Policy Brief
Hivos and Theory of Change
2014

1   Introduction

The purpose of this paper is to explain Hivos' understanding and use of the concept 'Theory of Change', which has become increasingly important in its strategic thinking. The paper is meant to inform external stakeholders, such as organisations Hivos collaborates with, funders and other allies in Hivos' work for social change. Internally, for Hivos staff, it forms the basis for more practical guidelines that will soon follow.

Hivos' goal to contribute to a free, fair and sustainable world implies that it aims for structural, systemic change and engages in complex social processes. Change emerges as a result of the push and pull of multiple forces that are active at the same time, and interacting. Social change processes are characterised by non linear feedback loops, which makes outcomes of change interventions unpredictable. So, how to plan strategically and sensibly, given that uncertainty? How to proceed flexibly in emerging change processes while remaining focused on the goal? To ensure that solid thinking underpins change interventions, we need approaches that encourage and facilitate regular reflection on intentions and assumptions, that support meaningful monitoring and evaluation practice, and that engage multiple stakeholders.

In this context of complexity, Hivos considers Theory of Change (ToC) as the appropriate approach to guide its strategic thinking and action, and its collaborative action with allies. ToC fosters critical questioning of all aspects of intentional change interventions, supports adaptive planning and management in response to diverse and quickly changing contexts, contributes to the quality and transparency of strategic thinking, and facilitates personal, organisational and social learning. ToC is expected to help Hivos be more effective in achieving its goals, and to know why and under which conditions specific strategies might work for specific groups in society.

2   What is Theory of Change?

At the core, 'theories' of change are the ideas and beliefs people have - consciously or not - about why and how the world and people change. How people think about change and how they perceive and understand the world around them is infused by their underlying beliefs about life, human nature and society. These beliefs are formed by people's:
➢ class, gender, religion, the history of their family, the values they have been brought up with;
➢ history, culture and context of the place they live;
➢ personal life experiences and their different identities in different settings;
➢ power and position in society;
➢ formal education and – where relevant – their knowledge of academic social theory/ies.

People's position in society and their personal beliefs and values shape their mental models and inform their 'theories of change'. For actors involved in social change work it influences the role they see for themselves (and their group or organisation) and the strategies they choose.

Difference between Theory of Change and Theory of Action

A <u>theory of change</u> represents how an actor or group of actors perceives the system it wants to change and thinks the desired change process(es) might evolve.

A <u>theory of action</u> maps out one or more specific pathways in that theory of change and the role of the organisation or programme in contributing to that change, based on an assessment of how it can add the most value to the change process.

For example, a theory of change for government accountability could describe the relationships between (groups of) citizens and their government, the many ways in which citizens can hold governments accountable and the assumptions underlying the relations between citizen agency, transparency and government accountability. A theory of action would describe specifically how, for example, capacity development for participatory budgeting could be used to enable citizens challenge local government to be transparent about the use of public resources.

Core components of a ToC process

❖ Visioning and visualising the desired change or 'dream'.

❖ Analysis of the context and 'ecosystem' relevant for the issue (social, political, economic, ecological, stakeholder & actor analysis, power, gender, drivers of change, opportunities, etc.).

❖ Exploring the ideas of stakeholders and other key actors about how change takes place and could be achieved: the "theories of change" of relevant actors.

❖ Mapping 'pathways of change', which can be pictured as result chains or as less linear representations of anticipated future developments.

❖ Making explicit the assumptions underlying the intervention, the logic of the pathways/ result chains and the strategic choices.

❖ Exploring options for multi-actor collaboration.

❖ Strategic planning for the mid-term, using an adaptive/iterative model - or a Logframe, if required.

❖ Developing a framework for documenting the change process, monitoring, evaluation, learning & reflection on what works, building an evidence base. Identifying knowledge gaps and a learning or research agenda.

Hivos definition of Theory of Change

Theories of change are the ideas and hypotheses people and organisations have about how change happens. These 'theories' can be conscious or unconscious and are based on personal beliefs, assumptions and a necessarily limited, personal perception of reality.

