

Introduction

Númi Östlund and Kim Forss

Over the past ten to fifteen years, the term *theory of change* has been applied in a wide range of contexts to the planning, implementation and evaluation of interventions of various kinds. The term is applied in many ways and to various ends and has become very common in both Swedish and international humanitarian aid and development cooperation. Theory of change could be said to have become a so-called semantic magnet – an abstract term that attracts and assimilates related terms. Whenever the use of a new term grows exponentially in this way, sceptical and critical reflection is warranted.

At the same time, there is no doubt that theory of change fulfils a function; whatever this semantic magnet is perceived to stand for, it is in great demand. If it fulfils a need, it must be taken seriously. In this anthology, we have gathered a number of writers to both discuss and test the term and analyse its use. They draw on Swedish and international experiences in development cooperation and from other areas and organisations. We hope it will contribute to the judicious and practical use of theory of change.

In this introductory chapter, we fill in the background to theory of change and its application to development cooperation, as well as presenting the structure of the anthology, the contents of the different chapters and some overall conclusions. While not all readers will find everything here useful, we hope that most readers will find at least one or two contributions that meet their needs. However, it is not a book to be read from cover to cover.

Some reflections on the term

First, a few words on the term *theory of change*. Semantically, it clearly consists of two parts: *theory* and *change*. So, what does 'theory' mean in this context? It is not entirely clear but we surmise four different meanings in particular.

1. First of all, it refers to a scientific basis for the aims of the intervention, usually in the form of a causal statement: if measures a, b and c are taken, there is scientific evidence that x, y and z will happen.

Sometimes the term *evidence-based theory of change* makes an appearance. We interpret this to mean that the knowledge is assumed to be based on scientific method.

2. Not everything is subject to scientific investigation and there may be many areas in which one builds up a body of proven experience of 'what works'. Such knowledge can also be expressed in a theory of change.
3. In aid policy, as in other areas, innovative interventions are sometimes launched that experiment with new ways of solving problems and tackling issues that have not been previously recognised.¹

In such cases, there is neither research nor proven experience on which to base a theory of change. Instead, one may offer hypotheses about expected outcomes; about why measures a, b and c might be expected to lead to outcomes x, y and z. Of course, in terms of knowledge, any such hypothesis is entirely different from scientifically proven theories and proven experience (Rondinelli 1993).

4. Finally, there are examples of theory of change without any scientific basis and without proven experience or hypotheses to guide implementation. Rather, they rely on pious hopes of causality between policy, intervention and outcome.

As a semantic magnet, theory of change attracts all of these widely diverse approaches to intervention. It is also important to recognise that science does not always provide a single given solution to a problem; there are often competing theories that contradict one another.

The second component of theory of change is change itself. This has two main aspects: what causes change and how do things change?

More often than not, the key is causality, the relationship of cause and effect. In all phases of an activity, from planning through implementation to monitoring and evaluation, the question of what causes change is raised. The concept of causality has a long history and is still evolving in theory and practice (Losee, 2011). In many contexts, the criterion is that

¹ Being innovative is also part of the administrative policy objective that applies to all government activities: "An innovative and collaborative central government administration that is legally secure and efficient, has well-developed quality, service and accessibility and thereby contributes to Sweden's development and effective EU work." Public administration for democracy, participation and growth (Bill 2009/10:175, Bet. 2009/10FiU:38, written communication from the Riksdag, 2009/10:315).

something – a cause – is a necessary and sufficient condition for an effect – a change – to occur.

In practice, societal changes have multiple causes: they have multiple causality. To reflect this complexity more realistically, one can speak of *causal packages*, each containing potential causes of change (Pettersson and Sandahl, 2016).

While analysing causality can explain why change happens, it is equally important to understand how things change. As we all know from experience, sometimes change is sudden and rapid, sometimes slow and steady (Levinthal, 1998). There are also so-called *tipping points*, the critical threshold beyond which a system that previously changed only slowly reorganises, often abruptly and/or irreversibly, a term that has come to be associated with many ecological systems over recent decades. It is important to know whether or not this change is reversible – whether, so to speak, there is any way back – as this must be taken into account in planning and implementation. There is also a difference between the extent and depth of change. When an organisation changes, it may be relatively easy to adopt new technology, to create rules and procedures, but changing core values and attitudes, developing organisational culture, presents a change of a different order. Understanding the “anatomy of change” (Woolcock, 2009; Forss, 2021) is an important part of working with theory of change.

