in an effort to politely mask their boredom. They fear this may be yet another donor hoop to jump through to receive their funding. A group of Comic Relief partners that met together in India, drawn together from street and working children programmes across Asia, said that when they heard about Theory of Change they thought it was going to be irrelevant to their practice. To their surprise, they found it really helpful in “*understanding the work that we do and what exactly one wants to achieve with a particular activity*” and “*seeing where we can hit the critical points and zoom in*”. They argued that we should call it instead ‘the reality of change’ as it helps explore what how change really happens in practice, while building on learning from external research.

Comic Relief, drawing from the experiences and feedback from its partners and external agencies, defines Theory of Change as:

“an on-going process of reflection to explore change and how it happens – and what that means for the part we all play in a particular context, sector and/or group of people:

- *It locates a programme/ project within a wider analysis of how change comes about*
- *It acknowledges the complexity of change: the systems and actors that influence it*
- *It draws on external learning about development*
- *It articulates our understanding of change – but also challenges and opens it up*
- *It is often represented in diagrammatic form with an accompanying narrative summary”*

(Comic Relief Theory of Change guidelines 2011)

2.1 Where has Theory of Change come from?

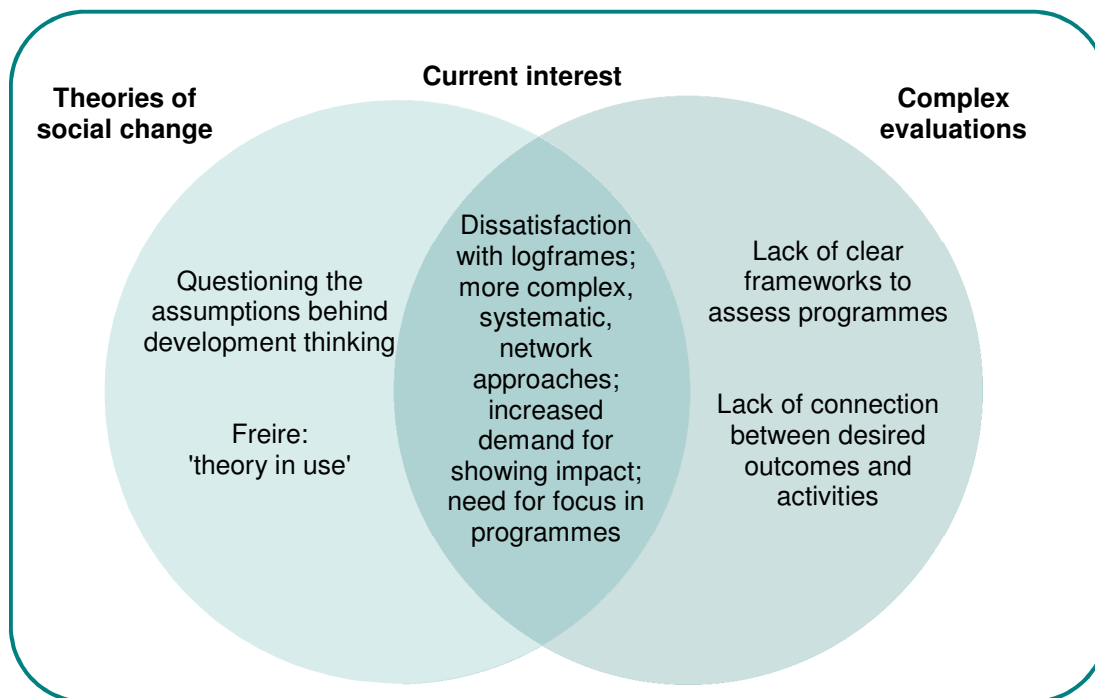
No one can justly claim that ‘Theory of Change’ is a new thing or indeed any particular thing. Every time we as practitioners, consultants, academics or funders analyse what we are doing, whether to learn, to design a programme or to evaluate, we start to question what brings change. There have always been theories underlying our approach to development from modernisation through to dependency to network or systemic thinking. These inform the way we think, work and interact with others. Theory of Change does not

bring in new thinking but it helps us surface our underlying beliefs about development and challenge them in relation to external learning and other people's views. Three main strands of thinking and work underpin the current interest in Theory of Change.

