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**THEMATIC THEORIES OF CHANGE
CONTRIBUTING TO THE AGENDA 2030**

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Thematic Theories of Change Contributing to the Agenda 2030

Suvi Virkkunen and Alva Bruun

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Foreword by EBA

At the end of 2020, the Swedish Agency for Public Management (Statskontoret) and the Swedish National Financial Management Authority (ESV) undertook a review of the government's governance of Sida, and of the agency's internal efficiency and management procedures. One of the recommendations was that Sida should develop its work with theories of change (ToC) at the strategy level to strengthen learning and the application of experience, evaluation and evidence in the implementation of the government's strategies. To contribute to this work, EBA decided to produce an anthology with texts that shed light on ToCs from different perspectives.

This working paper is one of the contributions to the forthcoming anthology. The authors, Suvi Virkkunen and Alva Bruun (both formerly with the Finnish Ministry for Foreign Affairs, MFA) describe how thematic ToCs have been established for the Finnish development cooperation. In the working paper the approach to, and understanding of, ToCs is described. Finland has, interestingly, established one overarching theory of ToC for the entire development cooperation, supported by the thematic ToCs. The authors go on to describe how the MFA has tackled questions of how the ToCs relate to one another, how they have treated cross cutting issues and how learning and reporting is accommodated.

EBA hopes that this text will be a valuable contribution not only to the upcoming anthology, but to Swedish efforts to establish ToCs in development cooperation in general. While the authors provide a discussion of the Finnish ToCs, perhaps the most valuable part of the text is the discussion of the many stages in the process to establish them. Virkkunen and Bruun does not describe a simple success story, but critically discuss the many challenges tackled along the way.

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Jan Pettersson, Managing Director

Introduction

Development policy forms a key part of Finland's coherent and comprehensive foreign and security policy. It is guided by the Government Programme and their foreign policy sections as well as separate development policy documents.

Discussing the complexity of development challenges and assessing their impact is not new in Finland's development policy. However, following the global public debate on development policy, there has been an increased discussion about development effectiveness and a significant demand to deliver more robust long-term results, improve effectiveness and ensure better reporting of Finland's development policy.

Finland's development policy experienced dramatic years in 2015–2016 when the Sipilä Government, formed by the Centre Party of Finland, the National Coalition Party and the True Finns, cut the Official Development Assistance (ODA) and staff resources drastically as part of national austerity measures. This also highlights how political priorities can shift very quickly. Decisions on cuts were difficult to make on the basis of competing priorities or due to a lack of robust result knowledge.

The Ministry for Foreign Affairs (MFA) in Finland oversees development policy and administers all development cooperation. Finland does not have a separate agency for development cooperation.¹ The MFA's Department for Development Policy is responsible for development policy and much of the programming, while other MFA policy or regional departments administer development policy as part of their other foreign policy duties.

The process of designing Theories of Change (ToCs) for Finland's Development Policy has been led by the Department for Development Policy at the MFA. This department had a significant facilitation and coordination role.

The ToC process was initiated to systematically assess global development challenges and the interlinkages between different priorities in Finland's development policy and cooperation. It became evident that, to maximize Finland's contribution to development in line with internationally agreed frameworks, it needed to clarify its strategic focus. This was a shift from the earlier, more decentralised Finnish approach.

¹ The Department for International Development Co-operation was formerly called FINNIDA, this name having been phased out since 1995.

Finland has created thematic ToCs for its four policy priority areas and humanitarian assistance. It has also created a holistic ToC for its entire development policy. The ToCs can be said to have enabled clarity on the impact Finland aims to have based on its interventions as well as the Agenda 2030. The ToCs are also based on the application of the “Leave no one behind” (LNOB) principle. They support results management, reporting and accountability at the holistic level.

The process of reflecting together among the MFA staff and stakeholders on priorities, assumptions, and interlinkages is considered important an element in crystallising Finland’s contribution to solving global development challenges. The ToC structure provided this reflection a new and more detailed structure.

The crucial question for Finland in embarking on the ToC-process was: what Finland does need to be able to deliver as a development partner? Amid the growing threats of climate change, increasing vulnerability and fragmented governance as well as conflict, it was important to ensure a very critical and real conversation. What path could help Finland strengthen multilateralism while driving results through most effective programming?

One might say that Finland’s rounds of ToC development (2017–2020) were both complex challenges and opportunities for the MFA staff to ‘think out of the box’. While the entire process has offered an important sense of vision, it also invites to reflect on a number of key lessons learned.

Background: Finland’s development policy journey

Finland’s development policy is managed through a results-based management (RBM) approach. This is due to the understanding that managing for results is one key element in ensuring development effectiveness. The latest international guidance on the topic dates from 2019 when OECD DAC adopted Guiding Principles for Management for Sustainable Development Results.²

² OECD (2019), *Managing for Sustainable Development Results: Guiding Principles*, OECD Publishing, Paris.

Finland started to stress the importance of improving its RBM in 2012. The work has been guided by two Action Plans (2012–2014 and 2016–2018) and management decisions based on related strategic evaluations (2011, 2015 and 2019).³ A “first generation” of project and policy channel RBM practices were developed, a Guiding Document approved in 2015 and development policy level RBM system set up. A clear milestone was achieved in 2018 with the publication of the first comprehensive Results Report of Finland’s Development Policy.⁴ The report is based on data and information on inputs and results collated and aggregated across countries and aid modalities per priority area – as well as conclusions on the basis of their analysis.