Theory of change in aid

In 2017, the Swedish Government decided that when operationalising a new strategy, in addition to a plan for implementation and monitoring, the responsible government agency must also prepare a theory of change (Government Offices of Sweden, 2017). So, when operationalising a development cooperation strategy, Sida or any other government agency must prepare one or more theories of change describing how the agency envisages Swedish aid contributing to the change the Government wishes to see, such as reducing poverty in a partner country. Later, when implementing organisations plan their interventions, they too must develop a theory of change for their specific activities.

While, as a concept and approach to development cooperation, theory of change is in itself worthy of this and possibly further anthologies, there are additional motives behind this particular publication.

In late 2020, the Swedish Agency for Public Management and the Swedish National Financial Management Authority (ESV) published a report on the Government's governance of development cooperation and Sida's internal governance and controls. One important theme of the report was the theories of change that Sida is required to prepare when operationalising strategies. Although the authors state that the Government's governance is so unfocused that it is difficult to determine the actual priorities of Swedish development cooperation, they also conclude that Sida should develop its work with theory of change (Swedish Agency for Public Management and ESV 2020) in a manner that supports learning, the application of experience and evidence and following up and reporting results.

The report's recommendations to Sida were a direct contributing factor to the Expert Group for Aid Studies' (EBA's) decision to begin work on this anthology. In discussions concerning the challenges Sida faces in developing its work, the EBA noted that there were a number of different challenges that need to be addressed, including the fact that there are different approaches to applying theory of change and that there is an important discussion to be had about the practical and theoretical aspects. The format of an anthology was chosen in order to cover these diverse issues in a coherent manner.

While work on the anthology was ongoing, the Swedish National Audit Office also published a review of Sida's work, specifically on how the agency chooses cooperation partners and forms of aid (Swedish National Audit Office 2022). The review simply asked how Sida decides which partner to choose in a given context, and how the agency should design its support (e.g. grants, guarantees, etc.). The Swedish National Audit Office concluded that, at an overall level, Sida's choice of partner should be justified by a clearly formulated theory of change for the specific activity.

However, the Swedish National Audit Office concluded that Sida was not clear about how it decided on priorities and strategic choices. Nor was it clear whether previous results and lessons learnt have influenced how the agency chooses its partners on the ground. The Swedish National Audit Office also recommended that Sida develop its work on theory of change. Among other things, they emphasise that the working method must be embraced by the entire agency. However, they also warn against this work becoming too administratively demanding.

So, Swedish development cooperation is governed by specific Government strategies. In 2022, there were 31 geographical strategies (covering countries or regions) and 12 thematic strategies.² Each strategy must be operationalised by the government agency or agencies responsible for its implementation. This includes the formulation of a theory of change describing how Swedish development cooperation can contribute to the Government's objectives in the country/region or thematic area in question. As described above, the Swedish Agency for Public Management, ESV and Swedish National Audit Office have all stated that Sida's work in this area needs to be developed. While this anthology focuses on theory of change on a more general level, this does not mean that the articles are irrelevant to the very specific work on theory of change being conducted in the thousands of activities financed by Swedish development cooperation each year.

An anthology in three parts

The anthology is divided into three parts, each on a different theme. These three themes capture what theories of change are and how they have developed into the current model, how different actors use theories of change to describe their activities and how they can be used for learning and evaluation in development cooperation.

The first part, "**Theories of change in development cooperation yesterday and today**", provides an introduction to how theory of change is currently used by Sida, as well as previous working methods used by the agency, its predecessors and its Norwegian equivalent, the Norwegian Agency for Development Cooperation (Norad). This section also addresses issues concerning the extent to which theory of change is actually new to development cooperation, and what today's aid actors can learn from history.

In an introductory chapter (Chapter 2), *Henrik Nordström and Rebecca Heine* describe how Sida works with theory of change today. The authors work at Sida and provide us with an insight into how the agency has developed its processes since 2017, when the Swedish Government imposed theory of change on all bilateral strategies. The article illuminates how the agency is currently governed and the working methods Sida has put in place to

² Budget Bill 2022, UO7, pages 57-58. In addition to these strategies, there are also multilateral organisational strategies. However, these are not covered by the requirements for theories of change.

develop theories of change for the strategies that the agency is responsible for. Nordström and Heine describe the entire process from start to finish, with examples from Bolivia and Guatemala.

