

DESIGN

Step 6: Solution Design, Impact Pathways, and Theory of Change

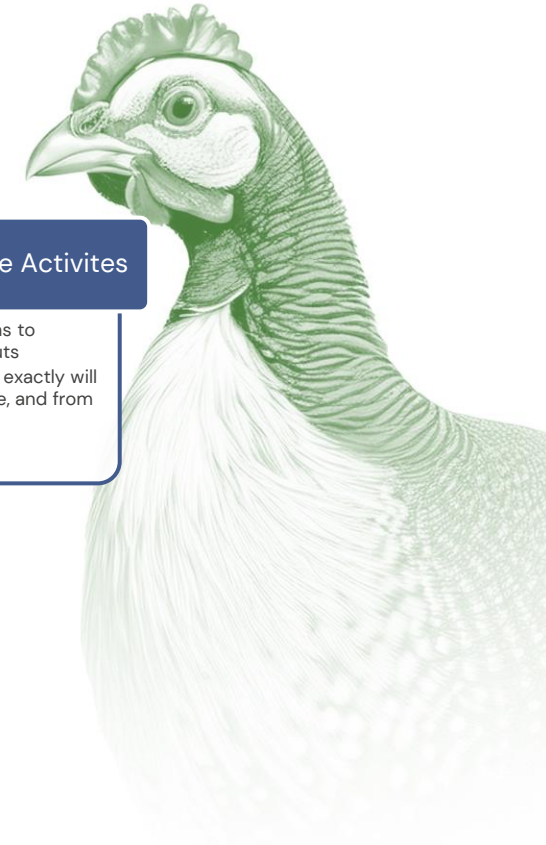
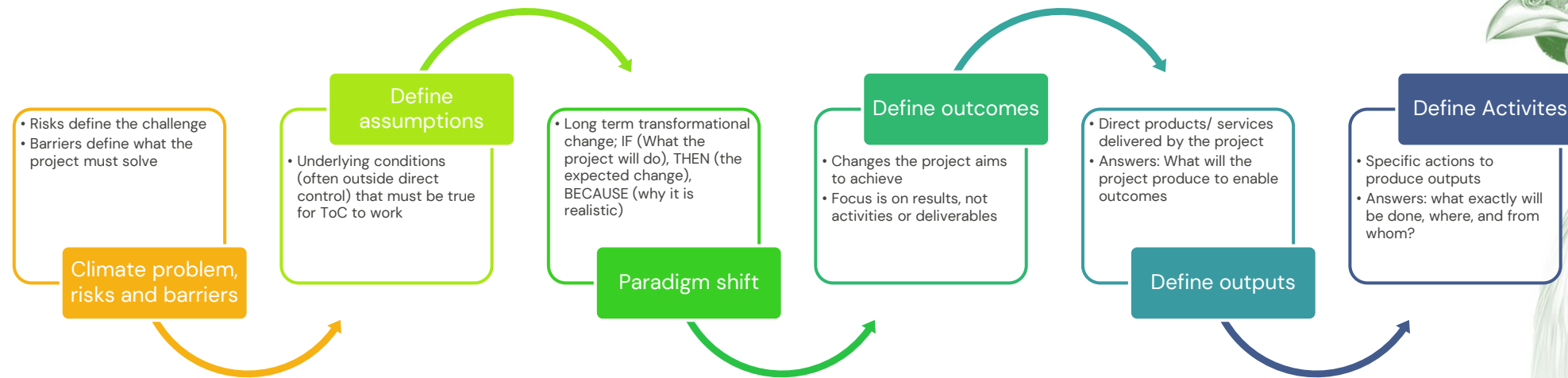
Moving from Analysis to design

- Translating problem, climate risks, and rationale into clear, structured, and innovative interventions
- This step answers the following questions:
 - What exactly will the project **DO**?
 - How will it **SOLVE** the problem?
 - What **CHANGES** will it create over time?



