

## Strategy Testing Process Tools: Quick Reference Document

Strategy Testing is a monitoring system that the Asia Foundation developed to track programs that are addressing complex development problems through a highly iterative, adaptive approach. It involves a four-step process:

<b>STEP 1:</b> Develop a working theory of change (TOC)	<b>STEP 2:</b> Conduct a Strategy Testing Exercise	<b>STEP 3:</b> Revise TOC as needed	<b>STEP 4:</b> Documenting changes and identifying implications
<p>The initial TOC sets out the team's 'best guess' about the most likely path to change. Since this first TOC is based on the team's initial understanding of the problem and its context, they recognize that the TOC is likely incomplete and will evolve over time as the team builds relationships, gathers new information, experiments, and, most importantly, reflects on what is working and what is not. Thus, the TOC is not a static document, but one that will continue to evolve as knowledge and understanding of the problem grows.</p>	<p>Approximately 4 months after developing the initial TOC, the team conducts its first ST exercise, which is then repeated approximately every 3 to 4 months.</p> <p>The core of this ST process is a structured discussion during which the participants collectively examine the previous version of the TOC to see whether its implicit assumptions are still valid. Developing and updating a project timeline is helpful for this step. In addition, teams can use these Guiding Review Questions to reflect on the TOC.</p>	<p>Based on the ST discussion, the team then revises their theory of change as needed, with a focus on developing strategies with higher impact potential. This can involve adjustments to both the program's outcomes as well as the strategies and tactics employed to achieve these. The team may drop strategies that have proven ineffective, add new strategies to address dimensions of the problem that were not previously understood, or refine the existing strategies.</p>	<p>The final step in the Strategy Testing process involves documenting how and why the TOC has been revised and identifying any related programmatic, operational or budgetary implications. To standardize documentation, the team working on each program initiative completes an Adjustments to the Theory of Change form, which summarizes and justifies all significant changes to the TOC and notes any programmatic, operational, or budgetary implications of those changes.</p>

In the following pages, we summarize the key tools that the Asia Foundation proposes using in the Strategy Testing process.

## GUIDING REVIEW QUESTIONS

These questions can be used to facilitate the discussion during the Strategy Testing exercise. Please note that the terminology used for the headings correspond with the Asia Foundation's template for developing a Theory of Change which is included in the full report.

**PROBLEM STATEMENT:** Add the major problem the initiative is addressing.

**Possible Review Questions:**

- Since last working with our Theory of Change, what more have we learned about the nature or extent of the problem we are addressing?
- Have there been significant changes in context that require adjusting how we now frame or define the problem?

### ... BECAUSE OF

**ANALYSIS OF KEY DYNAMICS:** The political, economic, social, institutional, and historical factors that result in the current scenario, including both formal and informal rules (e.g. key actors, relationships, interests, and incentives).

**Possible Review Questions:**

- How have the political, economic, social, and institutional factors changed?
- Who are the key actors now, and how have their relationships, interests, and/or incentives changed?
- How have changes in the environment or new information we have learned impacted our analysis of the most critical dynamics underlying the problem?

### HOWEVER, IF WE DO ...

**INTERVENTIONS/STRATEGIES:** Description of the strategies the initiative will undertake in order to bring about the Intermediate Outcomes along with a brief rationale.

**Possible Review Questions:**

- Given the changes in the context or our understanding of the problem, do we need to change or drop any of our current strategies or add any new ones?
- Is there new information or recent changes in key dynamics that impact the sequencing of our strategies?

### THEN WE EXPECT THAT ...

**INTERMEDIATE OUTCOMES:** The major changes or preconditions that need to occur in order to bring about the Ultimate Outcome. These desired changes should be both "technically sound and politically possible."

**Possible Review Questions:**

- Given the current Ultimate Outcome and the dynamics surrounding the issues, do the intermediate outcomes or the required preconditions for the Ultimate Outcome need to change? Remember, these intermediate outcomes need to be "technically sound and politically possible".

### AS A RESULT ...

**ULTIMATE OUTCOME:** The major change or impact the Initiative seeks to achieve or influence. The Ultimate Outcome should be concrete and specific enough so that it can be measured, either through the use of secondary data or, in some cases, through the collection of primary data.

**Strategy Review Questions:**

- Have there been changes in the political economy context or new information that require adjusting our Ultimate Outcome?



## ADJUSTMENTS TO THE THEORY OF CHANGE FORM

To standardize documentation, the team working on each program initiative completes an Adjustments to the Theory of Change form, which summarizes and justifies all significant changes to the TOC and notes any programmatic, operational, or budgetary implications of those changes.

<b>Changes to the TOC</b>	<b>Degree of Change*</b>	<b>Justification/Explanation</b>	<b>Relevance/Explanation</b>

- \* Using the categories below, please rate the degree of change made to each section of the TOC:
- 0 - None: No change in wording or only slight changes in phrasing.
  - 1 - Minor: A slight change in one or two components in the TOC, but something more significant than a small change in wording.
  - 2 - Significant: Adding or subtracting one or two items in a section of the TOC or revising multiple items. Less than a complete rewriting of a TOC section, but more than revision of one item.
  - 3 - Wholesale: A major shift requiring a complete or near-complete rewriting of this section of the TOC.

Source: the Asia Foundation's "Strategy Testing: An Innovative Approach to Monitoring Highly Flexible Aid Programs"