Earlier, the overall planning and monitoring was focused mostly on inputs (budgets) and (types of) partnerships while a result-orientation concerned only project level management. A lot of the processes and priorities were established in a more ad-hoc manner, spreading Finland’s involvement quite broadly. While this allowed flexibility to engage with a number of important initiatives, it also prevented a global overview and systematic assessment of results.

A crucial element in preparing the *Development Policy Results Report of 2018* was the development of the thematic and the holistic ToCs for Finland’s development policy. They clarified what and why certain results were included in the report while many were not – what Finland was accountable for achieving or contributing towards, and what not.

The RBM reform was later integrated into a broader development cooperation management reform at the MFA, with a clear focus on strategic leadership at the comprehensive/corporate level. The ToCs were taken as an important tool for this strategic decision-making, for which a “second generation” of ToCs and aggregate result indicators were developed. Additionally, more specific timelines were defined so that it was more clear what information needed to be gathered for what stage of strategic decision-making during an electoral period and an annual cycle. Moments of analysis, joint reflection and learning were more clearly identified.

³ Results-Based Approach in Finnish Development Cooperation, Evaluation report 2011:2 Ministry for Foreign Affairs, Finland, Evaluation: Finland’s Development Policy Programmes from a Results-Based Management Point of View 2003–2013, 2015, Ministry for Foreign Affairs, Finland, Evaluation on Knowledge Management: “How do we Learn, Manage and Make Decisions in Finland’s Development Policy and Cooperation”, 2019, Ministry for Foreign Affairs, Finland.

⁴ Development Policy Results Report of 2018, Ministry for Foreign Affairs, Finland.

As an outcome of these reforms, Finland's development policy decisions are now expected to be informed by results knowledge – result knowledge is understood as a combination of data, evidence-based information, research and experience (so called tacit knowledge).

One contributory factor to the creation of thematic ToCs was a request from the Finnish parliament for the Government to report on results, effectiveness and impact, including challenges, each parliamentary period. This request was included in a response to a development policy report on effectiveness and coherence of development policy in 2013.⁵ The Foreign Affairs Committee had earlier requested not to receive annual reports – describing programmes Finland was supporting in various countries – and was not pleased with the way results were presented as what it called “anecdotes”. It also was critical of the manner where the exact role of Finland's (or EU's) development policy interventions remained vague. It was deemed, that in order to be accountable for results at a holistic level, more clarity and precision on the expected results of Finland's development policy on the whole was needed.

A second contributing factor behind the creation of thematic ToCs was an external evaluation on Finland's policy guidance.⁶ This evaluation assessed how the Finnish Development Policy Programmes of 2004, 2007 and 2012 had succeeded in defining the foundation for results-based development policy and cooperation. It found that despite a result focus at programme/project level, Finland lacked a comprehensive approach and tools to manage based on results at the corporate level. The evaluators recommended that future policy implementation should be guided by a long-term strategic plan underpinned by a comprehensive Strategic Results Framework.

The evaluation considered ToCs at corporate level useful. It included a peer analysis highlighting various experiences of different countries and noted that linking results across the different results framework levels was challenging.⁷ A comprehensive Theory of Change emerged as a good basis for selecting meaningful organisational and institutional performance measures that enable development results and a relevant hierarchy of

⁵ UaVM 9/2014 vp – VNS 5/2014 vp.

⁶ EVALUATION, Finland's Development Policy Programmes from a Results-Based Management Point of View 2003–2013, 2015, Ministry for Foreign Affairs, Finland.

⁷ These challenges, of course, are not unique to Finland, but rather has many similarities in view of that of Sweden and Sida, as described in the chapters by Nordström & Heine, and Vähämäki & Östlund in EBAs forthcoming ToC anthology.

development results measures. *“A sound Theory of Change also renders transparent inherent difficulties in attributing development outcomes to the activities and the funding of individual donors”*, the evaluators stated.⁸

The evaluators recommended Finland to develop a ToC and a Strategic Results Framework at the MFA corporate level. They emphasised a ToC as a tool to provide a logical and plausible storyline, explaining the causal steps through which the MFA’s corporate and implementation activities and outputs (e.g. policies, strategies, decisions, projects, programmes) are intended to achieve development outcomes and impacts, covering all policy implementation channels.

Identifying underlying assumptions and the degree to which the MFA has control over results along the chain was seen an important element of the ToC. It was also introduced as a tool to provide a rationale and criteria for prioritising between and within channels, for example which types of countries, multilateral organisations, and international NGOs to fund.

A third contributing factor to the creation of thematic ToCs was the Government’s new development policy, presented to parliament in 2016. In many ways it responded to the evaluation recommendations. Finland’s four priority areas were defined for the first time in a result statement form: *“Finland will strive to ensure, for its part, that:*

- *the rights and status of women and girls have strengthened;*
- *developing countries’ own economies have generated jobs, livelihood opportunities and well-being;*
- *societies have become more democratic and better-functioning;*
- *food security and access to water and energy have improved, and natural resources are used sustainably.”*⁹

It endorsed Finland’s development policy as fully anchored in a Human Rights Based Approach (HRBA) and additionally promoting specific cross-cutting objectives: gender equality, inclusion, climate resilience and low-carbon development.

