ITALIAN AGENCY
FOR DEVELOPMENT
COOPERATION

OPERATIONAL MANUAL FOR AN APPROACH TO SUSTAINABLE DEVELOPMENT RESULTS

2023

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This Manual has been prepared by a working group, as provided for in the 2022-2024 agreement between the Ministry of Foreign Affairs and International Cooperation (MAECI) and the Italian Agency for Development Cooperation (AICS), composed of

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INTEGRATING SUSTAINABLE DEVELOPMENT INTO RESULTS-BASED MANAGEMENT

1.1. INTRODUCTION

This Operational Manual for an Approach to Sustainable Development Results (hereinafter referred to as the "Manual") is designed to provide a theoretical and practical toolkit for managing the programmes, interventions and projects implemented by the Italian Development Cooperation Agency (AICS) according to a **results-based management (RBM) approach.**

An RBM approach can be used to help governments and development partners[1] address increasingly complex challenges, build resilience and mitigate risks, and thus have a positive impact on the well-being of the people and the planet.

With only seven years left to implement the 2030 Agenda and given the magnitude of the global challenges we are currently facing (from climate change to the damage caused by a global pandemic and ongoing conflicts), and their devastating impact on development progress in recent years, economic and social recovery has become ever more crucial. More than ever before development actors are being called upon to join forces and maximise the impact of individual initiatives to achieve collective sustainable development.

In this context, the establishment of a common framework for results will help define a common way forward and provide structured methods for effectively addressing complex challenges[2].

1.1.1. THE ROLE OF THE *ITALIAN SYSTEM*

This Manual is intended to serve as a practical tool to inspire the actions of AICS and promote more harmonised and effective development practices, building on the strategic priorities defined in the Three-Year Planning and Policy Document (DTPI) and in synergy with the Italian development cooperation system as a whole, in the spirit of Law 125/2014.

The Theory of Change, attached at the end of this Manual, links the priorities of the DTPI to the pillars of the 2030 Agenda, providing concrete and measurable indicators on priority themes and sectors, such as strengthening health and education systems, access to full and productive employment and decent work for young people

1. The term "development partners" includes government departments, agencies and institutions providing bilateral development cooperation services, as well as multilateral development partners, including UN agencies, multilateral development banks, global funds and international interventions.

2. Impact by Design - Effective Results Frameworks for Sustainable Development, 2023, available at the following link: https://one.oecd.org/document/DCD(2023)17/en/pdf and women, support for reconstruction and civil stabilisation processes, strengthening renewable energy systems, building statistical capacity in partner countries and safeguarding tangible and intangible heritage.

The so-called "Italian System" has developed excellent skills in all these strategic sectors, which can be used as a basis for establishing a technical dialogue with partner countries and other bilateral and multilateral donors in order to improve the quality of the interventions and their consistency with the development dynamics already existing in the countries concerned, as well as the capacity to measure the results achieved.

1.2. HOW THE CONCEPT OF "EFFECTIVENESS" IS EVOLVING IN THE INTERNATIONAL CONTEXT

Since 2015, following a series of international conferences and summits held in Addis Ababa and Paris, the international community has established a new and ambitious framework for all countries to work together to address their common challenges. This framework is called the **2030 Agenda for Sustainable Development**, which was adopted by the UN General Assembly in 2015[3] and is built around **17 Sustainable Development Goals and 169 targets**, to be achieved by 2030.

A major innovation introduced by the 2030 Agenda is that all countries, whether low-income or developed, are required to contribute to the achievement of the relevant goals and are therefore obliged to ensure that their national and international policies are guided by the so-called **five Ps: People, Planet, Prosperity, Peace and Partnership.**

The Member States of the European Union (EU) are also committed to the 2030 Agenda and, by signing up to the New European Consensus on Development – "Our World, Our Dignity, Our Future", intend to spearhead a new collective vision and action plan to achieve sustainable development[4].

The New Consensus represents the EU's response to the most pressing global trends and challenges by aligning its external actions with the 2030 Agenda, and reaffirms Member States' commitment to apply **the key principles of development cooperation effectiveness** adopted in Busan in 2011 and reaffirmed at the Nairobi High Level Forum in 2016, including: **1) ownership of development priorities by developing countries; 2) focus on results; 3) inclusive development partnerships; 4) transparency and accountability to each other.** Governments and partner countries are therefore encouraged to work together effectively to achieve sustainable results, while ensuring that no one is left behind.

Today, the EU and its Member States apply the principles of development effectiveness agreed in the **Global Partnership for Effective Development Cooperation** (GPEDC)[5], and adapt to the decisions agreed in the follow-up forums, most recently the new Busan Forum in December 2023.

Italy also participates in the GPEDC and in the implementation of the Principles of Effectiveness, as well as in the OECD/DAC ***Results Community***[6], an informal network focusing on results management for effective cooperation.

