Does Your Implementation Fit Your Theory of Change?

Presented by: Steve Montague, PMN
September 15, 2014
Melbourne

steve.montague@pmn.net
Agenda

• The situation
• Models and approaches
• Real world applications
• Key learning
A Random ‘Walk’ Through Evaluation Observations, Conclusions and Recommendations

**Information Programs**

“Timeliness is critical for stakeholders...some natural delays are outside of x’s control as it depends on a, b, c etc.”

**Collaborative Support**

“Collaborative support is very important for the delivery of y however there is limited evidence of recent collaborative efforts as a result of agreements.”
MOU
“Data sharing between (jurisdictions, agencies and even within areas of single agencies) was one of the main challenges.”

Volunteers
“Interviewees were unanimous in attributing the decline in activity to the reduced availability of volunteers.”

Overlaps
“...given that both the department and the beneficiary are involved in delivering similar activities, it is important to ensure that an appropriate delivery model and terms and conditions are clarified for this program.”
**Funding Flexibility**

“The evaluation found the Program continues to face challenges in balancing a structured planning process with the need to respond to emerging policy priorities.”

**Funding ‘Fit’**

“The short-term nature of funding was found to be a problem for the longer term investments required for x.”

“Case studies suggested that there is a need for an even stronger continuum of funding support for collaborative research involving both x and y researchers...”
Inappropriate Standards
“There was a question of whether ‘standard x’ fits the nature of ‘activity type y’.”

Roles and Responsibilities
“A lack of clarity regarding the role / responsibilities of y with regard to x was noted as a source of confusion.”

Program Assistance Communications
“The most common concern of both funded and unfunded [recipients] was the amount and quality of the feedback at the [early] program application stage.”
Observation

• A lot of the learning in evaluation reports relates to the way programs / initiatives are delivered.
• Yet most logic models and frameworks are either silent or give short shrift to the implementation (action) theory that serves the theory of change.
• Therefore evaluation learning in its area of highest potential is unsystematic and almost accidental.
Cash For Clunkers vs. Infrastructure Support as Economic Stimulus
What Happened?

• Cash for clunkers spent allocated funding ahead of schedule

• The Great Infrastructure Boom That Wasn't  "Very few meaningful stimulus-related infrastructure projects were launched in 2009. In fact, somewhat ironically, some infrastructure spending was actually delayed ... as [provincial, state and local] governments awaited funding from the federal stimulus coffers," noted CIBC World Markets analyst Paul Lechem.

Cash for Clunkers Implementation Process

Government A suggests a ‘Cash for Clunkers’ incentive

Government A offers incentive

(American) consumers take-up incentive to advance car purchases

Auto companies and dealerships respect the program

Economic stimulus effects

Environmental, health and other public good effects
Infrastrucure Support Implementation Process

Delays = f (authorities x actors x size of project)
Broader Evidence of the Problem

• Performance information is almost always inadequate for some types of programs
• Repayable contributions in some areas rarely get repaid
• Administrative monetary penalties seldom ‘work’ – they almost always disappoint.

Are these ‘management’ problems or are these fundamental mis-fits of implementation design to requirements?
The Solution

• Recognize the implementation (action) ‘logic’ or theory that goes along with the theory of change

• Research (evaluate) what works for whom in what conditions for both and then

• Research (evaluate) how they work with each other
## An Example: Repayable Contributions for High Technology Innovation

<table>
<thead>
<tr>
<th>Need Theory:</th>
<th>There is insufficient innovation in sector X caused by a lack of domestic investment to bring innovation research to market.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mechanism (Change Theory):</td>
<td>A contribution will provide needed cash to companies to move innovations from discovery to commercialization. (See innovation theory.) Repayability in the contribution will address WTO concerns about unfair support. It will also ensure greater discipline in the innovations to focus on getting product to market.</td>
</tr>
<tr>
<td>Implementation Theory:</td>
<td>Department will team up with sector X association in the selection and delivery of projects on the premise that this group will know and represent the needs of the sector for innovation.</td>
</tr>
</tbody>
</table>
## Findings from Past Reviews