⁸ EVALUATION, Finland’s Development Policy Programmes from a Results-Based Management Point of View 2003–2013, 2015, Ministry for Foreign Affairs, Finland.

⁹ Finland’s development policy. One world, one common future, towards sustainable development. Government report to Parliament, 4 February 2016.

The 2016 government policy defined more specific goals for each priority area, and linked each priority area to specific SDGs. It also highlighted some of the main means for Finland's contribution. Thus, some elements (different levels of results, assumptions) of a ToC were already partially defined in the government policy.

Fourthly, the need for thematic tools is also explained by the fact that MFA of Finland has an organisational and budgetary structure without a clear thematic division. The departments and units are either geographical or regional (Africa and the Middle East, Asia and the Americas, Europe) or organised by type of cooperation or partnerships (multilateral, civil society, private sector etc.). Those individual units with thematic focus remain very horizontal in nature (human rights, peace mediation, etc.).

Managing for results for the thematic result areas in a multidisciplinary way in the "Agenda 2030 era" required a comprehensive and cross-organisational approach. There was a need to provide clarity on the expected results in each of the thematic result areas and how they contribute to the SDGs and LNOB principle.

Finally, the use of the ToCs for strategic leadership was encouraged by the most recent relevant strategic evaluation in 2019, on knowledge management.¹⁰ The evaluation highlighted the need for capabilities, motivation and opportunity to use results information. Time, processes and space for analysis, joint reflection and utilization of knowledge were identified as areas of improvement. As a result of this evaluation, processes of strategic decision-making have explicitly been created and structured for annual stock-taking, including annual gatherings for staff working on development policy and those working in other policy areas, as well as embassies.

An important part of the processes is the "priority area perspective". How does the existing programmatic and funding portfolio look like vis-à-vis the ToCs? What are the key lessons learned concerning successes or challenges on the basis of annual reports? How could Finland further ensure relevance?

Annual thematic analysis and reflection aims to support cross-organisational reflection and learning as well as thematic leadership. Despite several rounds of reflection, the process would benefit from more effort to really distil learning and strategic decisions from this work.

¹⁰ "How do we Learn, Manage and Make Decisions in Finland's Development Policy and Cooperation" 30 August 2019.

The annual reflection also provides an opportunity to acknowledge new challenges and setbacks, such as the COVID-19 pandemic, and to bring in new elements for the consideration of strategic leadership. When it comes to COVID-19, the reflection led to a collective consideration that the priority areas and the ToCs were relevant event at the times of the pandemic.

Finland's perspective on a Theory of Change and its usefulness

Definition and added value of a Theory of Change

Finland identifies a ToC as a theory in the sense that it represents the best available hypothesis on how change happens, and how it is assumed the MFA contributes to these changes. This approach of course presents many similarities with the approach by Sida, as described by Vähämäki and Östlund.¹¹ It is important to recognize that many ToC approaches put a stronger emphasis on actors and contributions, described more in detail by Molander & Biersack.¹² The ToC approach recognizes that the hypothesis might not hold and the ideas need to be regularly tested and refined, in order to increasingly develop a more plausible and realistic theory. It specifically includes the notion of contribution to change.

A useful tool for development policy and cooperation, a ToC recognizes that change is complex, systemic and non-linear. Using a ToC for instance on country programme or intervention level, implicitly shifts the emphasis from heavy planning and compliance in implementation, to constant monitoring and revisiting of the chosen pathway, and as such is in line with the RBM approach Finland uses – including emphasis on adaptiveness and learning.¹³

¹¹ A chapter in a forthcoming EBA anthology on ToCs.

¹² Ibid.

¹³ Borel, Brett & Bryld and Reinertsen further look at the issues around rigidity/adaptability. A chapter in Forthcoming EBA anthology on ToCs.

Importantly, a ToC for Finland is both a flexible, iterative process including consultation with key stakeholders and a tool for

- critical reflection as part of strategic planning,
- communicating the intended contribution,
- reflecting results, assumptions and risks vis-à-vis the theory and therefore the adopted strategy as part of managing/directing for results and
- reflecting the underlying causal assumptions, the strategy and the theory as part of learning.

In the case of Finland, an important added value lies in the assumptions of a ToC. An analysis of causal assumptions and the whole ToC help reflect the extent to which the development results expected from Finland's development cooperation are realistic.

A ToC process guides thinking through the underlying causes and factors of development challenges, and how they influence each other. In case of country strategy ToCs, this is backed by a Political Economy Analysis (PEA) and a mandatory human rights analysis (see also Chapter by Borel, Brett & Bryld). In some cases, conflict/fragility analyses, context-specific system analyses or scenarios have been conducted, to support the development of a ToC.

Assumptions define the understanding of the relation between the changes that are expected as a result. Assumptions include conditions in the context that need to be in place for the change to happen. In other words: What works? For whom? Under what conditions? They can be seen as a tool to bring realism to the expected contribution as well as the external factors that may support but also hinder the success.

In the case of Finland, assumptions that are needed for the outcomes to contribute to the expected impact relate to external actors. Thus, assumptions make more visible what is expected of others. Or to put it the other way, a ToC makes visible the dependence on others and thus in some ways clarifies and puts in perspective the burden of accountability of any individual actor.

