Abstract – Chapter 3

Getting serious about agency-level theory of change

What is an agency-level theory of change? What problem does it solve? What is it actually useful for? What should it include? Is it possible for an international NGO to have a single theory of change that will make any sense? This chapter is somewhat brave, as it seeks to tackle these questions. To cut to the chase – we believe the core purpose is to ensure more impactful programs, more of the time, everywhere that an agency works.

A good theory of change should respond to a number of important challenges that ambitious agencies grapple with: for example - too many untested assumptions, insufficient learning, sub-optimum decision making in terms of where to invest scarce resources and getting better at connecting with local communities and stakeholders. We believe the reflection and process of creating an agency-level theory of change can have enormous intrinsic value if done thoughtfully. It should create greater alignment and shared understanding of what an agency is there to do and how. There are at least seven practical uses. It should help with: 1) internal learning, 2) decision making, 3) training, 4) stakeholder communication 5) program selection and design, 6) partnering/collaborating and of course 7) fundraising. However, a good agency-level theory of change should be living and evolve, and be updated regularly to reflect on-going learning.

What should it include? We believe there is no single answer to this question – though we strongly suggest avoiding the temptation to wrap it up into a horrendously complex chart. We have suggested a number of useful components. These include a set of core assumptions, which build directly on internal and external learning. It should include a stretching, and quantifiable goal that clearly articulates what the NGO is there to do. It can be helpful to have some form of summary level change canvas (or outcome map) that describes the most important intermediate outcome areas (or interim targets) that are useful to track on the way towards the stated goal. It should describe the proposed kinds of interventions that the agency feels it is well equipped to support.   Often, it can be very useful to encapsulate all of the above in a short, easy to understand synthesis that is free of jargon, and speaks to multiple audiences, both internal and external. Of course, a good theory of change intertwines with many of the other parts of any agency. Hence, the dividing line between what specifically is in a theory of change versus what is dealt with elsewhere is not an exact science.

There are considerable barriers to establishing a sound and meaningful theory of change at an agency level. These include organizational inertia, facing up to past lessons and failures and engaging senior leadership and board members in a meaningful way – respecting that some may only have a shallow understanding of the reality of development and humanitarian issues on the ground.

Finally, an agency-level theory of change is a foundation – not an end point.   Agencies have an on-going responsibility to search for deeper insight, to continuously seek out those rare and precious windows of opportunity for large-scale or 'mega' breakthroughs. In this chapter we refer to this as 'Level 2' or disruptive thinking. We fully respect that some of the ideas proposed may seem provocative or controversial for some - the intent is to provoke and to stretch our thinking and ambition.