IKEA Foundation

Supplemental MLE guidance note for IKEA Foundation grant applicants

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This guidance note supplements the IKEA Foundation's Full Application Guidelines with more specific information related to questions: 3. Theory of Change; 5. Key Performance Indicators; and 6. Evaluation. Through these questions, we aim to understand the causal pathways linking your proposed approach to the desired impacts, or, in other words, your theory of change. We are also keen to understand the extent to which your approach or its components have been tried before and what is known about their impact on livelihoods and/or planet and on the intermediate outcomes you propose. This analysis will help us jointly determine if there is an opportunity to generate evidence by conducting an evaluation, which is the focus of question 6. Finally, we ask you to identify three key performance indicators along your Theory of Change that you will track on an annual basis.

3. Theory of Change:

i. A diagram of your theory of change

Your diagram should tell the story of how change is expected to happen as a result of the proposed project. It should clearly outline the causal pathways linking activities to their projected short-term, intermediate, and long-term outcomes / impacts.

ii. A narrative accompanying your theory of change, including:

a. its strategic fit to the IKEA Foundation portfolio which has invited your application;

See portfolio specific guidance.

b. background and context, including the specific problems/barriers you would like to address through this grant support

What is the problem you are looking to solve? Why does this matter? In your write-up, please reference relevant publications to substantiate your viewpoint.

c. a narrative describing your theory of change diagram

This narrative should help the reader understand your theory of change diagram. We recommend you start with a short description of the activities you are planning to implement. Then, formulate a series of logical statements along the lines of "If we do ..., then ... will happen, which will in turn lead to ...".

d. assumptions

When developing your theory of change, it is important to identify and make explicit the assumptions you're making. Assumptions are factors that are necessary for the success of the project, but are not specifically addressed by it. Often, these relate to expectations about how people will behave. For example, if you conduct a training on new agricultural practices, you might expect this to result in farmers adopting the practices; the implicit assumption here is that farmers are open to changing the way they've been doing agriculture and trust that this will indeed be beneficial for them.

e. **a summary of the evidence base in support of your ToC**

Breakthrough ideas are not created in a vacuum, but are informed by alternative solutions and a knowledge of what has and has not worked. In this section we ask you to describe the evidence related to the proposed interventions. In answering this, please reflect on the following questions:

1. Setting your approach into context

- What approaches have others tried in order to resolve this problem?
- Have others tried a similar approach to yours or tried elements of your approach?

2. What makes you think that your Theory of Change will work as expected?

In your answer, we ask you to draw upon existing published research, as well as your own work.

- What is known about the effectiveness of the proposed approach (or elements of it[1]) in terms of its **impact on livelihoods and/or planet and the intermediate outcomes you propose**?

  The size of the evidence space will vary depending on the sector you are operating in; you may find that more is known about what works to create livelihoods than about strategies to protect the planet. In some cases, you may be able to draw on evidence from the broader field you are operating in, e.g. you could look at what has worked to support farmers/entrepreneurs if your focus is circular agriculture/green entrepreneurship, or what has worked to influence government policy in more general terms if your goal is policy change.

  Here are some of strategies we recommend in order to identify relevant studies:

  - Start your search by looking for high-quality peer-reviewed publications such as systematic reviews and meta-analyses combining results from multiple impact evaluation studies or, if unavailable, individual impact evaluation studies. Good resources to consult include Cochrane Reviews, 3ie Systematic Reviews and Impact Evaluations, PubMed, databases of evaluations of the Abdul Latif Jameel Poverty Action Lab, Innovations for Poverty Action and Berkeley's Centre for Effective Global Action.
  - In addition to peer reviewed literature, also search on the websites of institutions that may publish relevant research (e.g. World Bank, Centre for Global Development, Overseas Development Institute, Intergovermental Panel on Climate Change,

[1] A proposal for an entrepreneurship support programme may include trainings, cash grants or loans and mentoring. In this case, there are three different elements and you may look for literature related to each of them separately or combined.

