

## **Theory of Change**

### **For the RBAS Regional Programme formulation 2018-2021**

#### **Introduction**

UNDP Regional Bureau for Arab States (RBAS) is in the process of formulating its next Regional Programme (2018-2021), in line with the development of the new UNDP Strategic Plan and the 2030 Agenda for Sustainable Development. The new Regional Programme Document (RPD 2018-2021) will focus on selected outcome areas based on a process of extensive consultations with regional and national stakeholders. The content will also be informed by research and evidence that identify key regional development trends and challenges. The new programme will build on best practices and lessons learned from the current phase (2014-2017), which was endorsed by the UNDP Executive Board during the First Regular Session of the Executive Board at the end of January 2014.

As an important step in the formulation process, a theory of change exercise was held in Amman on **20-21 February 2017**. The findings of the workshop will inform the preparatory phase of the formulation process and feed into the regional consultation with stakeholders to be held in May 2017. The workshop brought together around 25 UN staff from the UNDP regional Hub in Amman and country offices in the region as well as external experts to jointly discuss inputs on the ToC.

This note should be reviewed with the other background materials that were produced for the purposes of this workshop, including several thematic papers and information documents that are accessible through this [link](#).

#### **Workshop methodology and structure of the Theory of Change**

The workshop methodology was adopted based on the UNDP's ToC guidelines, focusing on identifying a problem tree, solution pathways, risks, assumptions, as well as UNDP's and partners' role. The participants introduced another step prior to developing the linear causal diagrams to better capture the dynamic and interconnected nature of issues. As such, they spent time on developing a "systems" approach to identify the dynamic relationships across issues.

In light of the above, the structure of the Theory of Change for the Regional Programme included the following:

- 1) An underlying theme across all issues that defined the main development challenge in the region around fragility, vulnerability, and exclusion: "The development in the Arab region, although at varying degrees across countries, is increasingly fragile, being vulnerable to internal and external shocks, and exclusive, unequally benefiting certain groups more than others, marginalizing or excluding others. The vulnerabilities are of different nature and include:
  - a. Economic vulnerabilities,
  - b. Environmental and energy vulnerabilities;
  - c. Socio-political vulnerabilities.

These vulnerabilities affect or are affected by the processes through which different groups may be excluded or marginalized from opportunities that could increase such vulnerabilities especially for

- 2) Guided by the exposure to risks, a system dynamics, highlighting the complex circular relationships and feedback effects among key system variables;
- 3) Linearized causal diagrams, which reflects on the system dynamics but translate them to a more traditional problem tree (inevitably losing some of the important dynamics).
- 4) Solution pathways, translating the problem tree into solutions: The two key solution pathways that emerged include the following:
  - a. Inclusive, resilient, sustainable and job rich growth - addressing the poverty and inequality aspects of exclusion and the related vulnerabilities;
  - b. Inclusive governance, peace and stability - addressing the governance and conflict aspects of exclusion and the related vulnerabilities.

These two solution pathways were considered together when reviewing the respective assumptions, risks, target groups, partners and roles.

### **Key takeaways from the Theory of Change**

The below is an initial categorization of key issues emerged from the Theory of Change exercise and that would inform further discussion on the identification of programmatic entry points for the regional programme. The below categories should be particularly regarded through the lenses of exclusion and vulnerability, being these two issues identified as underlying development challenge for the region.

#### **- Renewed focus on Governance**

Governance was identified as a key sector for the entire Arab region, and an area where UNDP traditionally has a strong added value. While validating the importance of work around anti-corruption, which constitutes one of the main focuses of the current regional programme, it was stressed that further discussion should take place to identify other governance-related entry points. In this regard, stronger emphasis should be placed on support the emergence of strong sub-national governance, as the interface between local government and community.

Considering that the policy space is constrained by elite capture and systematic exclusion limits the participation of the poor and marginalized, an important area of work would constitute in expanding the policy space and supporting effective participation mechanisms. This would allow the participation of civil society in policy making and resource allocation, and in particular the full participation of women and youth in policy dialogues, holding the ruling classes more accountable. Important in this regard is to take into consideration the different sub-regional/national contexts as the status of state institutions can significantly vary especially between conflict and non-conflict countries.