3. Resolution adopted by the General Assembly on 25 September 2015 A/RES/70/1. Transforming our world: the 2030 Agenda for Sustainable Development.

4. The European Consensus on Development – "our world, our dignity, our future", available at the following link: https://international-partnerships.ec.europa.eu/system/files/2019-09/european-consensus-on-development-final-20170626_en.pdf

5. The Global Partnership for Effective Development Cooperation is the principal multilateral vehicle for fostering development effectiveness, with a view to maximising the impact of all forms of development cooperation for the benefit of people, the planet, prosperity and peace. It brings together governments, bilateral and multilateral organisations, civil society, the private sector and representatives of parliaments and trade unions who are committed to strengthening the effectiveness of their development partnerships. https://www.effectivecooperation.org/landing-page/about-partnership

6. https://www.oecd.org/dac/results-development/results-community.htm#:~:text=The%20Results%20Community%20is%20an,Development%20Assistance%20Committee%20(DAC).

The Results Community acts as a platform for the exchange of knowledge, information, good practices and difficulties encountered by member countries, and provides strategic guidance for dialogue with the partner countries. It has also helped drive the revision of the Guiding Principles on Managing for Sustainable Development Results (MfSDR)[7].

1.3. ITALIAN COOPERATION GETS IN STEP WITH THE NEW SCENARIO

Italian cooperation, in particular through AICS, is keeping pace with the international debate on the effectiveness of development interventions and is therefore committed to the **progressive implementation of the RBM approach.**

The adoption of an RBM logic was already envisaged in Law 125/2014, article 2(3) of which states that in the implementation of development cooperation interventions "Italy shall ensure compliance with internationally agreed principles of effectiveness (...) and results-based management".

A further step forward was taken following the OECD DAC Peer Review of 2019, which recognised the path that Italy had taken towards building a results-based management system, moving from the strategic to the operational level through knowledge management, while reaffirming the importance of overhauling the existing system and culture, which had until then focused on individual interventions rather than on achieving strategic results[8].

On the basis of this new perspective, a number of important documents have been produced, such as the Plan of the Italian Agency for Development Cooperation and the General Directorate for Development Cooperation of MAECI for the Effectiveness of Interventions 2020-2022[9], followed by the policy paper entitled Public Cooperation for Development (PCD) – Moving towards a results-based management of sustainable development (presented by AICS to the Joint Committee in December 2021).

These documents lay the groundwork for focusing the management of programmes and interventions on medium- to long-term impacts rather than on the results of individual activities.

A further step in the process of integrating the RBM system within development cooperation initiatives was taken during the 2022 programming exercise with the adoption of a **Theory of Change (ToC)**, which translates into outcomes the indications already contained in the Three-Year Planning and Policy Document for 2021-2023 (DTPI).

7. The Guiding Principles on Managing for Sustainable Development Results (MfSDR) aim to help organisations address the complex challenges of cooperation to achieve expected results and effectively support sustainable development. These principles, which reaffirm the importance of RBM in development cooperation, reflecting the changing context and the range of actors involved, are: 1. Supporting sustainable development goals and desired change; 2. Adapting to context; 3. Enhancing country ownership, mutual accountability and transparency; 4. Maximising the use of results information for learning and decision-making; and 5. Developing a results system that is manageable and reliable. https://one.oecd.org/document/DCD/DAC(2019)37/FINAL/En/pdf#:~:text=Managing%20for%20Sustainable%20Development%20Results%20(MfSDR)%20approaches%20should%20maximise%20the,that%20leaves%20no%20one%20behind.&text=MfSDR%20supports%20the%20achievement%20of%20sustainable%20development%20outcomes.

8. OECD Peer Review on Development Cooperation - Italy 2019, available in Italian at the following link: https://www.aics.gov.it/wp-content/uploads/2020/05/PeerReviews_Italy-red.pdf

9. *AICS-DGCS Plan for Intervention Effectiveness (2021-2022) available at the following link:* https://www.esteri.it/mae/resource/doc/2019/12/2019_11_19_final_piano_aics-dgcs_efficacia_interventi.pdf

The purpose of this Manual is therefore to provide operational guidelines for the use of the ToC, the latest version of which (2023) is attached hereto and has been designed as a tool to assist sector actors in the identification, formulation, implementation and monitoring cooperation interventions and programmes.

02 RESULTS-BASED MANAGEMENT (RBM) THEORY

2.1. THE RESULTS CHAIN: DEFINING THE DIFFERENT LEVELS

The concept and terminology of the **Results Chain (RC)** can be traced back to the concept of "Management for Results", a management philosophy and practice that has developed progressively over the last century. The RC is an expression of a **results-based management (RBM) approach**, which focuses on measuring and achieving specific results rather than simply implementing activities or processes, and aims to ensure that each intervention phase can contribute purposefully to achieving higher (including long-term) results.