International Renewable Energy Agency, The World Resources Institute, New Climate Insitute)

- Identify experts in the field and look at their list of publications. Then check the reference lists of those publications for other relevant studies (this is called 'snowballing').

Notes:

- When referencing studies, we would appreciate it if you could mention the research methods used, e.g. systematic review and/or meta-analysis, experimental, quasi- or non-experimental impact evaluation, qualitative impact evaluation, policy report, case study etc.
- To document the evidence, please include citations in footnotes, mentioning the authors, year and publication title, and including a hyperlink to the study.

- What do you know from M&E activities conducted by your own organization? If you have already conducted an evaluation of your work, please summarize the findings and attach the evaluation report.

You may find the following grid helpful in organizing information/citations on the evidence related to the proposed intervention(s):

Intervention element(s)	**Description of causal link between the intervention and the desired outcomes**	**Summary of evidence**
	"If … then …" statements	*Description of evidence related to the intervention's impact on livelihoods and/or planet and intermediary outcomes (include relevant citations in footnotes)*

5. Key Performance Indicators:

In the online application form, you will be entering three key performance indicators (KPIs) that you will track and report to the Foundation on an annual basis. We request applicants to propose their indicators only after they have had at least one discussion with the Foundation's MLE team. Please reflect the outcomes of that discussion in your narrative.

- What are three (3) indicators will you use to measure key outputs, outcomes and impacts along your TOC? Please think of KPIs that can reasonably be expected to move on a yearly basis as you will be reporting on these as part of the annual reports. We suggest that at least one or two of your KPIs measure at a level higher than outputs.
- Who will you collect the data from and how many participants or activities will you monitor over time? Make sure you also budget for this appropriately.
- What measurement tools will you use (baseline, midline, endline, regular M&E data) and at what frequency will you be collecting KPI data? Please note, we expect that KPIs can be

measured and reported on annually as part of your regular monitoring activities and that they are sensitive enough to show how well the project/program is progressing (or if course correction is needed).

You may find this table helpful. An example is provided:

TOC element	KPI	From whom?	Measurement tool and frequency
People have increased livelihoods	*Equity Tool Score*	*450 intervention participants*	*Baseline before intervention & Follow-ups 6 and 12 months after intervention*
Companies adopts science-based targets to reduce GHG emission	*The number of companies that set and implement science based targets* *Total market capitalization of these companies*	*Companies in the high impact sample (i.e. those with the highest emissions)*	*Data from the Science based target initiative database, extracted quarterly*

If you have developed a results framework for your project, please mention this and add it as an attachment.

6. Evaluation:

The review of evidence conducted under 3.e. will help identify knowledge gaps that an evaluation might fill. The IKEA Foundation is keen to help grantees design and conduct evaluations that document the relationship between the proposed interventions and desired impacts and intermediary outcomes. This is particularly important for approaches that have not been tried before or for which there is little or mixed evidence, but may not be that relevant for tried and tested solutions that are being scaled up. For the former, generating evidence can help build support for your approach, attract investments from other organizations in the future and inspire others working to resolve the same problem. If establishing a causal relationship is difficult, it may still be possible to measure the contribution of the intervention to these outcomes.

If you would like your grant to be evaluated, please have a conversation about this with the Foundation's MLE team before writing your answer to question 6. The Foundation can help assess whether and what kind of evaluation is needed. If agreed, we will shape the evaluation scope in consultation/iteration with your team and determine whether the study should be budgeted as part of the proposal, or if the Foundation will commission and separately fund an independent evaluation.

In this conversation, we welcome your thoughts around questions you would like the evaluation to answer. Try to think of questions that are both relevant to your organization, but that may also be of interest to a wider audience and thus contribute to the creation of a public good. We would also like to know if you have thought through the evaluation design and whether you have identified an evaluation partner.