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Briefing Note Series

Briefing Note 2: Theory of Change

PNG Decentralisation and Citizen Participation Partnership (DCPP)

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Summary

“Aid interventions often focus on either civil society or government policy – the ‘demand’ and the ‘supply’ sides of reform. However, reality is messier than this simple dichotomy. Actors move between roles, interact in complex ways and often develop hybrid governance (especially at the local level). Effective programs may need to work across this divide to enable productive state-citizen interaction in reforms. As a result of these political and bureaucratic factors, successful reforms are likely to take a ‘best fit’ over a ‘best practice’ approach.”

Given the contested and dynamic nature of decentralisation reform in Papua New Guinea (PNG), and the Decentralisation and Citizen Participation Partnership’s (DCPP) amalgamation of a number of pre-existing initiatives, DCPP has an ‘emergent’ Theory of Change (ToC). The DCPP ToC initially evolved as a set of hypotheses about how programs can work better together to support positive change, reflecting the introduction of a facility aid model. Over time, a ‘nested’ ToC has evolved that integrates DCPP’s constituent programs and posits their joint contributions to three systemic outcomes agreed by the two governments:

- Local solutions for local challenges - frontline service delivery and economic opportunity in the provinces and districts are improved;
- Papua New Guinea's citizens engage and participate in the development of their communities;
- Papua New Guinea's policies for decentralised service delivery are well developed and well understood.

DCPP assumes these outcomes can only be achieved if change occurs at three levels of action: in national policy, downstream at the point of service delivery, and in the relationship between the PNG state and its citizens. To be sustainable and impactful these changes should be mutually supportive and coherent, they should be defined and led by locals and be inclusive of women, people with disability and underrepresented groups, and changes in one area should inform and enable change in other areas.

International lessons for DCPD's Theory of Change

Since the 1970s, decentralisation has become an increasingly popular policy reform in developing contexts – often touted as a means to improve responsiveness and resource allocation, address corruption, and improve citizen trust in government. Yet decentralisation has had mixed results, and decentralisation programs have also had a mixed track record of success¹. Based on these experiences, current thinking on supporting decentralisation draws the following key lessons:

i. Decentralisation is a politically driven process with various drivers, and these drivers shape the trajectory of reforms. For example, while decentralisation is framed broadly as a means to improve service delivery in PNG, it is also an arena for contestation over power and resources between leaders at national, provincial and district levels, and those inside and outside government.

ii. Decentralisation reform itself creates a political and contested process. It involves changes in how resources, power, responsibility and budgets are allocated among politicians and bureaucrats. International aid efforts must not only understand these political dynamics, but also support reformers to work effectively within their political systems to influence change.

iii. Aid interventions often focus on either civil society or government policy – the 'demand' and the 'supply' sides of reform. However, reality is messier than this simple dichotomy. Actors move between roles, interact in complex ways and often develop hybrid governance (especially at the local level). Effective programs may need to work across this divide to enable productive state-citizen interaction in reforms.

iv. As a result of these political and bureaucratic factors successful reforms are likely to take a 'best fit' over a 'best practice' approach. Support to decentralisation may need to be less concerned about the 'form' of decentralised governance, and more supportive of the quality of the relationships among levels of government and between the state, citizens and non-state actors².

v. External actors can support, but not lead, the process. Local ownership means that local actors (public servants, private sector actors, NGOs, church groups, citizens and so on) must be in the driving seat of decentralisation reform. Reforms must include those who are most marginalised if reforms are to produce solutions that address locally identified problems.

Finally, it takes time before the benefits of decentralised service delivery and decision making can be achieved, and success often happens in non-linear and unpredictable ways. Working through these challenges takes time: years, if not decades – and success often happens in fits and starts (not a linear, predictable progression). Support therefore needs to be sustained across multiple budget and program cycles.

DCPD's theory of change reflects these lessons, as well as the PNG decentralisation process itself and the Australian Government's experience of working sub-nationally in PNG since the 1990s (see Briefing Note 1 – Program History and Political Context).

An Evolving Theory of Change

Many development programs tend to design and lock in a Theory of Change (ToC) or Theory of Action (ToA) at program outset. They begin with a fixed hypothesis about how development change occurs in the country or sector in which they are

¹ For a useful summary of current thinking on decentralisation reform, see Paul Smoke (2015) 'Managing Public Sector Decentralization in Developing Countries: Moving Beyond Conventional Recipes', *Public Administration and Development* 35: 250-262.

² See for example, Charbit, C. (2011), 'Governance of Public Policies in Decentralised Contexts: The Multi-level Approach', *OECD Regional Development Working Papers*, 2011/04, OECD Publishing.
<http://dx.doi.org/10.1787/5kg883pkxkxhc-en>

working, and how the program will contribute to these changes³.

