

# REVIEW OF THE MEL STRATEGY OF IKEA FOUNDATION 2021-2025

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## Acronyms

AI	Artificial Intelligence
CEP	Centre for Effective Philanthropy
CIO	Chief Impact Officer
GEDI	Gender, Equity, Diversity, Inclusion
IFAC	IKEA Foundation Approval Committee
KPI	Key Performance Indicator
MEL	Monitoring, Evaluation and Learning
MERL	Monitoring, Evaluation, Research and Learning
SMILE	Strategy, Monitoring, Impact, Learning and Evaluation
RAG	Red Amber Green
RCT	Randomised Control Trials
SROI	Social Returns on Investment
ToC	Theory of Change

# Executive Summary

## PURPOSE OF THE REVIEW

In May 2024, the MEL team of the IKEA Foundation commissioned a Review of the MEL Strategy (2021-2025) to inform the strategic Foundation stock-take conducted in 2024 and the next phase in the evolution of the MEL function. This report is the final and most comprehensive contribution by the Review team.

## FRAMING PROPOSITIONS

Several propositions, based on the Review team's interpretation of Foundation perspectives and opportunities, framed the Review design, findings and recommendations:

**Creating purpose-led, tangible value.** Even though entirely independent of the business of IKEA, the Foundation can learn from its corporate origins and, together with the Foundation's values and experiences, use it to help shape the best ways to create and balance value for people, planet, organisation and family of staff and partners.

**Forward-looking learning and cooperation.** To be impactful and contribute to systemic change and regeneration in a time of polycrisis, the Foundation will have to build on its experience and impact to date, but also with a futures perspective integrate lessons from foundations working on significant (systems) change, joining forces to scale impactful efforts.

**Co-evolving with context and trends.** As the Foundation evolves, the MEL function and strategy should co-evolve with it while reflecting critical trends in MEL worldwide and in philanthropy in particular.

## FINDINGS

**The MEL Strategy helped to move the Foundation beyond the pitfalls of purely trust-based philanthropy. It brought it in line with leading progressive philanthropies that strived to balance trust in partners, mutual accountability and a belief in the importance of having a credible impact story.** It inspired an appreciation among the leadership and programme staff for evidence-informed plans, decisions, and course corrections, and brought about an important shift in thinking from outputs and targets to intermediate outcomes and impact. It contributed to a reduction in ad hoc grant-making decisions. It started to establish evidence flows, with KPI monitoring data and Foundation-led evaluation evidence complementing partner-led evaluations. The IFAC, Grants Approval and Review Committees benefitted from more rigorous planning and assessment processes that enhanced grant-making decisions. At the same time, the Programme made use of the many lessons emanating from high-quality evaluations.

**Much has been achieved, and the highly qualified and committed MEL team is widely praised** for their expertise, the innovations they have implemented, the debates they have raised, and the progress they have made with the programme teams.

**Despite these achievements, the two MEL Strategy outcomes considered in this Review lag in implementation:** Evidence-informed course corrections and stage-gating are at an early stage; these concepts lack clarity, how and when to do it and what success looks like. MEL contributions have at times helped to strengthen decisions around grant continuation and exit strategies, but there is now a need for greater consistency, coherence and timely evidence in such decision-making processes. Debates still arise between MEL and Programme staff, and short-term KPI and dashboard data are often seen as more tangible evidence than evaluations. An unintended consequence of decision-making delays for grant renewals is that partners can be left in limbo. In such situations, partners in the Global South are at a disadvantage as they

are less able to bridge the gap in support resulting from delayed decisions and funding, including retaining staff. There was little progress in embedding social return on investment (SROI) approaches in ongoing MEL practice - an essential dimension for the next stage of MEL development.

**Implementation of the MEL Strategy has also created significant new challenges that have risked the position, reputation and effectiveness of the MEL function.** Some are the legacy of the early days of implementation of the MEL Strategy, when the vision and expertise of the first CIO enabled rapid progress. Still, his assertive leadership also caused tensions with some Programmes and contributed to still-lingering perceptions that MEL is a control rather than empowering, enabling function. Managing organisational change at the time was somewhat insensitive to the importance of drawing staff into the process to create ownership of the result. The hard-working MEL team is also increasingly being constrained by the volume and diversity of responsibilities required from each team member.

