

Theory of Change

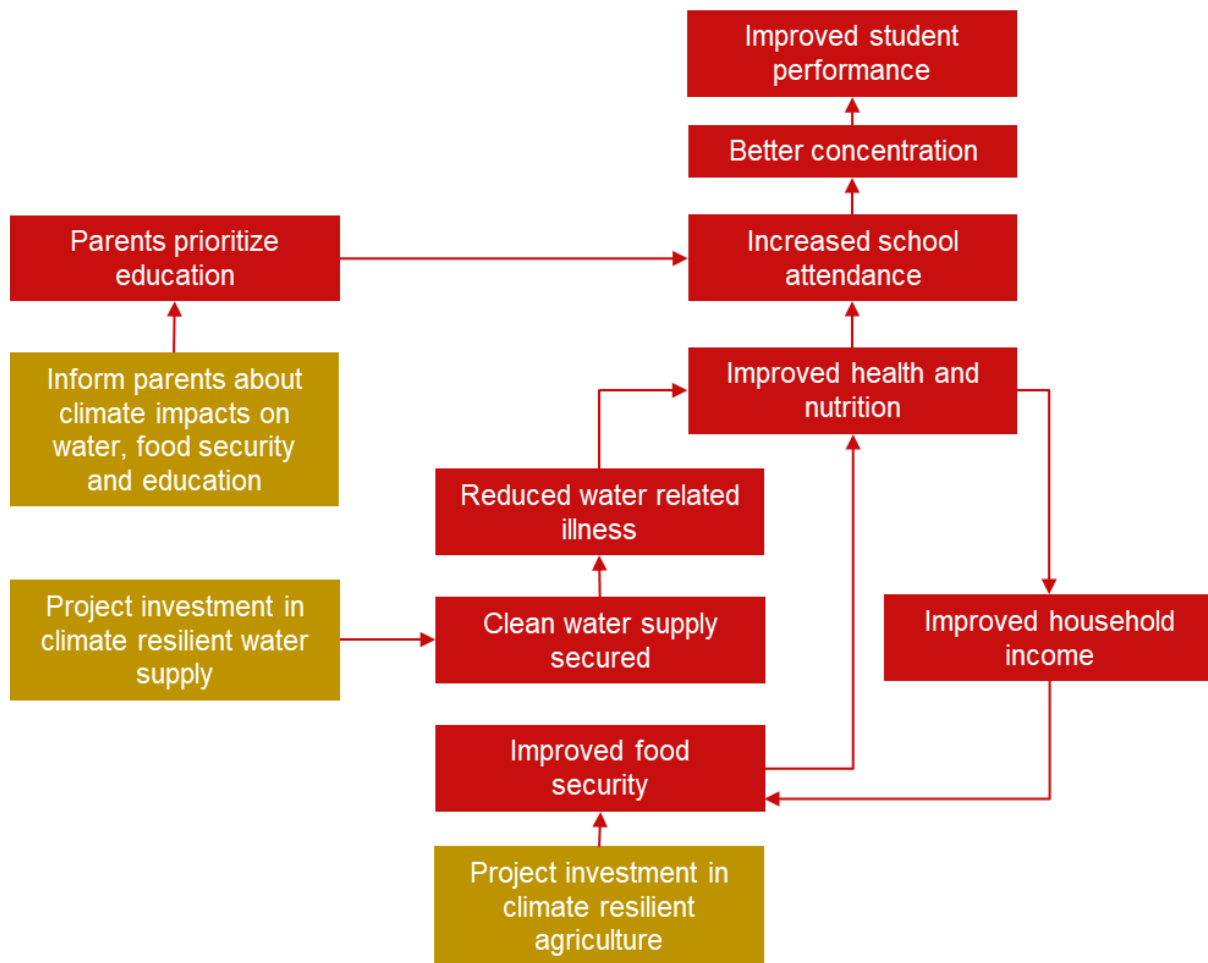
The Theory of Change is an **analytical and visual tool** for describing **why and how change is expected to take place as a result of project activities**. The Theory of Change can provide a very powerful learning lens, which helps us ask ourselves simple but important questions about what we are doing and why. It enables us to develop a clear framework for monitoring and evaluation; more common understanding, clarity and effectiveness in our approach; and strengthen partnerships and communication.

The use of the Theory of Change is increasingly required in proposals for climate change funds. The requirements vary by funder so it is essential to check carefully exactly what is required for the fund that you are approaching and not to make any assumptions. For example, the Green Climate Fund requires a special format and visual design. Other funds have other formats, or even no specific format requirements at all.