DCPP began its life as a combination of distinct programs and grants, and an attempt to develop new flexible programming within a facility model⁴. It captured policy work, partnership with local administrations, and a range of citizen participation and church programs and grants. During inception, Decentralisation and Citizen Participation were separately managed, and one of the first moves was to combine these workstreams into a single partnership with the intended impact that 'PNG's national, sub-national and inter-governmental institutions are better able to provide quality services and development outcomes that respond to the needs of citizens.

The resulting DCPP, with its Australian and Papua New Guinean partners, adopted three systemic outcomes in a Partnership Arrangement signed between the two governments in 2017:

- Local solutions for local challenges - frontline service delivery and economic opportunity in the provinces and districts are improved;
- Papua New Guinea's citizens engage and participate in the development of their communities;
- Papua New Guinea's policies for decentralised service delivery are well developed and well understood.

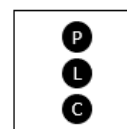
As a multi-faceted partnership, there are many pathways to change which the Partnership could support: focusing on capacity at national and/or subnational levels; supporting the soundness of legislation and policies guiding decentralisation; promoting the use of evidence in policy making; supporting community and collective action, and partnering with non-state actors, media and churches. Importantly, this approach represented

a shift to investing in both demand and supply side investments and unlike previous aid investments, support for each location could be tailored during implementation according to needs and local priorities. Any or all of these changes might improve decentralisation outcomes, but none by themselves were sufficient.

An Integrated Governance Theory of Action

The Partnership's first challenge was therefore to frame existing programming with a theory that could rationalise existing work around these outcomes while opening space for new programming to evolve. The main propositions of this stage of the program theory were that:

- PNG and Australia's shared decentralisation outcomes will be most effectively supported across three levels of action: national policy development and implementation (P); local capabilities (L); and citizen participation (C).



- Change in decentralisation outcomes will be more likely if support across these levels is integrated and mutually supportive (see Figure 1, below).

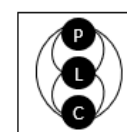
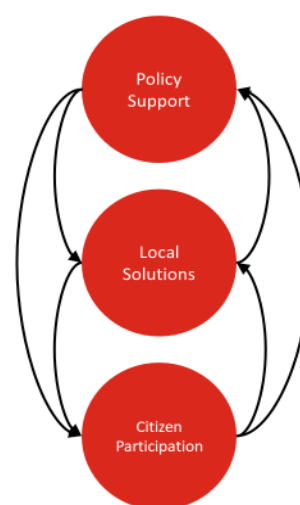


Figure 1 – DCPP's program theory: three levels of action



and grants into a single portfolio. Most of these projects had never worked together or operated under one manager.

³ See this [link](#) for further detail on ToAs and ToCs.

⁴ As discussed in Briefing Note 1, the team was designing its ToC at the same time as transitioning, uniting and implementing a range of – previously separate – projects

It also reflected lessons for successful programming outlined above, by focusing on the locally driven nature of reforms and the need to leverage success through learning.

iii. Sustainable change will be more likely if support is grounded in local context and targets local needs and priorities, including those of all PNG citizens including women, youth and people living with a disability, and;



iv. Change will be more transformative if learning from it is communicated effectively to influence policies, practices and change in national and subnational settings.



DCPP's first program theory thus established the Partnership as an integrated multilevel governance program, working across levels of government and the supply and demand divide.

Space for Adaptation: Nested Theories of Change

Most aid programs base their ToCs and ToAs on linear change models with a clear relationship between cause and effect. This approach is suited to simple change contexts: where most variables are known up front and few reversals are expected. However, these conditions do not hold in PNG. The above approach is best considered a description of *how* DCPP works, not what it works on to achieve its outcomes. The 'what' (or actions and activities) are adjusted and adapted, depending on what is working, what is not and why.

Given the complexity of decentralisation reform in PNG, DCPP's program theory also needed to allow for adaptation. The framework emphasised the importance of working in flexible and politically informed ways; as well as shifting from a focus on projects 'doing'⁵ work to 'facilitating' local actors to lead reform processes themselves.

However, large scale programming cannot adapt effectively without a guiding 'compass' within

which adaptation occurs. The next stage of DCPP's program theory therefore needed to frame the Partnership's work with a substructure that had its own outcomes and 'nested' theories of change.

DCPP's current Theory of Change

The next step in the Partnerships evolving program theory was thus to resolve disparate existing and new activities into a coherent structure of four sub-programs, each with its own program – or intermediate – outcomes. This structure needed to guide programming, but be flexible enough to enable a changing menu of what DCPP refers to as 'support strategies.'

Currently DCPP has an outcome, program structure and theory that reflects this overarching theory of action combined with four nested program theories as shown in Figure 2, belowⁱ.