Firstly, the work of the Brazilian educator and development thinker, Paulo Freire, in the 1970s advocated for people to analyse their own realities as part of empowerment. Such thinking still underpins the more exploratory approaches to Theory of Change.

Secondly, many also attribute Theory of Change to the work of the Aspen Roundtable in the U.S. and in particular to Weiss, who in 1995, argued that evaluation was hard to do well because most projects had not thought through the connection between activities and outcomes. She challenged people to define a pathway that was 'plausible, doable and testable'. ActKnowledge, an independent research and capacity-building organisation, built on these foundations to develop a 'Theory of Change' process and website, which sets out exact steps to identify preconditions, pathways, and interventions for success.

These two perspectives, reinforced by the current demand to demonstrate impact and a dissatisfaction with existing tools have increased the popularity of Theory of Change.



The differing views help to explain the wide spectrum of definitions and approaches that people now take to Theory of Change and which fall into two broad categories:

- i. **Explanation** – focusing on articulating how a project/ programme brings change.
- ii. **Exploration** – analysing how change happens and the contribution that an organisation (or programme) can make.

Approaches in the first category use Theory of Change as a tool to describe how they believe that the interventions they use will bring about change. Comic Relief and INTRAC take a more exploratory, open approach, valuing it as an adaptable process – not just

another tool – that enables us to go beyond simplistic cause and effect to tease out the factors, pathways and relationships that bring and sustain change in a particular context.

2.2 What are the fundamental questions in Theory of Change?

Theory of Change asks some important and yet simple questions (see below) and helps people to prioritise the answers. But we have seen people use Theory of Change in different ways and beginning at different points, yet still finding a value in it as a common 'starting place' on a journey and a reference point to come back to, as programmes evolve and learn from experience. Some have carried out a very brief initial process primarily to develop their monitoring and evaluation systems while others have taken more than a year to develop their Theory of Change prior to programme planning. Some organisations find the process easier if they begin by analysing the key problems that their target group faces and then using those to identify the priority outcomes (for example, lack of access to education). Others prefer to begin with the long-term vision and outcomes and work backwards to analyse the pathways and factors to achieve them.

1. The context for change

How does change happen?

Who do we exist as an organisation to support? Who are the specific groups with particular vulnerabilities for whom we might need to tailor our approach?

Who are the groups and what are the structures and processes that influence change for this target group (whether positively or negatively)?

2. Our organisational (or programme) contribution to change

What are the long-term changes that need to happen in the lives of our target group?

- What is your overall vision for change?
- What are the key problems those benefiting face and what are their causes?
- What are the key long-term changes to which we can contribute (ranked)?

Who and what needs to change in order to achieve those long-term changes?

- What changes need to happen at other levels or dimensions in order to achieve the long-term changes (e.g. at community level or in policy or systems).
- Who are the strategic partners we will work with and the duty bearers we need to influence? How will they change?
-

What are the four or five key elements that we can contribute that will be vital in bringing about the changes? (our core beliefs about how we influence change)

- What relationships, approaches, pathways most contribute to change?

3. Applying our theory of change

How will we know and measure if we have brought about change?

At what points in our organisational cycle will we formally review our theory?

2.3 What's different from Logical Framework Analysis?

One of the first questions about Theory of Change is: How does it fit with other tools and processes we already work with – in particular logframes?

Theory of Change and logframes are not mutually exclusive. Many NGOs find that they can draw up logframes more easily after developing a Theory of Change. While Theory of Change helps people explore and articulate change and how it happens, logframes can provide a way to describe the specifics of what a project will do. Others, however, find that a Theory of Change fits much better than a logframe with their way of working and that they no longer need the logframe at all.

How is Theory of Change different from logframes?

- Theory of Change is more analytical and less descriptive, focusing on change not project components.
- It captures the complexity of change much better, taking into account relationships and the interdependence between different programme elements.
- It is broader than just a project, taking into account existing change processes and both external and internal factors affecting a programme.
- It is simpler, more flexible and not rigid in its terminology.
- It is more interactive and fun, involving a broad group of stakeholders.
- It prioritises what is important, rather than giving everything equal weighting.