**A critical decision from the start was that the MEL function would focus its efforts primarily at grant-level.** This significantly limited the MEL Team's ability to provide strategic level MEL support to leadership at the ecosystem level, a situation exacerbated by the absence of a Foundation-wide strategy and performance management framework. The subsequent growth of the workload at grant level requires focus at a more aggregated and meaningful level.

**There is now a pressing need – and opportunities aligned with the Foundation's mission – to shift MEL strategic and operational effort from individual grant MEL to an outcome-focused portfolio approach that can help the Foundation to gain efficiencies and scale at the systems-level.**

**A second critical issue is the prominence given in decision-making to monitoring data,** in particular KPIs and a RAG dashboard that often could not accommodate the nuances required when assessing different types of interventions - and the opportunities and challenges that arise when

theories of change play out in the real world. MEL opinions were seen by some as often dominant even when evidence flows did not provide sufficiently credible information. In the early days especially, this led to disagreement with some Programmes, made worse by the lack of clarity on roles and responsibilities between the MEL managers and Programme managers in some cases.

**A third critical issue is that a learning orientation has yet to be successfully fostered across the Foundation's ecosystem despite seeds of action by the MEL team and others.** Other aspects reducing the effectiveness and value of the MEL function: A more comprehensive set of evaluative practices and beliefs about credible evidence is needed to get evidence flows that are consistent, nuanced and timely. The Foundation's risk appetite, and how risk is assessed, can make better use of MEL. And MEL, Programme and Communications teams have yet to make progress with starting to construct the Foundation's impact story.

**Overall, partners consulted during the Review reflected a high degree of appreciation for the work of the MEL team,** and they did not find the negative findings in the CEP survey reflected in the MEL aspects of their work with the Foundation. Despite their positive experience, partners also identified missed opportunities for joined-up partner learning and innovation, leadership opportunities and areas in need of improvement - particularly the clarity and consistency of the MEL approach, ongoing partner-staff contacts, linkages within the broader ecosystem of partners, the type of Foundation support and opportunities to learn. The discussions also indicated the need to refine and, in some cases, reframe current monitoring and reporting frameworks to better accommodate different types of partners and their needs.

## RECOMMENDATIONS

**The Review findings show that there is much to celebrate since 2021**, but also much to attend to. Implementing MEL is a journey to impact along a trajectory that is moving in the right direction, but with a fair share of challenges and necessary course corrections. **It will therefore be important for the MEL team to use 2025 very intentionally as a year of transition – building on likely success factors, eliminating or reducing that which has hampered progress and success, and working with relevant creative tensions** arising from MEL as well as from Foundation programming and operations.

**Four interconnected organisational shifts with significant implications are essential priorities**, as highlighted by the detailed recommendations that follow – shifts to

- i. MEL also at portfolio, systems, strategy and mission level.
- ii. coherent, transparent relationships and clear lines of responsibility and authority, especially between Programme and MEL.
- iii. a strong focus on the empowerment of all through evidence-informed learning that can lead to better, more lasting impacts; and
- iv. MEL capabilities fit for the future, given the evolution of the Foundation and the world.

#### *Recommendations for Leadership*

1. **Retain the role of the CIO** as part of the executive management and leadership while ensuring the new CIO is politically and strategically experienced as well as technically capable, empathetic and empowering.
2. **Facilitate the repositioning and refinement of the MEL function in line with the Review findings, the trends in progressive philanthropy and MEL, and the proposed organisational shifts** - enhancing their role in strategic MEL at strategy, portfolio, systems, and mission level; expanding responsibilities and skill sets to include contributing to the Foundation's strategy and learning culture;

finding solutions to support grant level MEL while reducing the engagement of the MEL team; integrating more corporate MEL approaches to reflect value creation and SROI; and allocating resources to match.