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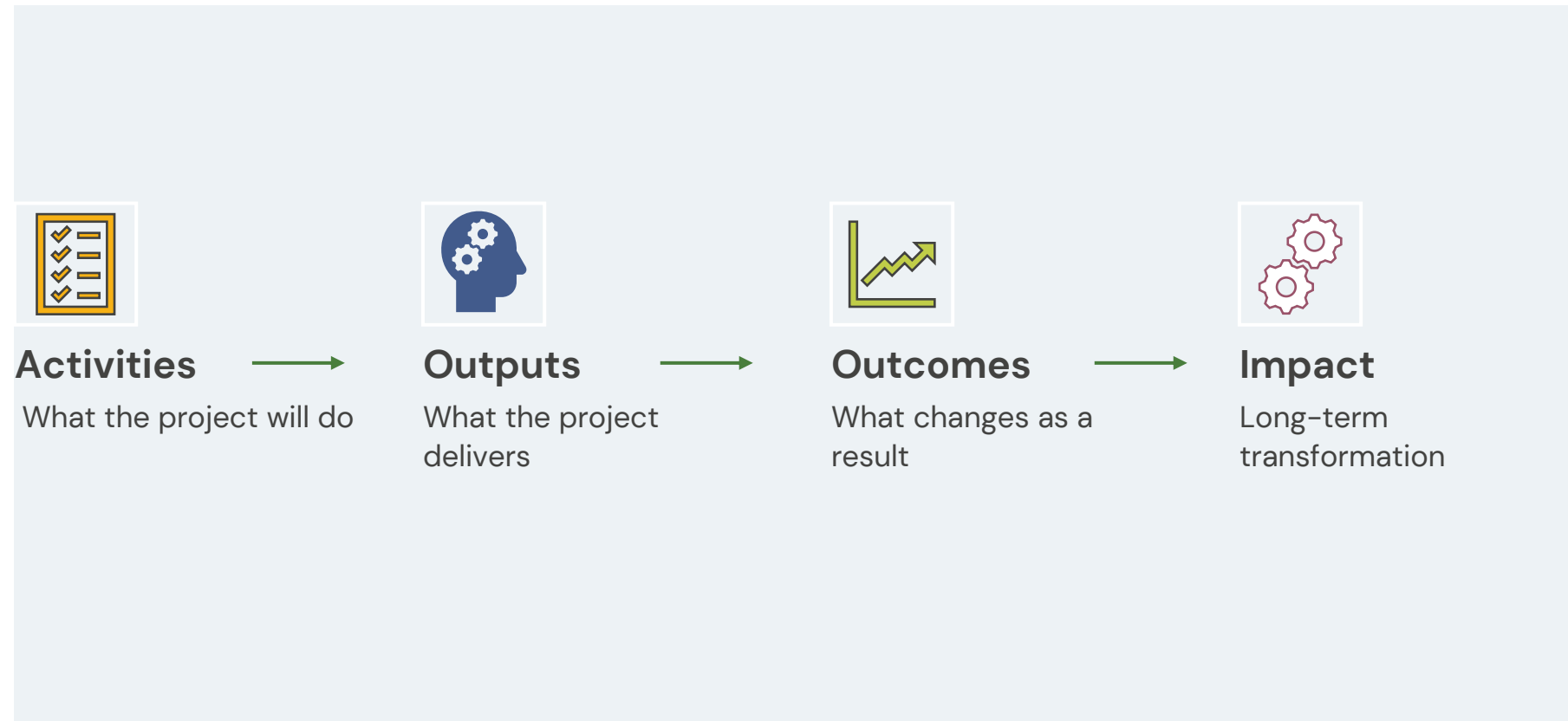
How to Design a theory of change





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The theory of change structure





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Why this matters for Bankability

- Climate finance institutions scrutinize your ToC to understand: How financial capital → Measurable climate impact
- A strong ToC proves:
 - ❖ Project is NOT just random good ideas
 - ❖ It's a highly structured, logical, scalable intervention
 - ❖ Activities dismantle identified barriers
 - ❖ Results in verifiable climate outcomes





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Before moving to Step 7, check:

- ✓ Is logical pathway from problem to impact unbroken and clear?
- ✓ Are all outcomes explicitly linked to measurable climate results?
- ✓ Does ToC demonstrate long-term system transformation (paradigm shift), not just short-term outputs?
- ✓ Are interventions aligned with MECE principle (no overlap, fully complete)?
- ✓ Are assumptions realistic and clearly connected to pathway's success?