The first part of the anthology contains three more chapters, all of which highlight how theory of change has emerged as a model in Swedish and international aid. In their article (Chapter 3), *Janet Vähämäki and Númi Östlund* describe Sida's previous work on so-called "results initiatives", with the aim of creating working methods for following up and reporting results, both for internal governance and learning. In their article, the authors contend that several lessons can be learned from previous initiatives, all of which were discontinued after a couple of years without having wrought any major changes to the way the agency worked.

The importance of learning from history is also the theme of Chapter 4, written by *Lennart Wohlgemuth and Jonas Ewald*. They describe the link between theory of change and the underlying view of development, and how this has developed since the start of Swedish development cooperation. They also argue that, without clear local ownership, theory of change cannot lead to lasting change.

The first part of the anthology concludes with an article by *Hilde Reinertsen* (Chapter 5) describing the history and family tree of theory of change. By describing how theory of change emerged as a working method, she provides us with an understanding of how the theory relates to and resembles previous approaches to aid, such as the Logical Framework Approach (LFA), Results-Based Management (RBM), etc. The article highlights several of the issues that underpin the anthology, and which are also addressed in various ways in subsequent chapters. These include tensions between flexibility and rigidity and between formulating strategic objectives and being able to have concrete measurable results.

The second part of the anthology, "**Theories of Change in Practice**", brings together four chapters describing how theory of change is used by other aid and development actors (Finland, International IDEA, IKEA and EBA), and two chapters discussing how theory of change can be applied to different types of thematic activities (institutions and biodiversity). The common thread running through these six articles is that they highlight how to use theory of change at a strategic or organisational level. The texts highlight not only the approach to change, i.e. the theories of change themselves, but lessons learnt from the process of developing them.

The four organisations that present their work with theory of change are diverse, they are different sizes, use theory of change in different ways and each have different mandates. The first of these chapters, written by *Suvi Virkkunen and Alva Brun*, describes how the Finnish Ministry for Foreign Affairs developed thematic theories of change for Finnish development cooperation (Chapter 6). The article addresses not only the theories of change themselves but, perhaps most importantly, also the two processes that were used to develop and revise them. The article also discusses important challenges from a donor perspective, such as how theory of change can be used for both internal learning and reporting back to the Finnish Parliament. The article concludes with a discussion of how different perspectives (human rights, climate, etc.) can be incorporated into thematic theories of change.

In Chapter 7, *Joakim Molander and Wolfgang Biersack* describe how International IDEA has developed overarching theories of change for its activities, and for each part of its work in promoting democratic institutions. They also describe the evidence-based logic underlying IDEA's assumptions about how to promote change. Molander and Biersack then describe how outcome mapping is used to follow up and describe IDEA's contribution to the change that has taken place. Finally, they discuss how a similar model could be used by Sida in the thematic area of democracy.

In Chapter 8, we get a perspective on theory of change from an actor outside the aid sector, IKEA. *Jens Andersson* describes how theory of change is used within IKEA as one of the group's tools for strategic management towards sustainability. In his article, Andersson underlines the practical lessons he has learnt from his work, emphasising the importance of viewing theory of change as a participatory process. He also emphasises the value of not complicating things; theory of change should be a simple tool for applying lessons learned in a way that is meaningful to the organisation.

The theme of learning continues in the following chapter, written by *Jan Pettersson*, managing director of the EBA. In his article (Chapter 9), he describes the EBA's theory of change and the background to why it exists. The issue of learning is somewhat reversed here, as the EBA's entire mission is to produce knowledge about Swedish aid and disseminate lessons learned to contribute to the Swedish Government's governance and development of aid. As the publisher of the anthology, the chapter is

also intended, as Pettersson puts it, “to over the course of a few pages, shine a light on ourselves”.

The section on theories of change in practice concludes with two chapters with a more thematic focus. First, *Adam Pain* describes lessons learned from Swedish development cooperation with Afghanistan and Sida's bilateral research aid (Chapter 10). The common denominator is the ambition to build or support institutions, a common theme in international aid. Pain discusses the more or less implicit theories of change that existed in the two cases, and critically analyses a number of shortcomings. Against this background, he then highlights an alternative way of looking at how institutions can be supported, and how theories of change could be developed.

In Chapter 11, *Tilman Hertz* first provides a background to one of today's most important global challenges – the rapid loss of biodiversity. He goes on to discuss the role of development actors in general and donors such as Sida in particular. He formulates three questions that focus on the potential role of development actors in supporting or promoting the transformation needed to achieve not only biodiversity goals, but the Sustainable Development Goals in general. These questions were then discussed at a roundtable of leading international experts convened by the EBA. The main conclusions of the roundtable are presented in the second part of the chapter, which discusses whether it is possible for aid to promote the radical change needed to prevent biodiversity loss and, if so, how.