The application of the RC in international cooperation, as in the case of EU cooperation or the UN system, is linked to the **Logical Framework (LF)** model[10], originally developed by the USAID (United States Agency for International Development) to improve the planning and evaluation of development projects. This approach has since been adopted and adapted by various international organisations, including the EU, to ensure the effectiveness, efficiency and alignment of their development and cooperation programmes with the sustainable development goals.

The LF is distinct from the **Logical Framework Approach (LFA)**, although they are closely related and often used interchangeably in the management of development cooperation interventions. While the latter is a process that guides analysis and decision-making at each stage of the project life cycle, the LF is a product – the end result of the LFA process – presented as a matrix that summarises and displays the key components of an intervention.

In general, the structure of the RC consists of **four main levels (impacts, outcomes, outputs, activities)**, although sometimes the outputs are further divided into two sub-levels, outputs as intermediate objectives and outputs as tools. Activities, moreover, are not strictly part of the RC but of the so-called "activity matrix", as defined by the EU, and are therefore often not included in the results chain. Nevertheless, by convention, activities are considered part of the RC, below the other 4 levels.

10. In the early LF and up to the entire first decade of the new millennium, the Result Chain was called "Intervention Logic".

The RC can be graphically depicted as follows:

IMPACT *OVERALL OBJECTIVE*
OUTCOME SPECIFIC OBJECTIVES - PURPOSES
OUTPUT AS INTERMEDIATE OBJECTIVES EXPECTED OUTCOMES - SERVICES (IN TERMS OF BENEFITS) - OTHER OUTCOMES
OUTPUTS AS TOOLS GOODS, PRODUCTS, SERVICES - PRODUCTS OR DELIVERABLES
ACTIVITIES ACTIONS - ACTIVITY MATRIX

The two **Output** levels can cause the most confusion and will therefore be examined later on. **Inputs** (i.e. resources), on the other hand, are not part of the RC and would be placed below the activities in a vertical logical visualisation.

2.1.1 RESULTS CHAIN (RC) TERMINOLOGY

The following paragraphs contain the definitions of the terms constituting the Results Chain. The focus here should be on meaning rather than on the name used for each level.

2.1.1.1 Impacts (or overall objective(s))

An "impact" is a benefit achieved in the long term, i.e. after the intervention has been completed and a specific objective has been achieved and is therefore a consequence and effect of the outcome.

Impacts must be consistent with the SDGs (or 169 Targets) of the 2030 Agenda, and describe the positive side effects, either directly on the beneficiaries or on the community as a whole. It follows that there may be a range of impacts, as the effects of a major change are, in most cases, not limited to a single aspect or sector.

Furthermore, impacts should not be formulated in general terms (e.g. "improved quality of life") but should be precise and unambiguous in order to describe the benefits produced by the intervention in a clear and understandable way.

Although an impact is defined in relation to an outcome to describe its effects from a different perspective, it must still be part of the strategy that preceded the change sought by the intervention. The change must be part of the long-term logic established beforehand by the proposing organisation.

Impacts *(Overall Objective(s))*

Impacts describe the ***effects*** *achieved through the outcome,* ***after the end*** *of the intervention and in line with the* ***SDGs****. They show the* ***mainstreaming*** *of the intervention, which, together with the outcome, is part of the flow and is therefore* ***beyond the direct control*** *of the intervention.*

According to the RBM logic, the five elements written in bold in the box must be simultaneously present in the formulation of the impact.

An impact is a broad concept that encompasses all the effects of the intervention, after its completion (in the long term), whether intended or unintended, positive or negative, direct or indirect.

2.1.1.2. Outcomes (or specific objective(s))

An "**outcome**" (or specific objective) is at the "core" of the intervention, expressing the **improvement in the circumstances of a target group** as a result of the intervention (e.g., from unemployed to employed, from sick to healthy, from excluded to included, etc.), although it may also express a significant change occurring in the well-being of the group concerned (increased production, safety, schooling, preservation of biodiversity, cultural heritage, etc.). In short, it denotes the success of an intervention, the reason for the use of funds and employing resources, and the objective to be achieved **at the end of the intervention.**

It represents the game (between the donor and the implementing entity) that is beyond the control of the intervention (although it remains accountable), as it is the result of **changes that take place outside the intervention.**

OUTCOME *(Specific Objective)*

Outcomes describe the ***change*** *that the* ***intervention intends to bring about****, consistently* ***with the SDGs*** *and their targets. It represents a* ***significant benefit for the target group*** *achieved through a* ***change in their behaviour,*** *therefore it is* ***beyond the direct control*** *of the intervention, although this significantly contributes to its achievement.*

Outcomes can only be properly expressed if the six elements highlighted in bold in the box above are all achieved at the same time. As a result, outcomes such as "institutions strengthened, civil servants trained, PPPs established, etc." are not properly articulated according to the RBM logic.