In the priority area ToCs, assumptions that are needed for the outputs to contribute to the expected outcomes often relate to changes in the immediate enabling environment or in the capacity and behaviour of organizations. Finally, assumptions between inputs and outputs often

relate to internal capacities, resources and partnerships. The importance of highlighting this as a basis of the ToC, is understandable in the case of Finland, where the development policy resources have fluctuated in the recent history.

The chosen approach to developing priority area Theories of Change

Finland's ToCs for each policy priority area are considered and used individually and as a whole, defining the contribution of Finland's development policy to the achievement of the Agenda 2030.

A clear choice was made, to ensure critical reflection on the priorities and realism of Finland's focus/expected results, to encourage and allow for clear, or direct, pathways per outcome-area. But it was clear from the outset that Finland's development policy areas – as well as the understanding of how ToCs support it – are interconnected.

Thus, the priority area ToCs should be looked at as systemic, holistic theories in themselves, where contributions take place from one outcome-pathway to another. Similarly, Finland's contributions in one priority area are understood and expected to contribute to the realisation of results in another. For instance, the expected result in the priority area “Sustainable Economies and Decent Work” of creating or supporting jobs, is highly dependent on the results in the priority area “Climate and natural resources”, with outcome areas relating to agriculture, forestry, energy or water.

The linkage between outcome areas or ToCs could have become even better defined in assumptions defined in the ToC. However, when aggregate result indicators were defined based on the ToC result statements, these links became very evident.

Finland's priority area ToCs are holistic also in the sense, that they are an illustration of ToCs used at programme or project level throughout various cooperation modalities. This means, that Finland's bilateral country programmes have their own ToC, main civil society cooperation have their programme ToC and various other modalities may have their own as well. The main purpose of the priority area ToC is to define an overall prioritised umbrella theory, which creates a logical contribution pathway in relation to Finland's efforts, encompassing all these various modalities, which in turn links to all other ToCs.

At a broader level, Finland's ToCs interlink to the SDGs in several ways: the SDG goals to which the priority area impact statement is seen to contribute, are identified. Equally, the SDG targets to which at outcome and output level result statements contribute, are identified. The result statements and assumptions have been formulated with the intention to include the LNOB principle through the integration of the HRBA. The aggregate indicators developed based on the ToCs are mainly aligned with the SDGs and include an expectation of disaggregation according to sex, age and disability wherever possible.

It is important to note, that Finland's priority area ToCs were not an academic exercise and was not intended as such. Sometimes ToCs are extensive narratives that explain, on the basis of applied research and academic literature, how change takes place (eg. how learning improves) either generally or in a particular context. However, Finland took the approach that the ToCs are explicitly theories describing how Finland expects its contribution to development change to take place. Thus, it is Finland's theory, not a general one.

In the process of designing ToCs, academic knowledge, evidence from evaluations and results information was, however, used widely, both in the critical reflection of the validity of the created pathways and assumptions. However, the process was facilitated clearly to identify a very limited number of expected outcome and output results for each impact. At one stage of the process, wide consultations took place, and a number of actors, be it civil society, academic, private sector entities and others provided important critical inputs that further helped shape the thinking and process.

The many stages of Finland's Theory of Change design

The ToCs have been designed in two stages of thorough and lengthy internal processes that were as crucial as the end result. Reflecting on the most important and collective expected results across the relevant development cooperation modalities, including policy influence, has been extremely useful for collective learning and information-sharing. Rubin, Öhman and Ohlson goes further in elaborating on organisational learning perspectives and opportunities.¹⁴

¹⁴ A chapter in Forthcoming EBA anthology on ToCs.

The original ToCs (2018) have so far been updated once (in 2020). The update included both changes to the content and methodological improvements. Additionally, a consultative process with a wide range of stakeholders to develop aggregate indicators on the basis of the first ToCs contributed greatly to the second ToC.

In the first round external consultants supported the process to ensure expertise of successful facilitation of such a process, the second round was internally conducted by the MFA.

Finland's priority area "crystallising" process 2017–18

The first ToC process was called "crystallising" the priority areas. This started in January 2017 and took approximately 9 months.

The process was very interactive and participatory in nature within the MFA of Finland. The discussions were seen a crucial part of the crystallising – creating a collective understanding across the organisation – through learning from work and priorities of others in the same priority area, sharing thoughts, debating and going through evidence (evaluations, academic studies) together.

The teams of colleagues who worked with a certain priority area – senior advisers, desk officers from various units with identified sectoral focal point responsibilities or staff involved in relevant projects or partnerships – came together to discuss in three stages what they knew about the current programmes, policy influence or policy coherence topics, what could be considered the main results expected in this priority area and what the assumptions were.

The discussion on expected results needed to be a combination of what the current versus the desired or ideal result statements and assumptions would be. This is where the process required policy leadership, to ensure that some of the result statements were refined to reflect the policy direction, rather than the existing state of affairs. How well this succeeded in reality, varied, and a lesson learned was that this process requires smart facilitation to ensure that it doesn't derail or lose focus.

Important discussions were held on how the HRBA should be reflected in Finland's ToCs, how the cross-cutting objectives should be integrated in the priority areas and how the interlinkages and cross-contributions between the priority areas should be managed. Many aspects remained challenging and called for clarifications.

