Developing a “Theory of Change”

What, Why, How

by Michael Gagné, ELP Program Manager - October, 2015
What are we talking about?

- What is a Theory of Change?
- Why is a ToC necessary?
- How does one develop a Theory of Change?
- How is ToC different from a logic model? (And other FAQs)
Why a Theory of Change?

“I think you should be more explicit here in step two.”
Without a Theory of Change…

“Ready, Fire, Aim…”
Often we do things without being clear about the impact we want to have and the assumptions that underpin the activities we’re doing.

“The Busy-ness trap…”
If we’re not careful, we can get very busy doing things that don’t create the change we want to see.
What can a Theory of Change do for me?

Clarity and Transparency.
A Theory of Change is a helpful tool that allows us to clearly define impact and milestones while showing the logical process of how activities lead to impact.

Constant Improvement and Learning.
A Theory of Change allows us to “show our thinking”, get feedback, test it experientially, and improve as planners, managers, leaders.
Why else might we care about Theory of Change?

- We’re committed to Quality and Kaizen - personally and organizationally
- We want to more effectively engage our stakeholders; build ownership/share power
- We believe creating or winning significant change is possible
- We want to increase resources (human, financial, etc.)
So what exactly is a Theory of Change?
What is a Theory of Change?

A Theory of Change is an organization’s “theory” or story of how it will make change in the world.

It explains the group’s beliefs and assumptions about how change will unfold.

It is a part of a participatory and rigorous process of planning, evaluation, ongoing adaptation.
What is a Theory of Change?

The core of a Theory of Change is the **pathway of change diagram**

The pathway of change consists of outcomes that tend to be arranged in a “causal” pathway

The pathway demonstrates links between impacts, outcomes, activities, inputs and assumptions underlying these links.
What is a Theory of Change?

The pathway of change diagram is usually accompanied by a narrative - providing further insight into assumptions, rationale, and indicators.

**Assumptions** are usually supported by evidence. This practice also allows one to identify gaps and untested assumptions.
Pathways of Change (sample diagrams)

What does a theory of change look like?

Supported by narrative including:
- Assumptions (incl. sphere of accountability)
- Rationale
- Indicators
Pathways of Change (sample diagrams)
Pathways of Change (sample diagrams)

Theory of Change
Shows the big picture with all possible pathways – messy and complex

Logical Framework
Shows just the pathway that your program deals with – neat and tidy
ToC vs. Logic Models

- Often used interchangeably - and are poorly defined
- This leads to confusion by both funders and grant seekers
- Have a lot of overlap and can blend
- Both can be helpful in improving programs
ToC vs. Logic Model

**Logic Model**
- **Descriptive** - represents components, simply
- Allows you to see when activities are **not aligned**
- Does not show the WHY (rationale for one leading to the other)
- Often **starts with the program activities**

**Theory of Change**
- **Explanatory** - highlights underlying assumptions and requires justifications
- Fosters critical thinking about **Pathway of Change**; starts with goal
- Often more **participatory, rigorous, iterative** process
- Allows analysis of why something is not working
ToC vs. Logic Models

• Logic = a methodology to explore validity

• Logic ≠ truth
  (does not allow the investigation of premises, evidence, etc.)
Pathways of Change (sample diagrams)
Pathways of Change
(sample diagrams)
Pathways of Change (sample diagrams)
A Theory of Change maps your initiative through stages

- Identifying long-term goals and the assumptions behind them
- Backwards mapping - and explaining why.
- Voicing your assumptions
- Weighing/choosing most strategic (high-leverage + accessible) interventions
- Developing indicators to measure progress on your desired outcomes and assess the performance of your initiative.
- Quality review should answer three basic questions: Is your theory 1) plausible, 2) “doable” (or feasible), and 3) testable?
- Writing a narrative to explain the summary logic of your initiative.
How to develop a Theory of Change? [5 Basic Stages]

1. Basic Parameters.
2. Understand the problem.
3. Focus the project.
4. Outcomes Chain.
5. Hone the Theory of Change (causal arrows; feedback)
How to develop a Theory of Change? [#1 of 5 Stages]

1. Define basic Parameters
   • Purpose: “Why are we doing this? How will our organization and work be better as a result?”
   • Leadership: “Who has ultimate responsibility? Who coordinates?”
   • Scale: “What makes sense for our organization - time, money, stakeholder engagement?”
   • Create draft?
How to develop a Theory of Change? [ #2 of 5 Stages]

2. Understand the problem

• Situational analysis

• Use tools like “Why Chain” (“What is the problem, why is it a problem, for whom, why does it occur?”)

• Formulate a brief problem statement
3. Focus the project

- State the program strategy
- This allows you to clearly define the boundary - which parts will you address?
- Explore how variables outside the boundary might still impact outcomes
How to develop a Theory of Change? [#4 of 5 Stages]

4. Outcomes Chain

- Shows assumed relationships between short, immediate outcomes and long-term impact
- Main device/primary rationale for thinking about how the program functions, activities, resources
- Ways to develop these include:
  - ★ Working forward “So that..”
  - ★ Backward mapping “For this to happen”
  - ★ Brainstorm outcomes, group, arrange into chains..
5. Hone the Theory of Change

- Connect your outcomes with causal arrows and identify feedback loops
- Share the ToC with stakeholders and role players for feedback. Keep honing.
How to develop a Theory of Change?

- Know your outcome and design a process that is manageable for your organization
- Know who is leading it
- Engage stakeholders in articulating pathway(s) and assumptions
- Keep asking good questions that encourage specificity
- Summarize and represent the draft ToC in ways that serve your different constituents (several versions?)
- Keep it alive and adaptive
Where did Theory of Change come from?

- Origins: Multiple
- Popularized by: program evaluation community
- Widest use: “social sector” (NGO/NPOs and gov’t)
- Still evolving..
Some further resources?

- http://www.theoryofchange.org
- http://www.theoryofchange.org/library/toc-examples/
- http://www.theoryofchange.org/library/presentations/
Thank you for your participation, questions, and feedback!

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