Outcomes, like impacts, need to be aligned with the SDGs and Targets of the 2030 Agenda. The international community also emphasises the importance of achieving a **single outcome, in the case of interventions,** while multiple outcomes can be achieved in the case of integrated programmes.

2.1.1.3. The two meanings of output

Outputs can be expressed either as the results of intermediate objectives or as tools, i.e. goods or products (or even services) associated with an intervention. Although similar in name, they are very different in content. Most donors use the term "outputs" to include both levels of RC, although they have very different characteristics and therefore different requirements.

Both levels are also included in the LF, although the former (outputs as intermediate objectives) is qualitatively more relevant, in terms of the amount of information conveyed, than the latter (outputs as tools), which is already partly and indirectly included in the description of the activities.

The element that unites the two levels of output – and distinguishes them from the higher level of outcome – is the control that the intervention exercises over their achievement. Since they are both part of the strategy put into place to achieve the outcome, they must be "controllable" and cannot be influenced by third parties or factors beyond the control of the intervention.

Outputs can also be seen as **intermediate milestones**, necessary but not sufficient to ensure the success of the intervention, which should preferably be the focus of the monitoring activities, as part of their management support function.

2.1.1.4. Outputs as intermediate objectives (Expected results – services in terms of benefits)

Level three of the RC consists of "outputs as intermediate objectives", which correspond to the "expected results" and describe the services (benefits) provided by the "outputs as tools" level, which are instrumental in achieving the overall outcome.

According to the LFA approach, these intermediate objectives are derived from the objective tree diagram (which, by its very nature, contains neither goods nor products but objectives).

In relation to the attached ToC, further on we will see below how the outputs represent the strategies that can potentially be implemented (through an intervention) to achieve the outcome. The outputs therefore should be understood as "intermediate objectives" to be achieved, rather than as "products" (goods or services).

Internationally, there is a tendency for some donors to refer to outputs in the RC only as "products", as these are generally easier to measure. However, we should bear in mind that a hospital or a dam, a training course or an information campaign – to give but a few examples – can be considered as both goods and services but do not yet represent a benefit (nor an outcome) and should therefore be included in the level 4 "outputs as tools", as they cannot be considered intermediate objectives[11].

Outputs as Intermediate Objectives (Expected Results)

*Outputs that describe the **services (benefits)** provided through the tools (outputs as tools) **that function** to achieve an outcome. As they are part of the strategies adopted by the intervention they are clearly **under its control.***

2.1.1.5. Outputs as tools (goods, products, services)

Outputs can also be understood and formalised as tools (tangible or intangible), goods and products designed to deliver a service.

From this perspective, a hospital, training course, school or awareness campaign are the tools, while access to health care, skills acquired, access to education, awareness are the intermediate outcomes achieved through the use of the tools.

We should therefore not confuse a leaflet (a tool) with the information printed on it (the service provided by the leaflet); a training course (a tool) with the skills acquired through the training (the service provided by the course); a school or hospital (a tool) with access to education or health care (the service provided by the

11. The debate on the two concepts, within the EU, led EuropeAid in 2017 to reformulate the Result Chain in the 2018 and 2019 PRAGs with the "Other Outcomes" level including "Intermediate Outcomes".

school and hospital).

The tools and the benefits they produce then need to be measured using completely different indicators and both need to be represented in both the RC and the LF.

Outputs as Tools (goods, products, services)

*Outputs describing the **tangible or intangible tools**[12], the goods, products, services provided by the intervention to deliver the services (top level). They are clearly **under the (full) control of** the intervention.*

2.1.1.6. Activities

Activities also called Actions, are the operational part of the intervention. They represent the results achieved with the available resources. Each activity almost always includes one or more deliverables (outputs as tools). In order to avoid having as many or more outputs than activities, it is advisable to select only the most relevant physical outputs (deliverables).

Activities

*Any activity that is **carried out** and **exists thanks to resources** (whether human, physical, financial and temporal). The intervention is **directly responsible** for the activities and has full control over them.*

2.1.1.7. Input

Inputs correspond to resources and can be varied. They are placed under the activities according to a bottom-up cause-effect logic.

Input

Human resources, material resources, financial resources, time resources.

2.2 ASSUMPTIONS IN THE LF MODEL

In the LF model, assumptions are seen as the basis of a sound risk analysis and are shown in the last column of the matrix. Below are two definitions[13] of "assumption" which are only slightly different but which together can help clarify the meaning of the term.

Assumptions are:

- The external conditions of an intervention, which play an important role in the fulfilment of the sequence described in the RC;
- the essential requirements, external to the intervention, for carrying out the activities and producing the functional outputs to achieve the objectives at all levels.

12. ***Tangible or material*** *tools are those tools that remain when an activity is completed (e.g. a hospital, a leaflet, a website, a school renovation).* ***Intangible or immaterial*** *tools coincide with some activities because their life ends with the activities (e.g. a training course, a radio spot, a TV campaign...).*

13. *A. Stroppiana, "Progettare in contesti difficili", Franco Angeli, Roma, 2009.*

An assumption, by its very nature, always involves a degree of uncertainty and the assumptions external to an intervention, the accuracy of which is presumed, can never be absolutely certain.