The “crystallising” process was a step towards a portfolio thinking – that Finland's priority areas have a portfolio of programmes, partnerships, policy influence and coherence activities that are initiated and managed across the organisation. It made clear that the manner with which the MFA worked on its development policy priority objectives required reflection. For instance, tools for thematic leadership and more continuous dialogue, in the form of so called *Communities of Practice* or other peer networks, were called for during the process as ways to support the continuation of the clarity, learning, synergy building and coherence of activities within a priority area. This discussion contributed to the creation of positions of Thematic Leaders at ambassador level. The Thematic Leaders work with thematic teams and hold cross-organisational responsibilities to drive and coordinate the work on a particular priority area.

Communities of practice for peer learning were considered, but never institutionalised. Partly this was due to lack of resources, but partly due to the creation of more permanent processes where colleagues collaborate on a regular basis. These, so called knowledge based strategic leadership processes, led by the development policy management, including the aforementioned Thematic Leaders, bring together thematic colleagues to analyse the situation vis-à-vis the ToCs and the Government policy each year (as explained above).

The draft ToCs went through many revisions, which was important to ensure that the final product reflected the desired elements, but also to gain the maximum level of ownership within the MFA. The process led to the adoption of four ToCs, one for each policy priority area. They were formally adopted by the policy leadership, not political decision-makers (minister or cabinet) as they are considered an interpretation by the administration of the political will of the government (that was highlighted in the government development policy).

The ToCs were prepared in a graphic form, but also into a short narrative. They were the basis on which Finland's focus in each priority area was presented in the Results Report. An overall, whole of development policy

ToC was included in the introduction of the report, also on the basis of the iterative “crystallising” process. The priority area ToCs were included in the annex.¹⁵

The aggregate indicator development

The existence of the priority area ToCs led to a process of revisiting indicators with which aggregation of results would be possible. This was a widely participatory process that led to a large pool of voluntary aggregate indicators for Finland’s development policy.

In the Results Report of 2018 all in all twelve results were aggregated. They were selected based on what was possible – which results were monitored with internationally agreed and harmonised, quantitative indicators so that results could be pooled together from a variety of programmes. This selection did not highlight the most important results or correspond quantitatively to the priority areas. For instance, several of them were priority area 4 results – related to water, energy and food security. Finland had not had any policy on aggregating results nor on harmonisation of indicators.

All other information in the results report were collations of result data and narratives on qualitative results. It was made clear from the start, that the report was not comprehensive – rather, it aimed to give indications on the types and quantities of results that are being achieved through Finland’s involvement. Out of an “ocean” of result knowledge in programmes and projects, certain elements were extracted in a way that resembles a “fish net”.

A new round of aggregate indicator selection took the ToCs as the starting point – how could we in the future give a more even and comprehensive indication on Finland’s development policy? What should the “fish net” look like to capture the “right” results?

In order to avoid incoherence with Finland’s development policy principles, that emphasised relevance and country ownership, the work started with the notion of voluntary indicators. They were meant to be a selection of indicators useful for the overall reporting of Finland’s ToC-focused results for future accountability purposes. Programmes, projects and partners were expected to use a varied variety of indicators

¹⁵ Development Policy Results Report of 2018, Ministry for Foreign Affairs, Finland.

that were relevant in their contexts to monitor, adapt and learn for the purpose of managing for better results. It was assumed, however, that international harmonisation of indicators vis-à-vis for instance the SDG indicators will iteratively support the usefulness of these selected indicators.

This exercise, if anything, proved that it's a helpful exercise to link data to ToCs, to keep them grounded. It became evident that in some cases the ambition of what was under Finland's sphere of influence wasn't realistic. Also the expectation on resources for production of relevant data to monitor the results might be challenging. An example is the indicator on number of people who have had access to decision-making outside the mainstream political mechanisms. While the intention is to be able to truly measure the impact on civic engagement outside ordinary political challenges, such data continues broadly to remain inaccessible or difficult to collect.

In discussions with colleagues and stakeholders what are and should be the best suited indicators, it also became clear that many of the result objectives in the priority area ToCs were not quite clear or contained illogical elements. This discussion contributed to the fact that the ToCs were revised as a part of this process.

Revision of the Theories of Change in 2020

Do the ToCs reflect Finland's development policy?

A revision of the ToCs was made in 2020 following parliamentary elections in 2019. The parliament had endorsed importance of continuity over parliamentary/government periods when discussing the 2018 result report – and thus Finland's priority areas were not drastically changed by the new government. However, it placed more emphasis on certain topics: the protection of human rights and dignity, with stressing a human rights-based foreign policy, and the importance of gender equality, non-discrimination and climate resilience as cross-cutting objectives.

As the process of developing aggregate indicators had raised various issues concerning some result statements and logics in the ToCs, the period after the government programme was seen a good moment to both improve the ToCs as such and integrate the government emphasis into the ToCs.

To discuss how this would be done was a good opportunity to clarify what these new priorities meant for Finland's development policy, while respecting the idea of continuity, thus ensuring a more long-term commitment.

What need to be assumed for the portfolio to reflect the expected outcomes?

The second round of discussing the ToCs included debate on the underlying assumptions of some of the ToCs. For instance, under Priority Area on Sustainable Economies and Decent Work, Finland's possibilities to support sustainable trade, responsible business conduct and innovation was thoroughly debated. The ToC-team spent a significant amount of time elaborating and defining what economic activity, decent work and innovation meant as part of the Finnish priorities. The reflection also extended to what elements the outcome- and output levels could contain and what the possible means to support these results were.