#### **- Deepened thinking on sustainable job-rich growth**

Youth unemployment and low women participation in the labor force were identified as key challenges with repercussions on both the economic and the social spheres. Harnessing economic opportunities

requires access to services that build human capital, stimulate entrepreneurship, develop skills. On the other hand, efforts need to be put in place to overcome barriers to job-rich private sector investment, as well as policies to promote more sustainable and responsible investments.

However, since these economies are also increasingly vulnerable to external economic shocks, they can only be protected from such shocks through economic diversification, regional integration and vigorous development of appropriate value chains, all of which require increased regional economic cooperation supported by stronger regional institutions and private sector networks.

- Strengthened focus on gender and youth

With 60% of the region's population under the age of 30, youth was increasingly seen as a priority. They face multiple challenges, from unemployment, displacement, poverty and exclusion, which can also lead to violent extremism and further conflict. Gender equality and women's empowerment in the Arab region are generally assessed lower than elsewhere. Low labor force and political participation, domestic violence and violence in conflict, cultural and societal stereotypes, they all hamper women's economic and social development.

A multidimensional approach is therefore required to address these issues, taking though into consideration the different causes and needs of the two groups. This could be implemented through dedicated or cross-cutting interventions, or both.

- Emphasis on sustaining peace

The region continues to experience severe conflict and protracted crisis in seven out of eighteen Arab countries challenging development gains, and bringing about great human suffering, massive displacement, and damage to infrastructure and services. These crises have tragic human and serious economic outcomes, spilling over to neighboring countries, ratcheting up social tensions and harming development prospects. Conflicts compounded by economic precariousness and exclusion can also lead to a rise in violent extremism.

To tackle the above, further emphasis needs to be placed on "sustaining peace", in order to more efficiently and comprehensively address the connections between conflict prevention, peacebuilding, the development-humanitarian nexus, migration and the sustainable development agenda. Targeted support needs also to be provided to enhance the resilience of countries affected by crises and to their municipalities to deliver quality service to citizens despite the increased pressure.

- Redefining climate resilience

The Arab region is already the world's most water insecure, food-import dependent region on the planet, with land degradation expanding and ecosystem services being rapidly depleted, and with most countries being energy import-dependent and facing serious challenges of energy insecurity. Climate change in particular has risen as a driver of change to the region's environment, exacerbating underlying challenges of inadequate governance of natural resources and the environment – also leading to natural disasters and forced displacements.

The theory of change exercise reiterated the importance to address environmental and energy issues across the region, by focusing on the water-food-energy nexus, supporting natural resource management, promoting investment in sustainable energy and developing effective energy policies. Overall these interventions would result in strengthened environmental and energy resilience, and enhanced food security with wide ranging impacts on poverty, displacement and conflict.

- Knowledge for transformational change

The required policies described above, the necessary technological and social innovations, the human capacities needed to undertake the required actions, all require effective systems for the generation, application and diffusion of knowledge. To bridge the wide disparity in the region to generate the skills necessary for the productive capacities in knowledge-based economies, the importance of data quality, data availability and foresight was reiterated.

In order to produce transformational change, knowledge needs to be generated across different sector of society, including pre-university and higher education, vocational training, research and development and innovation, and use of information and communication technologies.

## **Next steps**

Moving forward in the preparations of the Regional Programme Document, the RBAS Regional Programme will:

- 1) Incorporate the comments on the Theory of Change received from Hub and COs colleagues;
- 2) Prepare a zero draft/outline of the regional programme document 2018-2021 that will be a working document with many versions going to June/July for the pre-PAC meeting and submission for informal discussions with the Executive Board;
- 3) Organize a regional consultation on 22-23 May 2017 in Amman, bringing together key regional stakeholders (beneficiaries, partners, donors, UN agencies) as well colleagues from country offices. This will serve to validate the process and the findings to date, and discuss areas of focus and programmatic entry points for the next regional programme.