The Theory of Change as Programming

DCPP's nested theory of change is an integral part of programming. It is the backbone for structuring how the team work through a varying set of support strategies, and is therefore periodically tested, reviewed and challenged by staff as they:

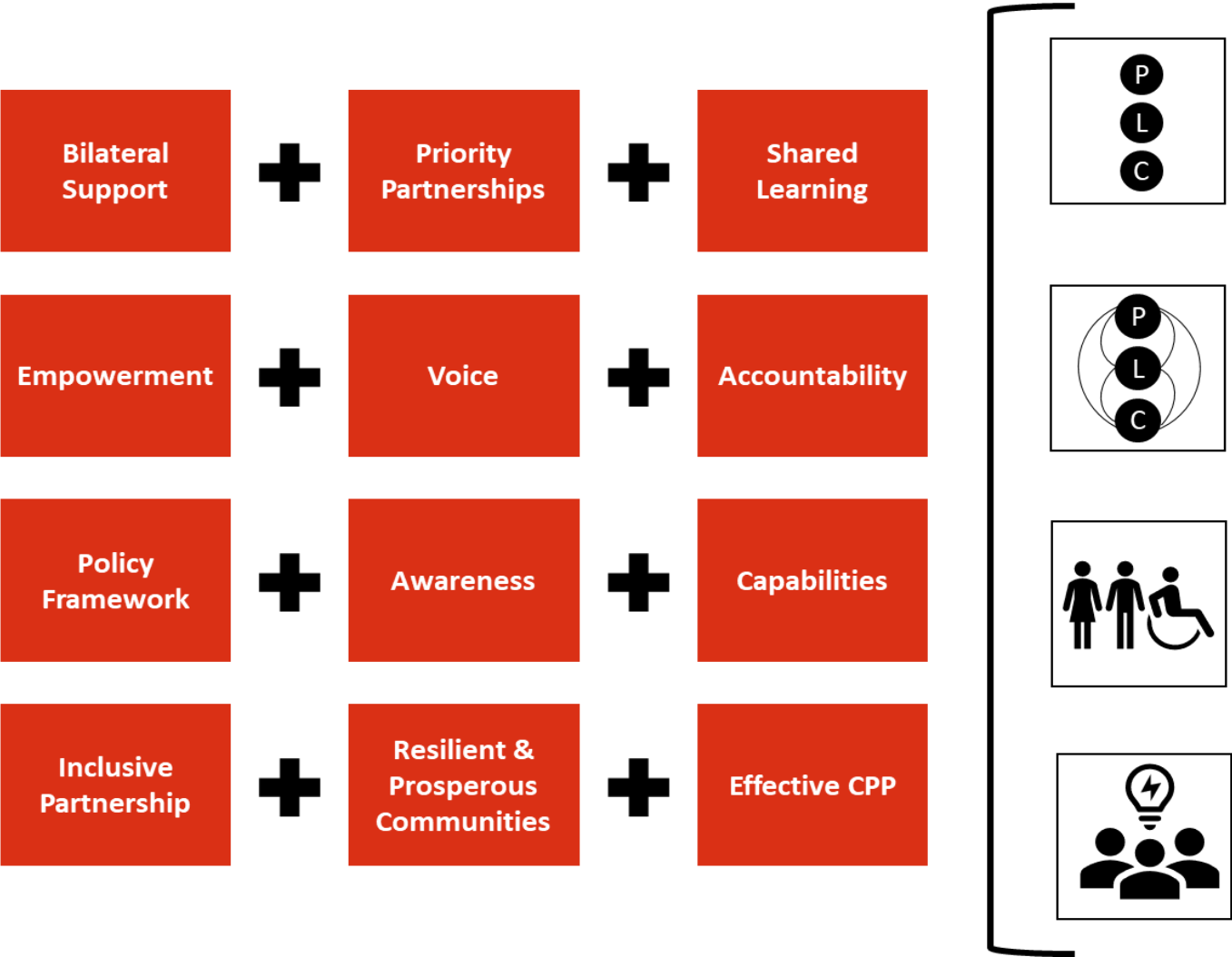
- Uncover more about the context through implementation and observation, and/ or;
- Witness changes in the context as a result of political, power and institutional shifts.

This process takes place in daily work but is formalised on a semi-annual and annual basis. Evidence is drawn from the Partnership's MEL systems (e.g. perceptions surveys, reports aligned to outcomes, and local outcome mapping) as well as the team's lived experience.

As a result, changes are made to activities, inputs, outputs, budgets, and sometimes even outcomes. These lessons also reflect how change is communicated across settings to support further change. This helps the Partnership to pursue the most effective and realistic path to change in each national and sub-national context in which it works.

⁵ E.g. directly supplementing capacity in the Government of PNG

Figure 2 – DCP’s nested theory of change



¹ In Figure 2, ‘Effective CPP’ refers to Church Partnerships Program.

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