In its use of ToC Hivos finds it helpful to distinguish between ToC as an approach and way of thinking, a process and a product.

❖ ToC is a thinking and action approach to 'navigate' the complexity of social change. To use ToC in this way requires as well as fosters people's capacities for critical questioning, not taking things for granted, dealing with uncertainties, and always acknowledging a diversity of perspectives.

> Every programme is packed with beliefs, assumptions and hypotheses about how change happens – about the way humans work, or organisations, or political systems, or ecosystems. Theory of change is about articulating these many underlying assumptions about how change will happen in a programme.
>
> (*Patricia Rogers*)

❖ ToC is a process, because – if used well – a ToC inquiry is an ongoing process of analysis and reflection. It is not a one-off exercise in the design phase of a programme, but implies an ongoing action-learning cycle.

❖ A ToC is also a product, because a ToC inquiry results in a specific outcome - in a narrative and/or visual form - that represents the theory of change (and theory of action) of an organisation, or underlying a specific programme. It is a 'living' product, as it will change over time: a ToC is a temporary snapshot, a reflection of the thinking at a specific moment, which will not be complete or perfect. As a product, a Theory of Change offers a framework for sense-making that needs to be used, revisited and adapted as the programme moves on, other actors come in, changes in the context occur and learning takes place.

The main benefit of a ' theory of change approach' is that people and organisations involved in intentional change processes explore and make explicit their theories of change and the assumptions underlying their thinking, including how they see cause - effect relations between their action and intended changes. This is often an eye-opener as well as a challenge: it helps people to clarify their actions - often intuitive, or based on habit - to themselves and to formulate a solid justification, but it may also confront them with inconsistencies in their reasoning and challenge deeply held beliefs. Working with theory of change often means that people need to broaden their perspective beyond their standard ways of working.

In a multi-actor setting a joint ToC exploration can help to understand what drives each actor and how they understand the situation. They may not only have different positions and interests, but also their own 'truths' and understanding of reality, which informs their behaviour and their view on what the desired change is, why it is desired and how it could and should come about. Consequently, a ToC process entails sharing and debating different understandings of change and will challenge actors involved to take each other's perspective into account. This process facilitates the identification of common ground for action and of obstacles to deal with, thus providing a better starting point for collaboration.

In an organisation an exploration of the theories of change of the organisation and those of individual staff members should lead to a more shared understanding and purpose, and a more consistent implementation of programmes. It can also help to bridge the gap between the often very high change ambitions of organisations and their actual practice ("the missing middle"), as it facilitates the formulation of realistic objectives and the choice of appropriate strategies.

The potential benefits of a ToC approach do not mean that it is always a harmonious process. Not only for individuals but also for organisations it can be confrontational, as the process may uncover structural

inconsistencies or contradictions between 'the walk and the talk'; for example the way power is exercised in the organisation, or paternalistic behaviour towards marginalised groups it aims to empower.

Different understandings of ToC

In the international cooperation sector different interpretations of what ToC is and how to use it can be discerned. Very often it is seen and treated as a tool for planning, monitoring and evaluation (PME); as the next - 'improved' - version of a logic model or planning tool. In that perception its value is mainly seen in providing a more solid underpinning of project funding frameworks such as the Logframe. This use of ToC in practice does not differ much from other planning models and M&E frameworks: the sequence of expected results of the intervention by the implementing organisation(s) serves as the basis for setting targets and milestones for several years ahead, at outcome and impact levels that cannot be controlled – and often not even influenced - by the implementing organisation(s). Using result frameworks for programme accountability in a rigid way limits the space of the organisations involved to adapt to changing circumstances and new insights, and even forms a disincentive to do so. This perception and use of ToC still holds the suggestion that change in complex contexts and processes can be predicted or engineered, while most social change actors know better.

Hivos takes the position that ToC is not about 'predicting change' (better), but views and uses it as an approach that enables actors in change processes to better understand the system they are part of, to operate in a more strategic and responsive way, and to learn - and unlearn - from how change processes evolve in reality. ToC informs planning and decision making without predicting or promising outcomes that are not within the control of any actor, but – at the same time – gives the highest 'guarantee' of outcomes that are relevant and meaningful in the context. To that effect, adaptive or iterative planning is an important condition.