Concepts such as *leverage* and *sphere of influence* were given a more prominent role. What was the contribution Finland could make with its current modalities of cooperation to support developing country governments to promote responsible business conduct and support a solid business-enabling environment? What were Finland's possibilities to influence how job creation and economic activity overall would support the decent work agenda in line with the Sustainable Development Goals and African Union's Agenda 2063, and notably ILO standards? This discussion was underpinned by the reality of a reduced number of bilateral activities by geographical departments and embassies and a rapid growth of private sector initiatives, loans and guarantees to direct funding through investment funds. How could Finland actually influence through these modalities?

Understanding collectively how change happens in the fast-developing area of sustainable economies and decent work is complex. It became evident that a great number of issues needed to be addressed in the assumptions. These included the need for ownership and willingness on the side of governments and key stakeholders to use sustainable solutions and avoid any adverse impacts they may have. In essence, the discussions about assumptions became critical for the ToC to be completed, and this highlighted the need for a regular review of the solidity of ToC – to see whether the assumptions were in fact holding.

What is a priority area, what is cross-cutting?

Gender equality

The new government set in 2019 a high ambition and clear target for Finland's cross-cutting objective of gender equality – to reach the target level of 85% of development cooperation containing gender-specific activities and ensure gender mainstreaming in all development cooperation. While this cross-cutting objective has been a long-standing element in Finland's development policy, promoting the rights of women and girls was defined as a separate priority area only in the 2016 development policy.

There were many diverging views on how Finland's contribution to protect and promote the rights of women and girls specifically and gender equality more generally takes place. It was agreed that the logic and underlying assumptions in all of the 2018 ToCs needed to be 'tried and tested', including some amendments. The question of intersectionality came up very strongly in these discussions.

It was assessed that the priority area on 'Rights of Women and Girls'- ToC should be explicit in identifying solutions that respond to the gaps in fulfilment of rights of women and girls and ensure they are empowered as agents of change and can benefit from the intended impact. The focus in the priority area on Rights of Women ToC was put on key priority issues that would not be covered elsewhere, such as sexual and reproductive health and rights. Other areas such as women's political empowerment were covered under other priority ToCs. A lot of effort was therefore put on discussing the cross-linkages. It must be noted that there were and are diverging views about this, with some concerns about how this would impact the priority attached to those areas not directly covered by this ToC.

Certain elements were decided to be included across the priority area ToCs. Each priority area needed to address root causes of inequality and discrimination as well as systemic injustice and structural barriers to exclusion. The importance of effectiveness of institutions and mechanisms that are targeted to empower women and girls also needed more attention. The discussions about how this should be reflected in result statements or assumptions were important for the collective understanding Finland's development policy. This proved challenging in many ways, as in certain areas there was a desire to tackle more immediate challenges.

Climate change

Similarly, an important discussion was needed to clarify how the increased emphasis on climate action by the Government would be reflected in Finland's development policy. It was an important cross-cutting objective; Finland would adhere to the do no harm principle and seek to support low carbon development and climate resilience. The policy guidance on what this meant in practice was still being finalised and experience of how this would translate into practice on an intervention level had not yet accumulated.

After the first round of ToCs the priority area on Natural Resources (energy, forests, food security, water) had included the interrelation with climate change very clearly. Climate change was, however, not sufficiently articulated in, for instance the priority area on Sustainable Economy and Decent Jobs due to various reasons, including the lack of evidence and data.

In the end climate change was set as an overarching objective, i.e. highlighted at the top of the holistic ToC, so that all of Finland's priority areas are expected to contribute to the realisation of the SDG 13 and the Paris Agreement. Placing climate as an overarching objective supported the understanding that no intervention under Finnish development cooperation should cause adverse impacts on climate or increase vulnerability to climate change. The expectation was that climate-related risks would be screened, assessed and mitigated across all priority areas. While it is evident that such an overarching objective is a challenge to link to certain types of modalities, the process fostered a greater sense of understanding of the interlinkages between climate and various sectors and areas, even when they might be linkages that are distant or difficult to recognize at first.

Additionally, climate change was formulated as an expected impact of one priority area, now named as Climate Change and Natural Resources. Also, the outcome and output statements or assumptions in various ToCs were reviewed to integrate climate resilience and low carbon specific objectives and finally, a new outcome area with meteorology and disaster risk related outputs was added to that ToC.

All in all, the second round of the ToC process yielded new thinking in the MFA on the role of climate change, given not only the interlinkages between the Agenda 2030, but the Finnish cross-cutting objective on climate. It was necessary to outline more clearly how the linkages between priority areas, and between outputs and outcomes in particular were

expected to contribute to climate action. It proved challenging to work in parallel under complex systems in ToC-development and therefore the ToCs are still to some degree unbalanced or uneven.

Important processes related to Finland's approach to climate finance, cross-cutting objective implementation and explicit policy influence of Finland's partners are currently under way. It can be argued that the ToC revision and the discussions during the revision stage have helped move the processes forward.

How does HRBA/LNOB reflect across the ToCs?

Finland, having committed fully to Agenda 2030 on one hand, and a Human Rights Based Approach to development on the other, was committed to ensuring that all priority areas would ensure alignment with the LNOB principle and towards tangible solutions that empower and support the most vulnerable and marginalised segments in society, including women and girls, in most vulnerable and marginalised situations.