<table>
<thead>
<tr>
<th>Theory</th>
<th>Reality observed</th>
</tr>
</thead>
<tbody>
<tr>
<td>There is insufficient innovation in sector X caused by a lack of domestic investment to bring innovation research to market.</td>
<td>Investment in sector X becoming increasingly multinational...not clear that domestic $ gap hinders innovation but rather gap in international investor confidence</td>
</tr>
<tr>
<td>A contribution will provide needed cash to companies to move innovations from discovery to implementation. (See innovation theory.) Repayability in the contribution will address WTO concerns about unfair support. It will also ensure greater discipline in the innovations to focus on getting product to market.</td>
<td>‘Repayability ‘clause found to work against the need for nimble investment since consortium often involved and repayment liability handled by lawyers and accountants (this ‘delay’ and increased uncertainty creates a negative feedback loop which leads to a slow hard process which leads to negative reactions which leads to fewer good applicants etc.etc.)</td>
</tr>
<tr>
<td>Department will team up with sector X association in the selection and delivery of projects on the premise that this group will know and represent the needs of the sector for innovation</td>
<td>Associations not always found to represent all sector X Canadian investments – causing internal political battles and lack of trust in the process – reducing reach and slowing process – reinforcing negative feedback loop - leads to fewer good applicants leads to less success leads to reduced reputation etc. etc.</td>
</tr>
</tbody>
</table>
A Second Example: Administrative Monetary Penalties (AMPs)

Need Theory: Regulators need an ability to moderate an otherwise harsh response (i.e. too big a jump between warning and criminal penalty).

Mechanism (Change Theory): A civil commercial penalty is needed to fill out the pyramid and to allow for scaled deterrence.

Implementation Theory: Agencies will readily apply AMPs to gain efficiencies in sanctioning violators and will improve the cost-effectiveness of the whole system.
Does the Ayres and Braithwaite Deterrence Pyramid Work?

- License Revocation
- License Suspension
- Criminal Penalty
- Civil Penalty
- Warning Letter
- Persuasion
It Depends!

- Clarity
  - Morale Authority
  - Sanctions
  - Nature of Transactions
  - Nature of ‘Offender’
  - ‘Fair’ and Effective Processes

- Persuasion
- Warning Letter
- Civil Penalty
- Criminal Penalty
- License Suspension
- License Revocation
Things should be made as simple as possible – not simpler.

—Albert Einstein
What We Tried

• Extracted the implementation theory from a conventional logic model
• Lined it up with the change theory
• Drew from research, experience and analysis key assumptions and enabling factors
• Tested those
Original Sector ‘X’ Market Access / Development Program

Activities
- Conduct analysis to address key science gaps
- Communicate science-based evidence to Canadian stakeholders
- Conduct market research by monitoring and reporting on market trends
- Conduct market outreach and leadership activities in key markets

Outputs
- Science-based information products
- Environmental scans, surveys & market intelligence products
- Annual work plans
- Market outreach communication tools and products [tailored for target audiences]
- Tours, meetings and workshops
- Networks of experts and stakeholders

Immediate Outcomes
- Canadian sector ‘x’ is well-informed of potential barrier issues and trends in international markets
- Science-based evidence supports sector ‘x’ market outreach
- Improved coordination of sector ‘x’ market advocacy efforts in a way that responds to market realities

Intermediate Outcomes
- Key influencers have the information they need regarding the (barrier related) credentials of Canada’s sector ‘x’ and its products
- The Canadian sector ‘x’ industry works proactively with policy-makers in target markets to ensure that decisions are based on scientific evidence
- Canadian sector ‘x’ products are considered to be an appropriate (re: potential barrier) responsible & preferred choice internationally
- Reduce and avoid market access issues in international target markets