An Example Theory of Change

To start with, let's have a look at an example Theory of Change. The first thing to note is that Theories of Change are usually presented in the form of a diagram supported by a narrative text. In this example we will only show you the diagram..

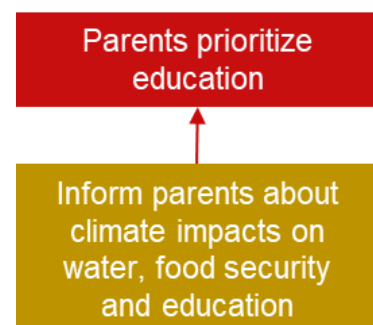
This example is part of a theory of change for a project related to climate resilient water and agriculture. The Theory of Change shows the "theory" of how the three project activities (shown in gold) lead to outcomes and eventually impacts on student performance at school. The three activities shown include two related to investment (in water supply and agriculture) and one related to knowledge (informing parents about climate impacts and education). In a real project there would be other supportive activities and other impacts.



There are a few things to note in this diagram.

Firstly the diagram is not simply linear. Look at the right side of the diagram. Here we see that improved health and nutrition leads to improved household income which leads back to improved food security. This is a virtuous cycle that loops back to other outcomes.

Secondly, there are many implicit assumptions about how activities lead to results. Look for example at just a small part of the diagram - the part that deals with information and prioritising education. We all know that simply informing people about something does not necessarily lead to a change in people’s behaviour. The explanation of why we think this change will happen in our project is usually included in the narrative. For example we could give evidence for this from academic literature, or evidence based on our previous project experience.



The Value of a Theory of Change in Climate Action

- **Strategic Clarity and Alignment:** A ToC fosters a shared understanding among stakeholders about the project's goals, strategies, and expected outcomes, ensuring everyone is working towards a common vision.
- **Robust Project Design:** By mapping out the causal pathways, a ToC helps identify potential risks, barriers, and unintended consequences, enabling project teams to design more resilient and effective interventions.
- **Effective Monitoring and Evaluation:** A ToC provides a framework for selecting appropriate indicators and tracking progress towards desired outcomes, facilitating adaptive management and learning.
- **Transparent Communication and Collaboration:** A ToC serves as a powerful communication tool to engage stakeholders, build trust, and foster collaboration by clearly articulating the project's rationale and expected impact.
- **Learning and Adaptation:** A ToC encourages a culture of learning and adaptation by prompting project teams to reflect on their assumptions, monitor progress, and adjust strategies as needed.

Key Steps in Developing a Theory of Change

1. **Contextual Analysis:** Conduct a thorough analysis of the problem, stakeholders, existing initiatives, and the broader context in which the project operates.
2. **Result Mapping:** In this step we identify the project impact (the sustained or long term change that we want to see), the outcomes (the shorter term changes we want to see for the target group), and the activities (what the project will do). This is the project logic..
3. **Identifying Change Mechanisms:** In this step we describe how we want people to engage with the activities to make outcomes more likely. What do we want people in our target group to be thinking, feeling or doing whilst they are involved in the project activities? Do we wish for them to start to think about things differently, or feel motivated to do something? It can help to look at different outcomes in turn. Take a

single outcome and consider what will need to happen, or how you want people to feel during your activities to trigger this outcome for people.

4. **Sequencing:** Determine the logical order in which outcomes and impact are expected to occur, considering potential feedback loops and non-linear relationships.
5. **Visual Representation:** Create a clear and concise diagram that visually depicts the ToC, highlighting the relationships between activities, outcomes, and impact.
6. **Evidence and Assumptions:** Gather evidence to support the causal pathways and assumptions in the ToC, and explicitly acknowledge any uncertainties or risks.
7. **Narrative Description:** Develop a compelling narrative that explains the ToC diagram, providing context, evidence, and rationale for the project's approach.