In any case, assumptions imply risk factors and the fact that they are always expressed in the positive terms indicates the expectation/hope that the underlying risks shall not materialise.
The inherent relevance of the assumptions is explained in the ToC, which states that change processes are never straightforward (if I do A, I will get B) but significantly multidirectional and interrelated. The ToC argues that any action can contribute to the occurrence of an effect that cannot be attributed to that action alone but to a variety of other external and parallel conditions that must be in place for change to occur. We are moving from an attribution logic to a contribution logic, with an analysis of the assumptions in the RBM approach, which from this point of view is fully consistent with the ToC approach.

It is therefore possible, through a well-designed assumption analysis, to highlight all the interrelationships that make up the ToC and that are necessary to achieve a goal.

Generally speaking, the assumptions relating to an intervention are identified on the basis of a risk analysis that rests on three different pillars:

1. Risks associated with the objectives of the intervention (juxtaposition between the activities required to achieve the objectives and any intervening obstacles).
2. Risks related to the obstacles not removed by the activities (comparative analysis of the obstacles to be removed by the activities and the obstacles that are not considered or not removed by the activities and that stand in the way of change).
3. Risks associated with the possible negative and undesirable effects that could occur (assumptions resulting from an analysis of the negative and unforeseen effects associated with the intervention).

Assumptions accompany an intervention from its formulation through to its implementation, during which time they should be revisited as appropriate, based on consistent monitoring of their "enduring positive qualities".

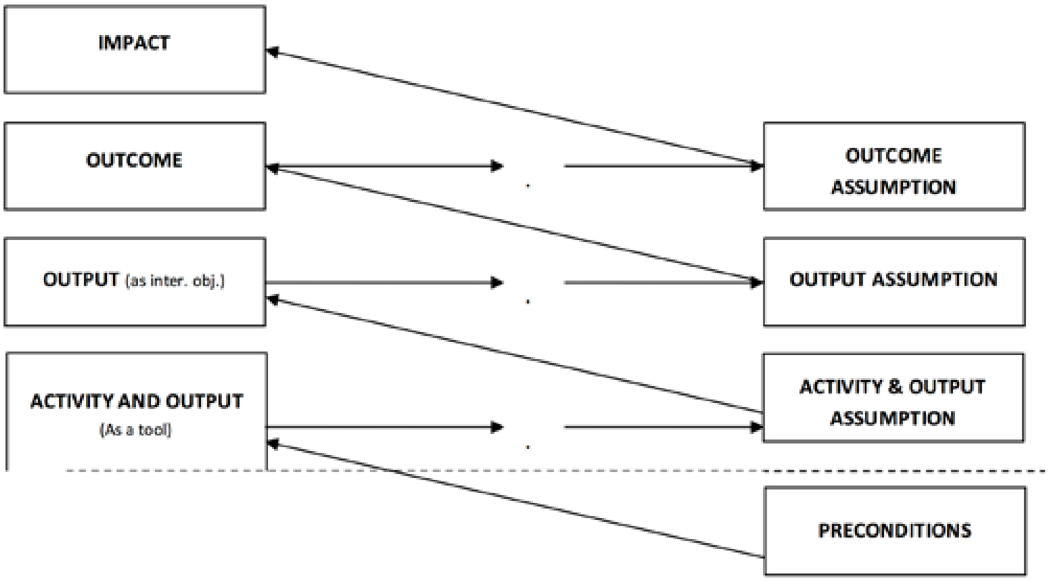
The assumption should be kept under review during the monitoring phase, as should the relevant indicators of efficiency and effectiveness, on the basis of periodically updated assumptions.

An assumption may be included in the LF if both of the following two conditions are met:

a) It is reasonably likely that the assumption will not occur (i.e. there is a real risk) – Probability factor.
b) Its non-occurrence would seriously jeopardise the intervention – Relevance factor.

Assumptions – because of their "bridging" function between two different RC levels – follow a so-called "zig-zag logic" because they link each box to the one above it, as shown in the following diagram. This zig-zag logic should be read as follows:

- If the assumptions identified as prerequisites are confirmed and remain true, then it becomes possible to pursue the activities and prepare the planned instrumental outputs over which the intervention has full control.
- The activities and their instrumental outputs, if the assumptions at their level are confirmed, will deliver the intended second-level outputs (outputs as intermediate objectives).
- The outputs (as intermediate objectives), if the assumptions at their level are confirmed, will lead to the associated outcome.
- The outcome, if the assumptions at its level are confirmed, will lead to the intervention impact.



2.3. THE LF INDICATORS

In the RC, the levels that require indicators are impact, outcome and output (at both levels).