End Outcome
- Improved acceptance for Canadian sector ‘x’ products in international markets

Summary of the logic: Contribution Assistance for Market Access and Development

Implementation ‘Model’

Agency funds delivery via sector Not-For-Profit, with oversight by representative advisory aboard

Contextual Factors

Change ‘Model’

Assistance will reach target groups who will appropriately use funding as incentive to change leading to benefits to Canada
Summary of the logic + key implementation concerns: Delivery via Trade Association

Implementation ‘Model’
Agency funds delivery via sector Not-For-Profit, with oversight by representative advisory aboard

Change ‘Model’
Assistance will reach target groups who will appropriately use funding as incentive to change leading to benefits to Canada

Contextual Factors
Social legitimacy
Representativeness
Experience (capacity)
Relationships
Trust!
We Need to Recognize the Following:

• Theories of change have common characteristics
  – Kirkpatrick for learning
  – Bennett for change adoption
  – Deterrence pyramid (Ayres and Braithwaite)
  – Homo-economus vs. socio-psychological views of behaviour (Kahneman, Levitt and Dubner, Thaler and Sunstein etc.)

• Implementation strategy (action theory) matters and it has some key factors which in turn affect theory of change success
  – Authorizing environment
  – Organizational deliver (government agency, multi-jurisdiction, contribution to delivery agent, private-led, 3P etc.)
  – Generally accepted management principles
  – Hierarchy, matrix, network etc.
  – Historical rules, relationships and culture
Basic Framework for Assessing What Works in Policy, Programs and Delivery

- **Policy Instrument** (Theory of Change)
- **Delivery Design** (Implementation / Action Theory)
- **Definition of Success:** (desired outcomes)
- **Specific observations re: what worked in the case at hand**

**Contextual Factors**
- Broad Contextual Factors
- Factors related to the policy instrument (carrots, sticks, sermons)
- Engagement and Relationship Factors
- Management and Governance Factors
What Works for Administrative Monetary Penalties?
Summary of Factors and Findings for AMPs at CFIA (with reference to others)

**Contextual Factors**

- Political / jurisdictional / legal (authorities over policy area)
- Economic Factors
- Infrastructure / value chain ‘structural’ readiness
- History of policy and programming (experience in use of instruments and mechanisms)
- Compatibility with other policies and programs (e.g., regulatory environment between and among levels and agencies of government)

**Regulatory Instruments Considerations**

- A sound understanding of community norms based on empirical evidence rather than assumptions.
- Integration of the various phases of the deterrence process: detection, prosecution, application of sanctions.
- Effective processes for registering and licensing the target group, especially in situations where the penalty relates to withdrawal of licenses as in the program to combat drunk driving.
- Effective screening processes to identify potential offenders.
- Effective inspection processes that detect non-compliance to a sufficient degree to act as a deterrent.
- Effective prosecution processes to ensure that offenders can be successfully prosecuted following detection.
- Penalty processes that fit the offence.
- Effective recruitment of the community as allies in implementation (constructive engagement).
- Effective communication processes concerning the legitimacy of the regulation and that persuade the target audience that the regulation will be effectively implemented.
- Social legitimacy of the instrument and sanction.

(Source: Funnell and Rogers 2011)

**Target Community Engagement**

- Level of target community engagement and type of engagement re: initiatives
- Capacity of target area actors

(Source: derived and adapted from Sager and Andereggen 2012)

**Partner and Sector Engagement**

- Level of sector engagement in priority setting, planning and governance (Public, Private, NFP, other)
- Capacity and level of shared agenda of Sector and Partner ‘co-deliverers’

**Public Management**

- Program (Policy) priorities (planning, coordination)
- Governance and Management Accountability components**

**** Accountability requisite components include clear roles and responsibilities, clear performance expectations, balanced expectations and capacity, credible reporting and reasonable review and adjustment (see Sager and Andereggen 2012 and OAG principles for Accountability 2009)

