The discussion so far on the theory of change and the way it needs to provide the basis for a monitoring framework could be applied to most development programmes. However, the characteristics of market systems programmes have specific implications for the way the theory of change is defined and used. In particular:

- Market systems are inherently complex and in constant flux. Changes that occur are often unpredictable.
- Programme interventions interact with other activities, generating results that are influenced by multiple factors.

As a result, a market systems programme is unlikely to achieve its goals in a simple, linear way. It may be difficult to fully understand (at least in advance) how causes and effects will work at a system-wide level. There may therefore be significant uncertainties about how the overall market system may be re-oriented to serve poor people better.

The identification and design of programme interventions needs to be based on initial hypotheses about the mechanisms by which change might be achieved. In this context, it is normal to expect that the desired changes in the market may not occur as planned. As a consequence, some interventions will need to be adapted, stopped or scaled up during implementation.

The theory of change should therefore be constructed in a way that takes account of the inherent complexity of systemic change.

**Features of a 'complexity-aware' theory of change**
The theory of change needs to be presented as an overarching framework that explains how the programme intends to work, but without detailing the specific mechanisms of change (i.e. interventions). This will help ensure the theory of change remains valid even if individual interventions are adapted, closed down, or scaled up.

In conditions of significant uncertainty, an adaptive, learn-as-you-go approach is essential. It makes sense for programmes to include a range of exploratory interventions that can be scaled up, or brought to an end. These projects may run independently of each other, and each should be thought through with its own mini theory of change.

Due to the adaptive nature of market systems programmes, the theory of change should be reviewed and modified regularly to reflect emerging findings, changing hypotheses, and adjustments to programme strategy.

In a complex system, different stakeholders will have different perspectives and interpretations about what makes things work, which may not be amenable to analysis with a single model. It is therefore important to record different viewpoints and assumptions, and review these critically through ongoing monitoring efforts.

It is perfectly feasible for a programme team to develop a theory of change 'in house'. However, in light of the likelihood of a diversity of views emerging, it may be helpful to commission an external facilitator to help develop a theory of change.