The indicators for the first three RC levels (impact, outcome, output as intermediate objectives) are different from the indicators for the output indicators as tools.

The former, called **objective indicators** (because they measure so-called "objective levels", i.e. impact, outcome, output as intermediate objectives) are the most complex to formulate, monitor and evaluate, but they provide information to support the intervention in the pursuit of its objectives (impact and effectiveness).

The latter, known as **output indicators (as tools)** are descriptive measures of the products, goods and services provided in relation with the intervention and made available through the activities. They are the most direct and simple to formulate because they describe the characteristics of the products in terms of their "numerable" elements. They can either simply describe the number of things (people trained, river monitoring equipment installed, kilometres of road upgraded, leaflets distributed, etc.) or focus on some of the qualities required by the products (men/women, able-bodied/disabled, indigenous/non-indigenous, etc. in terms of participants in a course; the type of recipients of an awareness campaign; the geographical location of schools built or roads upgraded; etc.).

2.1.2. INDICATORS OF OBJECTIVES

More specifically, **objective indicators** are an attempt to provide a specific and detailed description of ideas and concepts that are ambiguous and difficult to quantify. They are also useful for qualifying and quantifying generic terms, such as "improved", "increased", "facilitated", "reduced", etc. At the same time, they are the main tool for giving a non-subjective definition to objectives with meanings that can be interpreted in different ways, where they reflect multifaceted concepts with many interpretations.

In the results chain, indicators of objectives represent the **empirical traces** left by the achievement of objectives at the different levels, which traces can therefore be perceived by our senses, being visible, obvious and detectable. A good definition of such an indicator is "an observable level of a concept under study"[14].

14. C. Bezzi, "Glossario critico della ricerca sociale", Bonanno, Acireale, 2022.

Indicators are not objective descriptions but shared representations, which are therefore provisional and subject to change. If we want to translate a concept in such a way that it can be empirically measured, we must first link it to something called a "variable".

Sometimes, when formulating LFs and RCs, objectives are expressed in terms of simple concepts that are relatively easy to describe in terms of observable and measurable variables; sometimes, however, they are expressed in terms of complex concepts and definitions (such as social integration, women's emancipation or environmental sensitivity) that cannot be described by a single variable but must be broken down into many different variables. Since **every objective is always a benefit**, a benefit necessarily implies a change which, by its very nature, will always be detectable and, therefore, measurable. Any change always leaves a trace, so there are no unmeasurable objectives. Rather, it can be said that not all objectives can be measured by a single indicator.

Take, for example, the concept of "women's emancipation". This can be translated into the following set of variables: having a job; deciding on one's leisure time; having a say on one's salary; having a say on the number and education of one's children; choosing whom to marry; being able to decide if and what to study. Translating such a concept into observable and, therefore, measurable terms means moving from the general to the specific, seeking the maximum affinity of meaning, in the knowledge that the correspondence between the variable and the concept will necessarily be very partial. In the present example, the variable "having a job" only partially overlaps with the concept of "emancipation" and will describe it in a very incomplete way, which means that it will be necessary to use variables (which may generate other indicators).
Indicators can therefore only capture **one aspect at a time of the complex reality** we are trying to describe; hence the need to use several of them to describe multifaceted and nuanced content.
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OBJECTIVE INDICATORS

- *They describe observable/detectable aspects of non-unique concepts*
- *They are empirical traces left by concepts that are not directly observable, and have a lower degree of generality*

Indicators can also be "pure", also known as "variable", or be functional to a programme or intervention. They consist of **five elements**, although not all of them are always required.

1. The variable, hence the pure indicator, indicates **what** can be measured empirically (e.g. whether farmers are able to irrigate their land).
2. The target group (which indicates the **group to which** the variable refers (e.g. low-income cotton farmers with no more than 2 hectares).
3. The dimensions, which indicate **how big** the change is, the magnitude of the change (e.g. the number has increased by 13%).
4. The geographical range expresses **where** the variable with the relevant characteristics can be found (e.g. throughout the province of Agua Dulce).
5. The timing indicates **when** the change can be measured (e.g. from the 20th month after the start of the intervention)

Each indicator must be accompanied by its **baseline**, i.e. the numerical value of the variable before the intervention began. Without the baseline, in fact, no change can be measured. The baseline represents the initial value of the variable; it is also good practice to indicate the **target value** (measured at the end of the intervention) and the **intermediate values** that will be verified during the implementation of the intervention[15]. Finally, where possible and useful, indicators can be disaggregated by gender, age, income bracket, or other characteristics.

15. In fact, the new LF provides for the indicator column to be supplemented by three further columns (baseline, intermediate value and target value of the variable).

2.4. DIFFERENCES AND CONTACT POINTS BETWEEN LFA, RBM, TOC

The differences between LFA and RBM are more procedural than substantive.

RBM is newer on the international scene and has more to do with the management, monitoring and evaluation aspects of projects than their definition and formulation, which is more the preserve of LFA.