The third and final part of the anthology, “**Theories of Change for Evaluation and Learning**”, brings together three articles addressing these two interconnected themes.

In Chapter 11, *Léonie Borel, Julian Brett and Erik Bryld* explore an issue raised in several of the previous chapters – that theory of change should be part of an ongoing process. Given that aid operates in an ever-changing world, theories about how to promote change must be flexible, or adaptive as it is often called. Focusing on some of the most changeable contexts, fragile and conflict-affected situations, the authors discuss how theory of change can be the basis of an adaptive aid process. They then go on to discuss how evolving change processes can form the basis for evaluating results in comparison to intended outcomes, which may have changed over time.

Evaluation is also the focus of *Markus Burman's* article in Chapter 12. We are presented with a practical four-step guide to evaluating results with

theory of change, known as theory-based evaluation. Through the lens of evaluation, we as readers are given an overview of how to formulate or recreate a theory of change, and how it can then be used to evaluate results. Burman thus provides a handy guide that is equally useful to those commissioning or performing an evaluation as it is to readers seeking to gain a more in-depth understanding of how to formulate a theory of change.

In the final chapter of the anthology, three researchers from Stockholm University, *Viktoria Rubin, Aron Schoug Öbman and Jon Ohlson*, discuss one of the main challenges that theory of change is intended to address – increased learning. As noted here in the introduction, one of the messages to Sida from the Swedish National Audit Office, Swedish Agency for Public Management and ESV was that, by developing the agency's work with theory of change, learning can be increased. But how is learning actually promoted in organisations? Using organisational pedagogy as a starting point, the authors discuss what research can contribute in terms of organisation, collective learning and knowledge transfer.

Recurring themes pinpoint tensions

A number of different themes are also highlighted throughout the anthology's three parts and thirteen chapters, in the form of recurring challenges or issues that are described in chapters on history, theory and practice. As a recurring pattern in many of the articles, perhaps this underlines some of the most vital questions about the use of theory of change.

Promoting change in development cooperation is about operating in complex environments. There are many external factors that can change along the way. In principle, it is a given that the situation at the time the strategy is operationalised or the intervention planned will change at some point along the way. One inescapable conclusion from the articles in the anthology concerning earlier working methods in development cooperation is that, even if the ambition has been to remain flexible, one will ultimately become bogged down in rigid matrices (see Vähämäki & Östlund and Reinertsen's chapter). So, **how do we promote a flexible working method?** Several of the authors in the anthology emphasise the importance of working with theory of change as a process rather than as a deliverable (see Andersson, and Bryld et al.). In their article on how the Finnish Ministry for Foreign Affairs has tackled assignments, Virkkunen

and Bruun describe Finnish theories of change as processes, both in terms of how they are formulated and how they are followed up. A theory of change is a tool for regular collegial dialogue in which large parts of the organisation participate. Depending on how work with theory of change is organised, it can either lock up operations or liberate individual interventions, programmes or strategies. An overly rigid interpretation that does not allow for learning and adaptation is a straitjacket. If used for dialogue, learning, specification and building knowledge about how an intervention can contribute to change, the tool can be more liberating.

Another related issue is **how complex a theory of change should be**. It is tempting to think that an organisation striving for change in difficult circumstances must also have a very detailed explanation of how change is to be achieved. Here, however, several authors seem to be striving for something relatively “simple”, without the need for complicated structures, templates and models. This is also in line with the conclusions of the reports from the Swedish National Audit Office, Swedish Agency for Public Management and ESV, which emphasise that any development of the work should not lead to an increased administrative burden. And readers can also find support here in several of the articles, which continuously underline the importance of dialogue and process (see, for example, Andersson, Reinertsen, Vähämäki & Östlund, Bryld et al, Virkkunen and Bruun).

At the same time, it is also clear that theory of change can and should be based on evidence, or at least assumptions that can be tested against reality. In their chapters, Molander and Biersack, as well as Pain, describe how theories of change for complex systems can be formulated based on clear and explicit assumptions about change. Like Hertz, they also assume that there is plenty of existing evidence to build on. Virkkunen and Bruun and Ohlson et al. also describe the importance of successfully extracting the “tacit knowledge” that exists within organisations.