3. Why use a Theory of Change?

3.1 What are the benefits of using Theory of Change?

People and organisations that have begun using Theory of Change highlight a large number of benefits that the process brings, including:

- Helping people come to a common understanding of their work – and surface any differences – by developing the theory of change together as a group.
- Strengthening the clarity, direction, effectiveness and focus of programmes by identifying what matters most.
- Providing a framework for review, learning, re-design and evaluation by clarifying the changes that need to happen at different levels and the beliefs that need testing.
- Improving partnership by identifying key strategic partners and by supporting open conversations about the work with all kinds of partners, including donors.
- Supporting organisational development by helping organisations align systems and staff roles with their core focus and priorities – which can also improve relationships.
- Helping people communicate what they do so it can be more easily understood by others, such as donors, trustees and new staff; and providing a structure for reporting.
- Empowering people to become more active and involved in programmes by helping them think through and discuss their beliefs about change and how it happens.

Clearly, not everyone will necessarily experience all these benefits. They may depend on the purpose of the process, the approach and the situation of the organisation or partners. Theory of Change is not a panacea or a magic wand to overcome the inherent challenges of development. But a well-designed and appropriate process can help with one or more of these areas – and sometimes it can transform a whole organisation as in this case:

A transforming process

(summarised from Comic Relief's theory of change review 2012)

Following a Theory of Change process, an Indian NGO working with railway children, has refocused its strategy, restructured roles and reinvigorated relationships.

After attending a Comic Relief Theory of Change workshop, the director closed his organisation for eight days. He took 25 staff through open and deep discussions about the changes they wanted to see, the factors that contributed – and about their own roles. Staff then carried out a similar process with the children, but using more pictures, symbols and exercises as well as games and drawing. Staff identified areas on which they needed to increase their focus, such as advocacy and community support. They were also surprised by the children's contributions, including identifying 23 things they could do for themselves. Since the process, staff turnover has reduced greatly, their satisfaction has increased and they contribute much more to the organisation. A recent external evaluation found the atmosphere had significantly improved in their centres and that staff were much more actively contributing to decision-making. The director commented:

“This was a process of joint revelation and decision-making. It was a valuable collective exercise that generated consensus about the direction we should go.”

3.2 What are the challenges of using Theory of Change?

People also face some challenges in using Theory of Change.

Some people struggle to represent their Theory of Change effectively, finding that the diagram over-simplifies or loses some key elements of their analysis or becomes overly complex and difficult to understand and use. It is important to recognise that the summary theory cannot capture everything in a complex and changing situation.

Many find it difficult also to continue the process of learning, particularly if they do not manage to reconcile their learning from Theory of Change with other organisational processes and tools and if they do not set aside specific times to review it.

Theory of Change processes need very skilful and sensitive facilitators to support organisations both in the initial phase and also sometimes in following through and applying their learning. While many facilitators are aware that different processes might be better for certain organisations, some end up following the same mechanistic steps.

3.3 Who is it useful for?

We all need to think about what we are doing and why. Increasingly we also need to be able to demonstrate that we are contributing to lasting change. A Theory of Change is a good way to help us do this.

Organisations that do not directly deliver projects at grassroots (such as grant makers, capacity building providers or advocacy groups); those with complex projects; and programmes with multiple partners often find Theory of Change particularly helpful.

Smaller, less experienced organisations swamped by organisational or funding issues may not find it easy to engage at first. However, once they begin a Theory of Change

process, many find it helps them become more effective in their work. It takes them back to the basics of what they are doing and helps them analyse their approach in the light of external learning. It often clarifies priorities and helps them focus better on what they are able to achieve. It also helps small organisations design a system that is manageable, simple and clear for monitoring, learning and evaluation.

It is vital, though, that the process is relevant to an organisation's existing learning processes, stage of development and capacity. Young, pioneering organisations may benefit from less formal approaches to Theory of Change – conversations that stimulate them to learn from others or map out different pathways that they want to explore.

Theory of Change sits behind other organisational tools and processes and can complement and indeed strengthen them. Organisations find it most useful if they are able to think through their Theory of Change at the start of a new stage or programme, when it can inform their strategic planning and their monitoring, learning and evaluation.

4. How can we encourage local partners to reflect on and develop their own Theory of Change?

Finding a helpful way to encourage southern partners to begin reflecting on and/or developing their own Theory of Change process is not always easy. A number of UK NGOs and even donor staff have facilitated processes themselves. The Comic Relief review on Theory of Change showed that this had worked for some partners, who had found the reflection very useful, even where they had been uncertain or resistant at first. But some had felt like it was jumping through another hoop. Its success depends to a large extent on the quality and openness of the facilitator and his or her ability to manage the power dynamics so that everyone can discuss freely.