Where AMPs did not work:
- Hard to interpret regulatory clauses (e.g. ‘undue suffering’)
- Complicated interactions (many players) difficult to know who to penalize
- Low unit value cargo (e.g. cull animals) or high total value where penalty considered cost of doing business

Definition of what ‘works’:
1. Timely and efficient transaction
2. AMP’ed group or individual paid fine
3. No appeal
4. No ‘overturns’ on appeal
5. No evidence of recidivism (i.e. violator went back into compliance)

**Policy Instrument**

Administrative Monetary Penalties reach target (violating) groups who are then deterred...serves as an example to deter others – making area /sector safer

---


steve.montague@pmn.net

---
Administrative Monetary Penalties applied to animal health – mostly domestic transportation of animals

**Contextual Factors**

- Administrative Monetary Penalties reach target (violating) groups who are then deterred...serves as an example to deter others – making area/sector safer

**Regulatory Instruments Considerations**

- A sound understanding of community norms based on empirical evidence rather than assumptions.
- Effective processes for registering and licensing the target group, especially in situations where the penalty relates to withdrawal of licenses.
- Effective screening processes to identify potential offenders.
- Effective inspection processes that detect non-compliance to a sufficient degree to act as a deterrent.
- Effective prosecution processes to ensure that offenders can be successfully prosecuted following detection. (See CART appeals)
- Effective communication processes concerning the legitimacy of the regulation and that persuade the target audience that the regulation will be effectively implemented.

**Target Community Engagement**

- Level of target community engagement and type of engagement re: initiatives
- Capacity of target area actors

**Partner and Sector Engagement**

- Level of sector engagement in priority setting, planning and governance (Public, Private, NFP, other)
- Capacity and level of shared agenda of Sector and Partner ‘co-deliverers’

**Public Management**

- Program (Policy) priorities (planning, coordination)
- Governance and Management Accountability components

**Where AMPs did not work:**

- Hard to interpret regulatory clauses (e.g. ‘undue suffering’)
- Complicated interactions (many players) difficult to know who to penalize
- Low unit value cargo (e.g. cull animals) or high total value where penalty considered cost of doing business

**Policy Instrument**

- Administrative Monetary Penalties reach target (violating) groups who are then deterred...serves as an example to deter others – making area/sector safer

**Implementation Design**

- Delivery by Agency, limited dependence on other Agencies and levels of government for surveillance, inspection, investigation and enforcement – appeals through separate tribunal

**Broad Context (Social, Economic, Political, Technological)**

- Political / jurisdictional / legal (authorities over policy area)
- Economic Factors
  - Infrastructure / value chain ‘structural’ readiness
  - History of policy and programming (experience in use of instruments and mechanisms)
  - Compatibility with other policies and programs (e.g., regulatory environment between and among levels and agencies of government)

- **When you have enough !!s – the factors pile up + you fail!!**

- **Definition of what ‘works’:**
  1. Timely and efficient transaction
  2. AMP' d group or individual paid fine
  3. No appeal
  4. No ‘overturns’ on appeal
  5. No evidence of recidivism (i.e. violator went back into compliance)

**Implementation Design**

- Delivery by Agency, limited dependence on other Agencies and levels of government for surveillance, inspection, investigation and enforcement – appeals through separate tribunal

Contribution Analysis Approach

Set up (regulatory) process to encourage compliance to relevant Act and regulations

Engagement of co-deliverer authorities

Acceptance of common agenda and objectives by co-deliverers and support in terms of coordinated / collaborative efforts

Engagement of regulated parties in terms of inspection / investigation and / or other deterrence mechanisms*

Notice of violation (warning or other) issued appropriately to regulatee and / or other deterrence actions appropriately conducted

Regulatee reacts appropriately to intervention (pays vs. appeals)

Support to appeal process (appropriately) provided to appeal ‘tribunal’ or other

Consistent and clear decisions rendered by appeals tribunal

Regulatee is deterred from non-compliance or encouraged to comply

Health, safety, economic viability of Canadian food system

Institutional arrangements are conducive to cooperation / collaborative co-delivery