At the same time, several chapters maintain that it is perhaps most important to continuously test and critically question your assumptions to ensure that you are on the right track. Burman's chapter provides a very practical example of how to approach this challenge, and how it can then be evaluated.

The issue of evaluation leads to a further theme discussed in several of the articles, and one of the perennial questions in development cooperation:

how can the results be reported? Although we have articles that describe evaluation (Bryld et al. and Burman) or that present specific ways of following up results (Molander and Biersack, Nordström and Heine), several authors also emphasise the difficulty of aggregating performance information (Vähämäki & Östlund) and the tension between following up and accountability on the one hand and learning on the other (Reinertsen). At the same time, this is a question that aid actors must continuously try to answer. In their chapter, Virkkunen and Bruun describe how Finland has recently tackled the issue in conjunction with the development of work on theory of change for all Finnish development cooperation. Unsurprisingly, they also note that this process has not been without complications, nor is it complete.

Learning is also a recurring theme, perhaps the most consistently recurring in the anthology. This is also one of the main points made in the recommendations to Sida in the reviews of the agency's work. So, **how can we promote learning** and is developing work with theory of change a way forward? Not only is this question interesting in itself, but it also links to the other questions or themes addressed here. How can learning be promoted if the approach is too complicated, inflexible and does not allow us to follow-up the results? In the introductory section with a historical review, both Reinertsen and Vähämäki & Östlund underline how much there is to learn from previous attempts to establish new methods or models that were themselves intended to contribute to learning. Still, the difficulty of learning from experience is emphasised by Wohlgemuth and Ewald's articles, in which they describe how, since its inception in the 1960s, development cooperation strategy has repeatedly stated the same things, emphasising the importance of ownership for sustainable change, only to shortly thereafter implement a different form of aid in practice.

Several chapters stress the importance of working with theory of change as a participatory process in which learning is something that arises in collegial dialogue and cooperation with partners. Virkkunen and Bruun describe how the Finnish Ministry for Foreign Affairs holds a broad-based annual dialogue concerning the results of development cooperation, deliberately seeking out the knowledge and experience, the *tacit knowledge*, of colleagues. The importance of tacit knowledge also reappears in the concluding chapter on learning organisations by Ohlson, Rubin and Schoug Öhman. They point out that numerous studies have demonstrated that attempts to disseminate experiences and knowledge within an organisation by storing the information in various types of databases and

expecting members of the organisation to retrieve it rarely succeed. Rather, it is joint reflection and dialogue that are crucial to creating a learning organisation.

It is also important to be clear about what constitutes a theory. As is amply demonstrated in the various chapters of this anthology, while a *theory* of change may be based on scientific knowledge or proven experience, it can just as easily be purely hypothetical or an expression of pious hope. Is there a risk that hypotheses and wishful thinking will be legitimised by dressing them up in the language of science? There is nothing wrong with taking calculated risks and, clearly, not everything we wish to achieve can necessarily be backed up by science. However, it is important to know when the foundation of knowledge is weak or non-existent and to adapt our monitoring and evaluation accordingly.

Concluding reflections

The breadth and diversity of development cooperation and humanitarian aid place particular demands on an organisation to explain both internally and to the outside world what difference it hopes to achieve by allocating resources. It is a mammoth endeavour and attempting to come to grips with aid is undoubtedly a challenge, operationally but also strategically. That, however, is why it is so important. Without logical, coherent narratives, there is a risk that a broad approach may become fragmentary, something that favours neither aid nor the development it is intended to foster.

Formulating a theory on how to achieve change can be a way of creating such a narrative, a narrative on which to base both internal and external dialogue. It is a matter of answering fundamental questions about what we are doing and why we are doing it, and what we intend to achieve and why we want it to happen. It can provide an opportunity to utilise not only external evidence but all the knowledge that exists in the aid sector, in Sweden and internationally. And to contribute to continuous learning.

Our view is that in no way does this learning stand in opposition to accountability. On the contrary, serious attempts to create clear narratives on which to base operations are a way of re-establishing accountability for the changes development cooperation intends to achieve, not only for financial order but for doing things right and doing the right things.

At the same time, this anthology as a whole underlines that theory of change is by no means a panacea. Previous experience demonstrates that when developing theories of change we should be analytical, critical and even sceptical. Why are we doing this? Who are we doing it for? How can we ensure that it doesn't become an administrative burden? How do we find our own path, avoiding the risk that theories of change will serve to legitimise and control, rather than analyse and build knowledge?

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