In my experience as a consultant, it has worked best when the UK NGO suggests to a southern partner that it would be helpful to hold a workshop (preferably when reviewing work or at the beginning of a new programme) to step back from daily activity and reflect together on their learning. Sometimes, the Theory of Change reflection can become the first stage of a strategic planning workshop, evaluation or relevant training. Some facilitators will not even use the term 'Theory of Change' if it is unfamiliar to the partner, until the initial workshop process is complete.

Where possible, it is helpful if an external consultant can facilitate a Theory of Change process in-country as this enables southern partners to develop more ownership of the learning. Some key UK partner staff can then also participate, giving them the opportunity to ask questions, contribute their views and support the learning that emerges, without dominating the analysis.

It is also important for UK partners to carry out their own reflection process, but if this comes after an in-country process in the South, it means that UK staff can take into account local partners' and target group's views to inform their thinking and remain grounded in reality.

5. What does a Theory of Change process involve in practice?

It is important to remember that Theory of Change is a process, not a tool or a paragraph in a proposal. It can be used in a wide variety of ways and for different lengths of time.

While some people argue for a specific set and sequence of steps in Theory of Change, we have found that it is much better to be flexible and adapt to the particular situation.

At its most informal, Theory of Change may even just be a two-hour conversation based on the core guiding Theory of Change questions. But many organisations have found it extremely valuable to step out of relentless project activities to explore the issues together in a three to four day workshop that kick-starts a longer process. Organisations have found it most useful where these processes can take place in the south and involve local staff, target group and other partners. Sometimes, staff carry out analysis with the target group first and feed their analysis into a broader workshop – or sometimes partners carry out their own analysis first, based on their experience and external learning, and then adapt the exercises to use with their target group before pulling together all the results in a shared diagrammatic representation of their underlying Theory of Change.

5.1 Planning a Theory of Change process

Although there is no set process, we have found it helpful to think about some of the following steps when planning a process:

Planning for a Theory of Change process

- Think about why you want to embark on a Theory of Change process and who needs to be involved, making sure everyone is on board, especially leaders and field staff. Plan how you will explore and draw in your target group's views.
- Identify a good facilitator who asks you good questions and seeks to understand where you are coming from and what you already do in terms of planning, learning and monitoring. Plan the process together.
- Work out with the facilitator how you will bring in external learning to add to your own experience e.g. any up-to-date and relevant learning reports that people can read before the workshop.
- Work out the time available for the initial workshop, according to the organisations size, needs and ownership – preferably around four days.

5.2 What components and tools are useful in the initial workshop?

Participatory tools are extremely useful in any Theory of Change workshop and can be adapted and used directly with the target groups too. The table below captures the possible components in a Theory of Change workshop, based on the core guiding questions from section 2 (though the order and content can vary) and a selection of tools that people have found particularly useful for analysing each area. Some have found it helpful to build a chart on the wall as they go through the workshop, even if they then re-work it into their own diagram at the end, as it helps hold the whole picture in mind.

a) The context for change

How does change happen?

Buzz stories of change people can tell from their local context (not necessarily related to the organisation or project). Ask people to share their stories and discuss together:

- What are some of the factors, people or structures that help people to change?
- What are the factors, people or structures that hinder people from changing?

Who is the overall target group and those with particular vulnerabilities?

Ask people to list the key groups with whom they work; and then prioritise them into circles of need (like a dart board), ending up with the most vulnerable in the centre.

- How would you describe your core target group?
- Which groups are most vulnerable and where your support is most needed?

Groups and structures that influence change

Identify the groups or individuals that most influence change for that target group and build Venn diagrams to show each of them (including the target group), their importance to the target group and their inter-relationships. Ask:

- Who are the people, groups and structure that influence the target group's lives?
 - choose the size of circle to show their importance to the target group
 - overlap circles, or distance them, to show the closeness of interaction
- Compare to external learning on the most important influences on that target group.
- Add and agree the most important duty-bearers.

b) Our organisational/programme contribution to change

What is the organisation' vision/ goal?