3   Principles and conditions for quality of ToC thinking and practice

When undertaken well, ToC processes may be expected to lead to more inclusive, relevant and effective programmes and strategies. For its full value to materialise the following principles for good practice are key.

➢ *Participation and ownership*. Participation of a wide range of stakeholders in the development and reviews of the ToC results in greater ownership and increases the chances of effective use. A diversity of perspectives improves the quality of the thinking. When it concerns the ToC of an organisation this implies that not only the management level but also different levels of staff and external key stakeholders should be included.

➢ *Grounded in the context and in multiple knowledges.* It is crucial for a ToC process to be informed by local knowledge and stakeholder perspectives, in order to ground the conversation in real and specific circumstances. At the same time, relevant knowledge from research and good practice elsewhere is needed to help counter business-as-usual tendencies that avoid deeply questioning the utility of familiar activities. A grounded ToC tells a clear story about the actors and factors at play in a specific context and on a specific issue, and explains how and why the interventions are expected to contribute to the emergence of the intended changes.

➢ *Power and gender analysis.* Inequalities in power and gender relations are strong causes of social injustice. Power and gender analysis are, therefore, central to any ToC process. The ToC (product) should make explicit what the nature, sites and distribution of power (including gender relations) are, what that means for the strategic choices of the programme, and the assumptions being made with regard to (changing) power and gender relations.

➢ *Articulation of assumptions*. Identifying assumptions underlying people's ToC thinking is one of the most valuable aspects of a ToC process. Assumptions are expressions of the values, beliefs, norms and ideological perspectives, both personal and professional, of the actors in the process. They inform - consciously or not - their views and interpretation of the intended change process. People tend to take their assumptions for granted, so they are often implicit and rarely questioned. Making them explicit allows them to be debated and validated, contributing to mutual understanding and a genuinely strategic discussion. Critical assumptions are important for risk analysis. They need monitoring to test their validity and for the purpose of learning and knowledge generation.

➢ *Regular adaptation of the ToC and active use in planning, monitoring, evaluation and learning*. To be most effective, ToC use needs to be firmly embedded in the process cycle of the programme and the organisation. The ToC of a programme or initiative forms the basis for the planning, monitoring, evaluation and learning framework. Monitoring key assumptions is particularly important for strategic planning and learning. Adaptive planning and management implies a regular update, so that the programme or initiative can accommodate emerging changes and new insights. A review of the ToC can be triggered by context changes, stakeholder shifts, operational problems, or when there are indications that a key assumption might not be valid or processes take unintended turns.

➢ *Documentation.* Good quality ToC use is characterised by documentation being available of different stages of its development and use. The results of a ToC analysis are best captured as a visual and a narrative summary. A more elaborate ToC paper describes the intended change process and the underlying assumptions, explains strategic choices and identifies assumptions and questions for learning. The documentation should keep track of changes in the ToC over time, based on lessons and insights from practical experience, M&E or research.

Conditions for effective ToC use

For an optimal use of ToC, based on these principles, certain conditions need to be fulfilled. Working with ToC requires time, capacity, and commitment of the people involved. ToC practice needs to be facilitated and resourced, both internally in Hivos and in the cooperation with other actors. It takes time to conduct an in-depth analysis, bring together key actors and go through a genuinely reflective process. External facilitation is often necessary to guide multi-actor dialogue, to help participants discover blind spots, step out of their comfort zone and change entrenched thinking and behaviour. The capacity to work with ToC must be developed and time and incentives for reflection, learning and documentation must be consciously organised. Obstacles for transformative learning and change may be personal as well as organisational. Embedding ToC use in the organisational practice and culture, and in multi-actor collaboration, requires commitment of the management for all the above reasons, but also because active use of ToC implies adaptive planning and management, taking risks and allowing time for unpredictable processes to develop and results to emerge. Conditions for adaptive management may be compromised when organisations have to deal with externally prescribed rigid accountability frameworks or mechanisms. Given the real world constraints under which social change organisations such as Hivos operate, the above conditions are not always fully fulfilled. Where necessary, Hivos will enter into a dialogue with its donors when they use planning models and results frameworks that do not allow for an adaptive approach.