Shared goals and perspective among key parties, re: risks, authorities and roles

Context, conditions, legal framework allow for appropriate engagement of regulatees

Resources, authorities and other conditions allow for clear, timely and accurate issuance of warnings and penalties

Regulatee understands and respects the system. Relative cost-benefit to regulatee to pay and comply

Context, conditions, authorities and relationships allow for timely and appropriate appeal review. Legal or other clarity re: situation

Legal and situational factors allow for clear and consistent decisions

-Relative cost-benefit of compliance encourages compliance
-Social and other conditions encourage compliance

Compliance will lead to improved health, safety or economic conditions, no compensating behaviours or phenomena (e.g. ‘work arounds’) will work against the benefits

*Deterrance mechanisms could include information, consultations, programs, commercial or criminal sanctions / prosecutions, licence revocation or other actions intended to influence behaviour.

Set up (regulatory) process to encourage compliance to relevant Act and regulations

Engagement of co-deliverer authorities

Acceptance of common agenda and objectives by co-deliverers and support in terms of coordinated / collaborative efforts

Engagement of regulated parties in terms of inspection / investigation and / or other deterrence mechanisms*

Notice of violation (warning or other) issued appropriately to regulatee and / or other deterrence actions appropriately conducted

Regulatee reacts appropriately to intervention (pays vs. appeals)

Support to appeal process (appropriately) provided to appeal ‘tribunal’ or other

Consistent and clear decisions rendered by appeals tribunal

Regulatee is deterred from non-compliance or encouraged to comply

Health, safety, economic viability of Canadian food system

Institutional arrangements are conducive to cooperation / collaborative co-delivery !

Shared goals and perspective among key parties, re: risks, authorities and roles ! / !!

Context, conditions, legal framework allow for appropriate engagement of regulatees !!

Resources, authorities and other conditions allow for clear, timely and accurate issuance of warnings and penalties !!

Regulatee understands and respects the system. Relative cost-benefit to regulatee to pay and comply !

Context, conditions, authorities and relationships allow for timely and appropriate appeal review. Legal or other clarity re: situation !!

Legal and situational factors allow for clear and consistent decisions !!

-Relative cost-benefit of compliance encourages compliance
- Social and other conditions encourage compliance !?

Compliance will lead to improved health, safety or economic conditions, no compensating behaviours or phenomena (e.g. ‘work arounds’) will work against the benefits ?

* Deterrence mechanisms could include information, consultations, programs, commercial or criminal sanctions / prosecutions, licence revocation or other actions intended to influence behaviour.

Table Discussion

Think about a recent situation, program, policy or initiative:

• How did it go? (i.e. How well did it work?)
• Can any of the factors mentioned ‘explain’ your findings?
• Might more explicit discussion of the implementation (action) theory with the change theory help?
Key Implications

• Implementation activities, design and delivery matter a lot (even for ‘high level’ impact evaluations – maybe more so)
• Need to explicitly include theories of implementation with theories of change
• Need to look at each – then how they interact together
• Evaluation, assessment and planning implications
  – Generative approaches (do homework first, then lay out explicit expectations, test then adjust - repeat)
  – Process and impact evaluations and assessments done together
  – Common key factors and assumptions for both implementation and change theory should be considered + monitored
  – Stronger context, communication and engagement emphasis
  – Make assessment a team sport!
Select References

Ayres, Ian. and Braithwaite, J. (1992) Responsive Regulation : Transcending the Deregulation Debate


Pawson, R. Evidence-based Policy A Realist Perspective 2006

Pawson and Tilley Realist Evaluation 2005


Welch, D. and Whynot, J. (2014). Using a Theory Based Approach (TBA) for the Women’s Program (WP) at Status of Women (SWC) (presentation to Carleton University, DPE)


steve.montague@pmn.net