Imagine a closing down party for your organisation in 10 years' time – not because of problems – but because you have done so well in achieving your mission. Discuss:

- What legacy do you want to leave? What would your organisation be remembered for?
- What are people saying about you – about what you have achieved and how?

Come up with a snappy sentence of no more than 20 words beginning with "Because of (the organisation) ..." and outlining what changes you expect to see for whom.

What are the long-term outcomes to which we can contribute?

This is to help the organisation clarify what kind of changes need to take place in the lives of the target group and then prioritise the changes to which they can contribute.

Two people tell case study stories of 'success' with the target group, then discuss:

- What changes have taken place so far in that person's life?
- What further changes need to take place or are not captured so far?

Then in groups, rank the changes listed to which the organisation can contribute most and that are most important to the target group, reflecting back on their mission and vision.

- What are the most important 4-5 long-term changes to which you can contribute?

Compare to external learning on the most important changes – from studies and from direct work with target group, where possible. Amend and agree.

What are the target group's priority needs or unfulfilled rights

People sometimes find it hard to express outcomes as real changes in peoples' lives, so

starting with the priority needs (or unfulfilled rights) of the target group can help to focus on what really matters to them; and then to see more easily what changes are desirable. What are the eight key needs/ problems the target group faces (put on post-its) Rank them and then discuss what changes need to happen to address these in the long-term as a different way of identifying the outcomes.

Who and what needs to change to achieve those outcomes?

This is to help the organisation Identify what needs to happen at intermediary and policy level if lasting change is going to happen within that target group.

Carry out systems mapping, analysing from the Venn diagrams the duty-bearers who are strategic partners (with similar goals and mission); the duty-bearers that we need to influence as they have a neutral or negative influence in the system that could change; and those which have a negative influence that we need to mitigate. Looking back at the second group who are key targets for advocacy, identify what changes need to happen in them if you are to reach the long-term changes for the target group.

What factors will most contribute to bringing those outcomes?

Journey of life: Each group maps out the life of one 'success story' from their work, drawing a line showing the key ups and downs of a person's journey to change. Discuss:

- What caused and sustained the highs/ positive changes in that person's journey?
- What caused the lows in his/her journey? What were the biggest obstacles to change?

Analyse the common programme factors that contribute to change and discuss why these work. Compare them with external learning. Amend the list as needed and rank them.

c) Documenting and applying our Theory of Change

Documenting our Theory of Change

It is really important after having been through the complex analysis, to draw it together. Even those that don't think naturally in diagrams, can find it helpful to use one, as well as some accompanying narrative, to crystallise and capture the key elements.

Diagrams can be very diverse, from simple flow charts to symbols or pictures. It may help to look at others' examples but it is important to keep it meaningful and simple.

Applying Theory of Change

Theory of Change focuses first on the big picture. To be operationally useful it needs to be applied to all elements of an organisation. In groups, choose and discuss one of these:

- How could we use our Theory of Change as a foundation for strategic planning?
- How could we use it as a framework to strengthen monitoring, learning and evaluation?

5.3 How does Theory of Change help with strategic planning?

Theory of Change is extremely useful as a framework for any strategy or planning process (remembering that Theory of Change is a way of thinking and so it does not need to replace other learning processes or tools that an organisation finds useful).

Strategic planning and Theory of Change

A Nigerian NGO working with abused children undertook a participatory Theory of Change process with their staff, members of their board of governance and representatives from their UK partner – and then with the children themselves. They wanted to form a new and stronger strategic plan. After going through the process and clearly identifying their long-term outcomes and the six most crucial ways they believed they could contribute to change, the facilitator gave them a list of their current programme activities on cards. She took them through an exercise where they had to imagine that their funding had been cut back. They divided the existing activities into ones that they were determined to keep and ones that they could stop or reduce. This was repeated three times. As staff worked through the activities, they used their Theory of Change to identify which ones fitted best with their beliefs about how change happens. The process helped them shift away from short-term and welfare-oriented activities to a more long-term and strategic approach.

As the Director said: *“It was like we were wandering around in a dream. Then someone came and forcibly turned our heads to look towards heaven. We could suddenly see exactly where we wanted to go and how to get there.”*

5.4 How does it help with monitoring, learning and evaluation?

Theory of Change should provoke learning and provide a framework for developing an appropriate and manageable monitoring and evaluation system.