4   Hivos' use of Theory of Change

First two phases of ToC use

Hivos has been experimenting with ToC since 2007, at first in a capacity development programme for partner organisations with the aim to strengthen their practice of result-orientation. Since 2011 the focus shifted to developing the capacities of Hivos own staff to use ToC, resulting in an increased and diversified use of ToC in

Hivos practice: in the design and management of programmes implemented by Hivos and in collaboration with other actors, in the development of programme proposals for donors and in its support to and collaboration with partner organisations.

Initially, Hivos refrained from institutionalising ToC as a mandatory approach for all Hivos work, with pre-defined formats and manuals, in order to reduce the risk of a mechanistic or perfunctory use. The investment in capacity development of staff has engendered a wider commitment to further develop ToC practice. The need for a more structural embedding of ToC use in Hivos practice is now being felt, to offer more guidance to staff and to ensure the quality of use in line with the principles mentioned above. Guidelines and more supporting resources and material will soon become available.

> *Learning about ToC use*
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> Hivos invested time and resources in learning from these experiences, supported by an international learning team of experts. This led to a ToC Resource Portal: www.hivos.net/toc.

Diversity and flexibility in use

In Hivos' view ToC is not one single, prescribed methodology, but a comprehensive approach to analysis, programme design, adaptive planning and management, monitoring and evaluation, critical reflection and learning. A combination of relevant and appropriate methods and tools needs to be used, depending on the type of programme and the preference of the actors involved - provided the chosen methods share the principles and qualities as described in par. 3. For example, Outcome Mapping (IDRC), participatory planning and monitoring approaches, Realist Evaluation (Pawson & Tilley) and Developmental Evaluation (Quinn Patton) align well with ToC thinking.

Use for different purposes

ToC is useful in all stages of a programme, intervention or initiative:

➤ Design phase and start of a programme: for a broad analysis of the system in its context, identification and involvement of key actors, initial programme design and planning, identification of assumptions and questions for a learning agenda, communication with others about the initiative.

➤ Development of a monitoring and evaluation framework[1]: the ToC analysis provides important building blocks for an M&E framework: intermediate outcomes and relevant indicators - in relation to the timeframe of the envisaged change process, the actors involved and the strategies chosen; key assumptions to be monitored; and appropriate ways to collect information and document the process.

➤ Adaptive or iterative planning: a ToC offers a projection of the change process into the future. Revisiting this 'map' regularly allows for iterative planning, moving strategically forward from year to year, using the results of monitoring and learning, and in response to changes in and outside the programme.

➤ Strategic learning and knowledge generation: to identify knowledge gaps and learning or research questions, to understand and build an evidence base about what worked or not and why, and whether it might work in a different context (replication, scaling up/out).

➤ Evaluations: as a basis for a mid-term review or an ex-post evaluation, and/or to reconstruct the (implicit) ToC of a programme, when it was not articulated at the start.

➤ Review of an existing / ongoing programme: to clarify underlying assumptions, to revisit, sharpen and renew strategies, to improve M&E frameworks and monitoring processes, to adapt planning, to identify needs for organisational change, to support communication about the programme and its results.

➤ Collective impact monitoring in a multi-actor initiative: as a shared basis for a monitoring and evaluation framework and learning agenda, with clear roles and responsibilities of each actor involved.

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[1] A separate Policy brief will describe more specifically how Hivos uses ToC in design, planning, monitoring, evaluation, strategic learning and knowledge generation.

Use for different type of Hivos programmes

a.   Social Innovation experiments

Hivos' core strategy for the coming years is 'social innovation', by which it means: generating new ideas and approaches that resolve existing social, cultural, economic and environmental challenges, in close collaboration ("co-creation") with other actors. Hivos will engage with innovation processes that are expected to have social value and impact, and that focus on transformation of institutions, arrangements, relations, patterns of interaction and practices in its two policy domains: the Open Society and the Green Society.