RBM focuses primarily on the achievement of tangible and measurable objectives related to the realisation of activities and products; LFA, on the other hand, focuses more on the stages prior to the realisation of the intervention.

Although the LFA provides a clear structure, it can also appear too rigid, and its linear nature may not adequately capture the complexity and dynamism of development contexts. In contrast, RBM is more flexible and adaptable, allowing for greater responsiveness to change and placing more emphasis on continuous learning and adaptation during implementation.

RBM is also more focused on effectiveness and impact, with a central role for evaluation of results and an emphasis on measuring change, learning and long-term impact.

In terms of the relationship between LFA and ToC, the former, from its inception, was based on the analysis of causal links that could identify the desired changes. These links have been established through a series of steps, starting with the analysis of problems, followed by the analysis of objectives and strategies, and finally the formulation of a specific logical framework. The LFA is therefore intrinsically consistent with the ToC and could even be considered an operational aspect of the latter.

The ToC, unlike the LFA, is not a uniquely structured theory and is very flexible, subject to continuous stakeholder review, which should lead to "fine-tuning" as it progresses from the objectives, without having to go through the problems. The LFA, on the other hand, offers a more static vision and formulation of the framework of an intervention.

The ToC provides for continuous adjustment and is more versatile and useful as a tool for formulating operational strategies rather than intervention proposals. The latter are therefore better formulated and managed through the LFA, which, by its nature, is less likely to accept in-process changes and process revisions.

However, the ToC and LFA are valid and established ways of doing things, based on very close and similar assumptions, as they share a common conceptual basis.

03

THE THEORY OF CHANGE WITHIN THE STRATEGIC FRAMEWORK OF THREE-YEAR DEVELOPMENT COOPERATION PROGRAMMING

3.1. WHAT IS THE THEORY OF CHANGE (TOC)?

The Theory of Change (Toc) is a description (or illustration) of how and why a desired change is expected to occur in a particular context[16]. It is usually presented as a diagram showing the links between interventions and their outcomes, causal pathways and chains of results.

The idea of a "theory of change" is nothing new, having been developed in the Anglo-Saxon world since the 1990s. It is seen by many as a flexible tool that can help simplify complex scenarios, which has increased in popularity over time among practioners in different working contexts[17].

The ToC approach can be broken down into several different and subjective applications, it is a theory (or rather a set of theories) that focuses on change and analyses the conditions and logical steps through which change could take place. It is not rigidly and unambiguously structured and is therefore a multidimensional and extremely flexible approach.

What is change?

Change can focus on a variety of different aspects. We can speak of changes in relationships, status, condition, economic level, access, in relation to the preservation of something). Change can occur at very different scales of geographical and organisational intensity (at the level of the neighbourhood, village, province, nation, geographical region, or of the individual, institutional family, ethnic or religious group). It is a complex phenomenon, the result of multiple interactions that are difficult to predict.

It is often unrealistic to try to attribute change to any one intervention or set of interventions. By its very nature, change is the result of an alchemy of elements in which it may be difficult to fully disentangle responsibilities and credits. The processes of change outlined by a cooperation actor are relative to the specific context and moment, and as the actors and the moment change, so does the map of change.

16. What is theory of change? consultable al seguente link: https://www.theoryofchange.org/what-is-theory-of-change/

17. UK Aid Connect - Guidance Note: Developing a Theory of Change, consultabile al seguente link: https://assets.publishing.service.gov.uk/media/5964b5dd40f0b60a4000015b/UK-Aid-Connect-Theory-of-Change-Guidance.pdf

3.2. THE TOC IN THE ITALIAN DEVELOPMENT COOPERATION SYSTEM

The need for Italian cooperation to adopt a specific ToC stems from the need to guide both AICS and all the actors of the Italian System towards decisions and actions capable of generating shared and lasting change.

The ToC attached to this Manual is structured according to the DTPI for 2021-2023, and will be consistently updated over time, in line with the strategies adopted.

Based on these premises, the **outcome** of the ToC has been identified as the Sustainable Development Goals of the 2030 Agenda, divided into the five pillars of People, Prosperity, Peace, Planet, Partnerships, which are included in the DTPI.

At a later stage, the corresponding **outputs (as intermediate objectives)** and indicators were also identified. The choice of **outcomes, outputs** and **indicators**, limited in number with respect to the breadth of the 2030 Agenda, reflects the development themes and factors to which Italy attaches greater importance, through the DTPI, which sets out in a specific and recognisable way the competences that the Italian System can contribute.

The selected **outputs** are the result of the concrete experience of AICS in the specific target areas. Sometimes it can be seen that the same output is linked to different results. This is not a methodological error but an expression of the fact that **the same outputs can contribute to different outcomes.**

The ToC **indicators** are the same as those already defined at international level, in particular in the OECD DAC sphere, but also in the EU (Capacity4Dev and GAP III) , in order to facilitate comparability and synergy with other donors and common use with the partner countries. Therefore, they can also be used for the ex ante evaluation of the intervention proposals of International Organisations, in order to verify their consistency with the Italian cooperation guidelines.