Finland's HRBA to development cooperation also played a key role in execution of the ToCs.¹⁶

The ToC process offered an opportunity to discuss how HRBA had guided Finnish development policy and how it should be increasingly present across the different priority areas. It opened a window of opportunity to look at all priority areas through a HRBA-lens: critically assessing what this would mean for the execution of Finnish development policy and programming. It was evident that the ToC process and HRBA was important but not easy to link up, for various reasons.

The process provided an opportunity to reflect on how Finland had integrated HRBA into development programming since the adoption of the latest HRBA guidance of 2015. It became evident that while HRBA is well known across the organisation, including the embassies, it still remains fairly abstract in terms of how to integrate it fully into program implementation. This came as no surprise, as it had earlier been expressed by an external review. The Quality Assurance Committee at the Finnish MFA has also noted that HRBA is seen by many as bureaucratic to integrate in the planning of new interventions, hence, often also omitted from the monitoring phase.¹⁷

¹⁶ Human Rights Based Approach in Finland's Development Cooperation: Guidance Note, 2015, Ministry for Foreign Affairs.

¹⁷ Review of Human Rights-Based Approach in Finland's Development Policy related to Forthcoming Evaluation (2019).

Especially in elaborating the ToC Priority Area on Sustainable Economic Development and Decent Work it was not evident how HRBA would guide it. This could be due to the strong normative foundation of the HRBA, which isn't easy to integrate with economic aspects, especially as a partial objective of some interventions in this sphere had been to support Finnish businesses. HRBA is about both process and outcomes, as it requires full attention to the way development interventions are implemented, but also place an expectation on human rights realisation as part of the outcomes. Overall, a “do no harm”-approach as part of trade initiatives have only recently gained traction with discussions about mandatory due diligence surfacing in an increasing number of countries. So also in Finland.

Designing a ToC that is resting on HRBA placed an expectation on the staff of the MFA to be ready to anchor the ToC in discussions about how to conceptualise change and see the added value of doing so. This required internal discussions about the way in which an inclusive and bottom-up approach could be beneficial as well as a discussion on power structures and the role of civil society or human rights defenders.

The aim was to ensure that all ToCs would genuinely reflect both the actual desired changes concerning both rights-holders and duty-bearers, in a realistic way. This did not surprisingly prove challenging on many levels (see for instance: Ewald & Wohlgemuth, p.84). A lot of information was readily available from grassroots level consultations, encompassing a wide range of perspectives relevant to a ToC. The challenge became, however, reflecting the complexity and diversity of these perspectives. As ToC by nature needs to stay compact, the needs to generalise or simplify information is evident. It became a difficult, at times frustrating process. This perhaps was easier for the ToCs that were directly dealing with, for instance, the rights of women and girls and that of good governance and human rights.

A ToC integrating HRBA inherently required willingness to open up for a ‘political’ discussion: about the political will to engage on human rights especially in contexts where it remains sensitive and where governments are not showing willingness to promote human rights.¹⁸ In essence, the ToC showed that there would be need for more reflection on what

¹⁸ Regrettably, as described by Ewald and Wohlgemuth (A chapter in a forthcoming EBA anthology on ToCs), we are witnessing an increased number of authoritarian regimes, in which human rights in general, and promotion of women's rights in particular, get little resonance. Such differences in views and sensitivities require due attention.

“Human rights up front” could mean for Finland, in terms of principles leadership and commitment to human rights at all levels of leadership and by all staff.¹⁹ Through the ToC-process it became evident that it’s essential to continue sensitising MFA staff and investing in capacity building on human rights norms and the key elements of HRBA.

What is the role of development finance/leverage?

When it came to development finance, the second round of ToCs was an opportunity to clarify whether leveraging private finance to support sustainable development was seen as a result or a means to an end. It was clear that Finland’s ambition was to contribute to solving the development finance challenge identified in the Addis Abeba Action Agenda on development finance – private finance was crucial and actions to support it are urgently needed.

There was a clear desire to spell out the role it could have in this sphere, as part of recent developments in this domain (increased exchanges on best practices between the development financing institutions) and increased investments on Finland’s part.

One of the key challenges was finding a common understanding of Finland’s anticipated role and how Finland could not only adapt to a fast-changing development finance landscape but also be part of driving this change. Was supporting the private sector or leveraging private finance an outcome area within the priority area on Sustainable Economy and Decent Jobs? How about within the Priority Area on Climate Change and Natural Resources with, for instance, an energy related outcome area?

Important discussions among colleagues were needed to identify finally, that increasing private development finance is not a result statement in any of the thematic ToCs, but rather, it is identified as an overarching objective to which all of Finland’s ToCs contribute. Addis Abeba Action Agenda is mentioned along with Paris Climate Agreement and the SDGs 1, 10 and 13 in the holistic ToC of Finland’s development policy.

¹⁹ ‘Human Rights up Front’ was a Secretary-General Ki-Moon (2013) initiative to strengthen the UN’s prevention of serious human rights violations. The initiative aimed to realize a cultural /operational change and encourages staff to take a principled stance and to act with moral courage in relation to human rights promotion and protection.