> **Twaweza**, meaning 'we can make it happen' in Swahili, is a ten year initiative that enables people in Kenya, Tanzania and Uganda to improve their quality of life through a bold, citizen-driven approach to development and public accountability. Twaweza articulated its overall Theory of Change at the start. A range of different strategies and interventions is being tested. A committed process of learning and regular reviews of the ToC have informed the strategic decision-making of the programme.

Innovations that result in systemic change require experiments, scaling up or out innovatively and demonstrating impact. It means engaging with a range of actors in and across the for-profit, non-profit and public sectors. The creative process is based on co-creation and critical questioning, and all stages of the process involve feedback loops from 'users' and other actors. Social innovation strategies often challenge conventional wisdom about the nature of the problem and its solutions.

In these processes ToC analysis can help to broaden and deepen the scope of thinking, to surface and unpack the theories of change underlying ideas for innovations, to question and test assumptions about expected 'use', users and social benefits, about strategies for the development, implementation, and - where relevant – the scaling up of an innovation. However, many innovations are not intentional and planned for, or even foreseen at the start of the process that produce them, but the result of experiments done for other purposes, intuition or 'hunches' of individuals, or the right people meeting at the right time. So in most cases ToC thinking will become relevant once an innovative idea is recognised as such. On the other hand, a ToC inquiry may very well give rise to new ideas or alternative strategies or solutions, other than the ones the process started off with.

The outcomes of processes of social innovation cannot be predicted or planned for in the long term because of feedback loops that cannot be known in advance. The design of monitoring, evaluation and learning of social innovation processes must take into account and allow for the emergent nature of the process, and provide the information the people involved need in order to discover new patterns and pathways, detect what's emerging in response to their efforts, and test their assumptions.

b.   Multi Actor Initiatives (MAI)

Multi-actor initiatives bring together interested actors from different sectors to cooperate in a coordinated way to address a complex problem in their context in which they all have a stake. The actions are based on a shared problem analysis and theory of change, and mutually agreed modalities of cooperation. Hivos can be the initiator of a MAI or participate in the initiative of another actor.

A joint ToC analysis by the key actors is essential in this type of programme as they often come from different spheres and generally do not have a history of collaboration. They will likely have different views on the nature and causes of the problem, possible solutions, and the role of different groups of people and institutions, and this informs the strategies each of them will think best. By making the assumptions explicit that underly their situation analysis and preferred strategies, their theories of

> **Hivos' Child Marriages programme** in Malawi aims to bring together actors from civil society, several Ministries and international donors in order to join forces, to create a common agenda for the reduction of child marriages in Malawi and to coordinate their strategies and actions. The initial Theory of Change of the programme maps out the system influencing this harmful practice, with possible roles of different stakeholders in transforming it. The map is a helpful tool in the communication with key stakeholders and used to integrate their perspectives on the problem, to discuss strategic options and to clarify the (potential) roles of different actors.

change will become clear and can be discussed. This conversation forms the basis for a shared and more comprehensive understanding of the situation, joint programme design and strategy development, and possibly new insights about including and/or relating to other actors. The ToC will feed into the framework for collective monitoring, evaluation and learning.

Where Hivos is the initiator or coordinator of a MAI it ensures that an initial, facilitated ToC analysis is conducted in the design or inception phase of the programme, with the participation of all actors that are relevant at that stage of the programme. When Hivos participates in the initiative of another actor, it will propose to do so and offer its expertise in this domain. In different stages of the programme, Hivos will ensure that the ToC is revisited regularly and critically, involving stakeholders.

Making All Voices Count (MAVC) is a global initiative that supports innovation, scaling, and research to deepen existing innovations and help harness new technologies to enable citizen engagement and government responsiveness. The programme involves many actors: it is a multi-donor initiative, implemented by a multi-partner consortium with Hivos in the lead, and evaluated real-time by a separate Evaluation entity that is a consortium too. The programme has a global component, a fund covering twelve countries, and a research component. The focus of MAVC is on innovation, learning and generating evidence of what works in improving the 'feedback loop' between citizens and their governments.