As the number of indicators provided is limited and circumscribed, if no effective correspondence is found between the coded indicators and the selected outputs, the indicator is not reported and the corresponding box is left empty.

It should be stressed that the indicators in the ToC are referred to as "**indicator variables**". They are not exhaustive but should be considered as a useful guide to formulate more specific indicators when formulating interventions.

The choice and correct use of indicators is fundamental as it allows the construction of an internal monitoring and evaluation system, which is essential to verify the correctness of the ToC. It is necessary to establish whether the achievement of certain objectives actually leads, or has led, to the achievement of the higher objectives in the logical chain. The "learning" factor is fundamental, and the need for continual changes to the approach should not be an obstacle but a factor of quality and utility in relation to what is being done.
Having said this, a first definition of the ToC of the Italian cooperation could be the following:

"A SET OF PRIORITY OUTCOMES AND OUTPUT PROCESSES (ACCOMPANIED BY INDICATORS) LINKED ACCORDING TO A CAUSE-EFFECT LOGIC, THAT AICS (THEMATIC OFFICES AND FIELD OFFICES), IN AGREEMENT WITH THE EMBASSIES AND IN COLLABORATION WITH THE PARTNER COUNTRIES AND ALL THE DIFFERENT – INTERNAL AND EXTERNAL – STAKEHOLDERS (INTERNATIONAL BODIES, ITALIAN PUBLIC BODIES, UNIVERSITIES, PROFIT AND NON-PROFIT ORGANISATIONS FROM THE PRIVATE SECTOR) ARE INVITED TO IMPLEMENT IN ORDER TO ACHIEVE THE SUSTAINABLE DEVELOPMENT GOALS (SDGS) SELECTED FOR THE RELEVANT THREE-YEAR PERIOD".

18. OECD DAC indicators are available here: https://one.oecd.org/document/DCD(2023)20/en/pdf; *EU indicators are available here:* https://capacity4dev.europa.eu/resources/results-indicators_en; *GAPIII indicators are available here:* https://www.eeas.europa.eu/eeas/gender-action-plan-iii-towards-gender-equal-world_en

3.3. HOW TO USE THE TOC

It has been mentioned how the ToC represents a strategic tool built according to the logic of the results chain and how it reflects the content of the DTPI.

Similar exercises have been carried out, over the years, by almost all international organisations, many bilateral cooperation agencies, NGOs/SCOs and other cooperation actors wishing to translate their strategic priorities into a "Theory of Change", as a benchmark for cooperation programmes and interventions.

The ToC, by defining the different types of objectives at different levels, represents a valid support for the actions of the Italian development cooperation system, guiding it towards predefined, clear and shared objectives, as recommended on several occasions by the aforementioned OECD DAC Peer Review.

For this reason, the embassies and AICS field offices, in collaboration with local institutions, work at a first level, in the programming phase of interventions, to identify the outcomes (long-term objectives) on which the programmes and interventions will focus, and consequently the resources needed to implement them.

When preparing Multi-Year Indicative Programmes (MIPs) or individual cooperation interventions, the AICS field offices must refer to the ToC, adapt it to the specific context (taking into account, therefore, the objectives set as priorities by the various governments of the partner countries) and identify credible baselines and indicators based on (or inspired by) those contained in the ToC.

With regard to the latter concepts, attention should be paid to the partner countries' development plans, existing country frameworks and monitoring and evaluation mechanisms already in place in the target countries, in order to identify the real needs and consequently measure expected impacts and changes.

In addition, in order to establish reliable baselines, reference should be made, as far as possible, to the national statistical systems of the partner countries, as well as to the international bodies supporting the various thematic areas (health, education, employment, etc.).

3.4 FINAL CONSIDERATIONS

In the ToC accompanying this document, only certain specific possible pathways are presented. However, this does not exclude that other aspects may be highlighted and form the basis for the formulation of programmes or interventions, or other outputs expressed in logical chains that are instrumental in achieving the selected outcomes.

The ToC consists of linear and simple logical chains, without claiming that they can be considered exhaustive. It should therefore be considered only as an outline, subject to improvements and adaptations, and must definitely be adapted to the different contexts and nuances of each partner country.

Finally, the ToC is a useful tool to guide the actions of all the cooperation actors identified by Law 125/2014 and to enhance the contribution of each of them. As defined in the final document of the Busan Conference in 2011, and taken up by Law 125/2014, development cooperation cannot be achieved solely through the medium of financial aid. To be effective, it requires the coordinated action of all the actors (institutional and non-institutional), including the for-profit and non-profit private sector, and the rationalisation of resources in terms of RBM, in order to achieve common objectives capable of generating a positive impact in the long term.

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