Challenges and key lessons learned

The ToCs have clarified how Finland sees its contribution to the SDGs and identified what parliament can hold Finland's development policy accountable for. The ToCs supported the notion of continuity over parliamentary periods and, strengthened the implementation of HRBA and cross-cutting objectives in all priority areas of Finland's development policy. It is fair to say, they have provided new meaning to development effectiveness in the Finnish context. Linking the ToCs to the aggregate indicator selection and thus the accountability to the Finnish parliament on the one hand as well as to the annual strategic leadership process for portfolio management and learning on the other hand have been really valuable changes in the management for results of Finland's development policy as a whole.

Keeping to a selected and limited number of result statements was a strategic choice, which embedded for a ToC-process with strict focus. It was however not a clear nor an easy choice. Development policy in Finland is placed in an integrated Ministry for Foreign Affairs, the role of development policy is traditionally seeking a balance between a narrow focus for development results and a wide scope for a variety of foreign policy purposes.

Having a collective, dynamic reflection process over a longer period of time, allowing for revisions and a great deal of refining, was overall a good way to proceed with the ToCs. Two rounds have improved the ToCs as well as increased internal ownership of the theories. This not only helps embassies and entire divisions plan their work and contribution, but also motivates staff to understand their role as part of the clearly defined strategic goals. One could say that ToCs provided important shared vision of success.

However, it has been challenging to facilitate a ToC process which aims to unite many priorities and frameworks (Agenda 2030, HRBA etc). In addition, uniting results of local, national, multilateral, public and private and other actors as well as results of policy dialogue and policy coherence under the same framework adds an additional layer of complexity. The annual cycle of strategic leadership aims for collective reflection based on various result syntheses to provide clarity in the complexity and to review factors of success and challenges that can be scaled up or addressed at the priority area level in future decisions.

A ToC process requires openness and transparency. The ToC-process was a call to enter frank discussions about solutions on many levels to complex development challenges, the assumptions on which they rely and the shortcomings of various existing cooperation modalities. At the same time, it is sensitive and difficult to openly discuss where Finland's approach, logic or resources are not especially successful in supporting the expected development change, while it may be relevant and reasonable from the perspective of other policy priorities of Finland. Result knowledge is an important element in these discussions.

The Finnish ToC-process required and found commitment and buy-in from the entire organisation, including the political, trade and geographic departments at the MFA. The process also highlighted the importance of strong facilitation and leadership. Bringing together staff from very different disciplines, with different values, expectations and understanding made for very rich and inclusive but also at times confrontational discussions. If not mastered well, these could lead to increasing internal division and hamper finding consensus. It must be noted that the size of the Finnish MFA also could contribute to the success: such a process is perhaps easier to carry out by small entity, in which people already have collaborated and know each other through other internal mechanisms and processes.

The ToC processes raise questions for the future about the importance of a thematic or a portfolio approach. At the same time the interactions between the Thematic Leaders, Thematic Teams and various departments required a great deal of coordination and clarity on roles and responsibilities. The success of such a time-consuming process depends largely on the commitment and contribution of divisions/individuals.

Thematic ToCs require thematic leadership across the organisation. There is a risk that the ToCs become side-lined as a tool for strategic guidance unless this is the case. In Finland, the MFA management structure is based on geographical regions or partnerships in certain areas/sectors and thus more attention has been given to coherently guiding and steering the thematic portfolios across departments and co-operation modalities based on the ToCs. Overall, the ToCs received good feedback by staff, including in embassies. This could be at least in part due to the consultative process on which they were developed. Yet, in an MFA with staff in many departments on mobility/rotational schemes ToCs need to be a core part of staff onboarding to ensure that they remain in the institutional memory as the key tool they were developed to be.

Including expected results of policy influence and policy coherence in the ToCs has not been easy or straightforward, even though they are an important part of the contribution of Finland. The ToCs aim to represent the expected contribution of a combination of both financial support and policy dialogue.

Importantly, the ToC process exposed gaps in newer policy areas where outcomes and outputs needed to be cross-checked with evidence from research. It also called for more analytical and innovative thinking with the support of external partners.

The ToC process of the Finnish MFA called for innovative reflection and transformational thinking. But development cooperation appropriations and their use are governed by laws and under strict budgetary constraints – and collaboration modalities cannot be changed within a short time frame. It is thus difficult to approach the ToC process with as transformational of a mindset as the process would benefit from.

At the time of the final adoption of the ToCs in 2020, the world had already entered a COVID-19 crisis.²⁰ Two years later, the world has witnessed a ruthless and unjustified Russian invasion of Ukraine. The ToCs were designed to hold their relevance through shifting global events and foreign and security policy situations, as they widely support strengthening the resilience of communities and societies.

However, the significant shifts in the overall development policy landscape demonstrate that– while a tool for ensuring continuity – the ToCs could perhaps benefit from being seen as “living documents” or tools for adaptive management to an even greater extent. Through the annual reflection and analysis processes, they should factor in how the changing circumstances and contexts affects the expected contribution of Finland and if there is a need to make even further-reaching assumptions (see also Borel, Brett and Bryld). It remains clear that assessing the impact of recent events, be it COVID-19 or the consequences of the war in Ukraine, globally and on Finnish development cooperation will take time. New revisions, but not complete overhauls of Finland’s priority area ToCs are to be expected in the future.

²⁰ In 2020, Finland disbursed USD 85 million in support of the COVID-19 response in partner countries, of which USD 74 million was for health-related investments.

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