With this ambitious goal and challenging set-up the MAVC Theory of Change plays a central and essential role in achieving a shared understanding of the programme, effective collaboration of all stakeholders, and a successful implementation.

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c.   Civil society support and capacity development

Support to capacity development of social change actors is since long part of Hivos' practice, in particular in programmes with a regranting component. Hivos takes a systems perspective to capacity development, i.e. it sees change actors - be it individuals, organisations, networks or multi-actor settings - as complex human systems that are dynamic and embedded in a force field influencing their functioning.

A ToC approach to capacity development support is helpful in three ways. First, a capacity development process in an organisation is a change process in itself; a ToC inquiry helps to understand the 'system', to set realistic objectives and select the appropriate strategy for capacity development, in dialogue with the team.

Secondly, organisations intervening intentionally in social change processes do so based on their theories of change, whether consciously or not. In order to strengthen their analytical and strategic capacities - and thus becoming more effective - part of Hivos' support is directed at strengthening their capacity to articulate their theory of change, to critically question its validity and to revisit their strategies based on that analysis.

Thirdly, a ToC analysis offers a good opportunity to identify existing capacities and strengths to build on, as well as priorities for further capacity development, in line with the specific objectives, role and strategies of the organisation in the change process. Similarly, it can provide direction for aligning the organisational development (structure, processes, culture, etc.) with the core focus and priorities of the organisation.

In a situation where more actors collaborate to address a specific problem, the joint ToC analysis can help to determine both the collective and the individual capacities needed to achieve the purpose, and to identify and plan for support needed.

d.   Advocacy and public campaigns

Lobby and advocacy to influence the policies of governments and international institutions, the practices of businesses, and the behaviour of citizens is crucial for achieving structural and lasting social justice. It forms an important component of Hivos' work and of the programmes of Hivos' partners in the global South, acting as 'watchdogs' by monitoring policies and practices of governments and businesses, putting pressure on them by exposing corruption, injustice and abuse, and by mobilising citizens to raise their voice and hold authorities to account. But also by doing research and coming up with concrete proposals for improvement of the issues at stake.

The Women@Work Campaign for decent work for women in global production chains is a comprehensive campaign targeting policy makers, companies and the Dutch public, in combination with strengthening the lobby and advocacy capacity of partners in the South. The team started by exploring their ToC, questioning their assumptions, analysing the gender issues in women's labour, researching the targeted sectors, coming up with possible strategies to convince and/or pressure the key actors targeted, and seeking the best options for strategic synergy. During implementation they tested their assumptions, were faced with some strategic dilemmas and used their reflections to refine the campaign strategies.

Advocacy around global issues is most effective when carried out on all levels: from the local and national level in North and South to the international level, and often entails public campaigns to mobilise citizens for global justice and sustainability.

Few interventions are more complex than advocacy: influencing decision-making by governments and large companies is per definition political, with many interests and influencing factors at play; and influencing the behaviour of citizens and mobilising them to act is known to be depending on a multitude of factors and conditions in people's situation and context.

Developing a Theory of Change articulating the many assumptions underlying policy and behaviour change strategies, and using and revisiting it throughout implementation, will help to timely adjust strategies and identify windows of opportunity.

In conclusion

Hivos' use of Theory of Change as an approach to enhance the quality of its programmes and its learning about social change processes is a work in progress. From the years of experimenting with ToC in different ways we have learned that - obviously - it is not a solution for all problems and that enabling conditions and incentives for critical thinking and reflection in the organisation are key to success. Institutionalising a 'new' approach in a large, decentralised organisation always implies the challenge to achieve shared understanding across regions and organisational levels, and to find a balance between organisational quality standards for implementation and sufficient room for adaptive uptake by teams working in different circumstances.

Hivos' external context too determines to a certain extent the space it has to live up to the high quality standards it sets for its work. Overly prescriptive frameworks, short-termism, unrealistic impact expectations, time pressure in tendering procedures, lack of investment in serious learning – they are counterproductive to the intended use and benefits of ToC for critical reflection and strategic action.