Comic Relief asks partners to identify learning questions to explore during a grant. If you have developed a Theory of Change, you can frame your learning questions around a core element that you believe will contribute to change but want to learn more about. For example, if you identify that involving men as well as women is a key to programme success, but has been challenging, you may want to frame a question around learning from your own experience and from others how to do this more effectively.

Many organisations find it hard to develop effective and manageable monitoring and evaluation systems that are not too complex. Theory of Change can help this process. Once you have worked out your Theory of Change, you will have articulated priority changes in people’s lives to which you expect to contribute – the long-term ‘outcomes’. Comic Relief expects partners to prioritise no more than five core outcomes to keep monitoring focused and effective – and no more than three indicators for each outcome. When you are clearer about the outcomes, this helps identify meaningful indicators for each outcome. Some people do this as part of the Theory of Change process and include it on their diagram or in the supplementary analysis. Others find it easier to present them in existing format they already use or need to present to other donors, such as logical frameworks. Organisations that use outcome mapping find that Theory of Change fits very well with their existing approach, adding another dimension to question how change happens among the boundary partners. The indicators give you the foundation for deciding what baseline information you need to collect, and for reviewing progress. The

intermediary changes at other levels or dimensions will also enable you to track whether you are making progress towards long-term outcomes.

Evaluators can also use the Theory of Change as a framework for reviewing progress and analysing the extent to which the key elements you have identified are working.

6. What makes a good Theory of Change process?

Theory of Change needs to be done well if it is to make a positive difference. A number of useful principles underpin quality Theory of Change processes, whether two days long or two years. Good Theory of Change processes:

- i. **Involve the target group.** Like most things in development, the more you can involve those at grassroots level in the process, the more likely you are to come out with meaningful and achievable results. Those benefitting are often less hampered by all the development jargon and expectations that we bury ourselves in; and can help to keep us grounded in reality.
- ii. **Involve a range of staff and leaders** (including governance) who can help to shape and sustain a process. Staff at different levels and parts of an organisation often contribute in different ways and pick up on different factors. It is also a process where funders can participate, sometimes in the workshop – where the facilitator manages carefully the power dynamics – or by raising issues and questioning assumptions through their feedback. Different groups and people can contribute at different stages and times during the process.
- iii. **Help people to step outside of their project box** and think openly about change and how it happens in their context.
- iv. **Look at an organisation's overall Theory of Change**, not just for a project.
- v. **Draw on wider learning from others:** from research that shares good practice, from other organisations, and from those benefiting from your own programmes.
- vi. **Focus on the key changes and the duty bearers.** It is not about what we do or want to achieve.
- vii. **Represent theory with both validity** (showing that change is a complex and not linear process) **and simplicity** (keeping the language simple and jargon-free).
- viii. **Build in an on-going process of theorising and learning.** Developing a good Theory of Change is not just a one-off event. Plan and budget for reflection time.

7. Conclusions

Theory of Change is at the forefront of development practice. But already there is a danger of reducing it to just another tool with an inflexible series of steps to go through. Or, even worse, simply a paragraph to be filled in for a funding application.

In one sense Theory of Change is nothing new. We have always based what we do on some implicit assumptions about how change happens. Everyone who is interested in learning and analysing will have carried out all or many parts of a Theory of Change

process before. What is new is drawing all these elements together in an explicit process that involves everyone, including the target group and that surfaces assumptions and prioritises the most important factors – so it can then provide a framework on which to hang everything we do, especially our strategy, monitoring, learning and evaluation.

What makes the Theory of Change so valuable is that it enables people to step outside of the 'project' thinking mould. It provides an opportunity to take a fresh look at what they are really about. It focuses attention on the changes that you aim to bring (in key areas of need), rather than on programme activity.

What are the next steps for you taking this further in your organisation and partnerships?

Useful readings and websites:

James, C, 2011, [Theory of change review](#), Comic Relief.

Vogel, I, 2012, [DFID 2012 Theory of Change Practice Review](#)

Van Es, M, 2012 '[Hivos and Theory of Change: Experiences and lessons of the first phase](#)' Hivos.

HIVOS resource portal on Theory of Change:
www.hivos.net/Hivos-Knowledge-Programme/Themes/Theory-of-Change