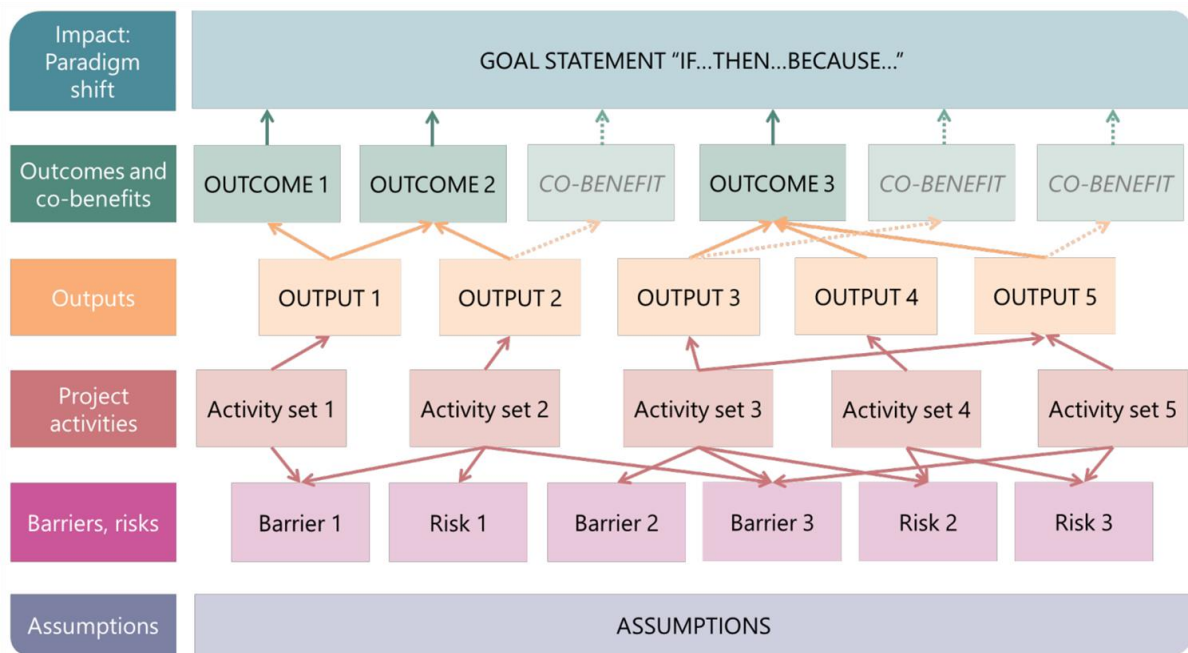
Best Practices for an Effective Theory of Change

- **Participatory and Inclusive:** Engage a wide range of stakeholders in the ToC development process to ensure diverse perspectives and ownership.
- **Clarity and Specificity:** Use clear and concise language to define each element in the ToC, avoiding jargon and ambiguity.
- **Evidence-Based:** Ground the ToC in sound evidence and research, drawing on existing knowledge and best practices.
- **Flexibility and Adaptability:** Recognise that the ToC is a dynamic tool that should be revisited and revised as the project progresses and new information emerges.
- **Focus on Change:** Emphasise the processes of change and how the project will contribute to them, rather than solely focusing on outputs and activities.

GCF Theory of Change

The Theory of Change diagram for the GCF follows a fixed structure with assumptions at the bottom, barriers and risks next, followed by project activities, results, outcomes, and at the top a goal statement. The programming manual for the GCF gives some details about GCF's expectations for this diagram, and many examples can be found in approved GCF projects.

<https://www.greenclimate.fund/document/programming-manual> page 97



Conclusion

The Theory of Change is a powerful framework that helps individuals, organizations, and communities create positive and lasting change. It is based on the understanding that change is a complex and iterative process that requires a clear understanding of the problem, the desired outcomes, and the strategies needed to achieve them.

Check your knowledge

Use the questions below to test your understanding of the theory of change.

Basic Understanding

1. What is a Theory of Change, and how is it typically presented?
2. Why is a Theory of Change increasingly required in proposals for climate change funds?
3. What are the key benefits of using a Theory of Change in climate action projects?

Application and Analysis

1. Describe the key steps involved in developing a Theory of Change.

2. What is the significance of 'Change Mechanisms' in a Theory of Change?
3. How does a Theory of Change support monitoring and evaluation efforts in a project?
4. Explain the importance of stakeholder participation in developing a Theory of Change.
5. What are some best practices for creating an effective Theory of Change?

Critical Thinking and Contextual Understanding

1. How does the Green Climate Fund's (GCF) Theory of Change structure differ from others, and where can one find more information about it?
2. Can you provide an example of how a Theory of Change might look for a specific climate action project (e.g., reforestation, renewable energy adoption)?
3. How can a Theory of Change help a project adapt and evolve in response to unexpected challenges or new information?
4. Discuss the potential limitations or challenges in applying a Theory of Change in the context of complex climate change issues.