3. **Clarify roles, lines of authority and job descriptions between Programme and MEL** - strengthening the role and responsibility of Programme in leading theory of change development, monitoring and reporting, with MEL in support.
4. **Work closely with the MEL, people, risk management and communications functions** to develop complementary impact, performance management, risk management and aligned learning and communications frameworks for the Foundation.
5. **Establish a nurturing learning culture** that welcomes learning from, rather than judging risk and failure, and give the MEL function the **authority to drive, demonstrate, and model evidence-informed learning** to guide, steer and position the Foundation.
6. **Remove barriers** to a culture of systematic, purposeful, evidence-informed learning, and ensure that the Foundation's policies and incentives support the focus on impact in the Foundation and the work of the MEL function.
7. **Involve the MEL function in strengthening the risk management strategy for the Foundation.**
8. **Adopt a culture of 360-degree accountability**, which includes both the partners and the Foundation being accountable to the people their investments and interventions aim to serve.
9. **Consider, in discussion with the MEL team, how to achieve greater coherence, independence and state-of-the-art specialisation** in the work of the team – for example, whether it could be beneficial to redeploy certain team members to focus on a specific aspect of the work, rather than on a portfolio.

*Recommendations for the MEL team*

1. **Use 2025 to reorient the MEL function towards supporting the Foundation at organisational mission level**, developing frameworks for impact, performance, learning and communication, and new ways of working.
2. **Foster relationships and ways of collaborating** that can lead to more **coherent** programming with appropriate MEL systems in support; in planning and reporting processes, manage the creative tension between co-creating, and holding or being accountable; and minimise notions of defensive and competitive stances and perceptions.
3. **Convene partners within and across portfolios with MEL and programme staff** to learn from one another and align or collaborate where appropriate, strengthening the partner ecosystem, supporting systems level and systems change work, and increasing the chance of significant, sustainable impact.
4. **Tailor approaches to evidence and streamline evidence flows to increase their timeliness and relevance for a range of partner types, and potential use for learning, planning, decision-making, communicating and managing risk** in cooperation with the Foundation leadership, Grants Assessment and Review Committees, Programme teams, Operations, Legal and selected partners from the Global South and Global North.
5. **Play a leading role in developing a stronger learning culture towards more robust, lasting Foundation impacts, using state-of-the-art insights about how organisational learning happens in different contexts and cultures.**
6. **Support innovation and advanced practice in MEL** for business, for-profit and corporate entities, as well as for governance, policy, advocacy, narrative and experimental work.
7. **Develop and ensure MEL capabilities in the team and within the Foundation at strategic and technical level, fit for this time in the Foundation and the world** – including in a stronger focus on a portfolio approach, cultivating multiple professional perspectives on what makes for credible evidence, engaging with cross-cutting values and principles, developing an explicit approach to decolonisation, developing tools that blend corporate with progressive MEL frameworks, clarify stage-gating, evaluating for multiple forms of scaling, leveraging digital and AI technologies, improving knowledge management, and supporting the Foundation’s ability to predict and anticipate trends, shocks and stresses, future-proofing evaluation findings and recommendations.

## A. Introduction

### Context

1. The implementation of the first MEL Strategy of the Foundation is ending in 2025. Commissioned in May 2024, this Review is intended to inform the next phase of MEL in support of increasingly robust and lasting impacts through Foundation grant-making. The ongoing global polycrisis and anticipated state of permacrisis worldwide demand a sense of urgency in finding improvements and solutions in complex contexts defined by complex problems, and both the fields of philanthropy and of MEL have been evolving globally in response. The Review is intended to help shape an evolving, future-looking MEL function that can increase the chance of strong and sustainable impacts during the next phase in the evolution of the Foundation.

### Approach

2. The critical questions in the Terms of Reference were adapted in conversation with the MEL team and guided the Review matrix. They required the Review team to assess the MEL Strategy's fitness for context and intent, its value and effectiveness during implementation, and what this means for the future. The Review team undertook to determine strategic options and top-line operational improvements. Given time constraints, a Rapid Review design<sup>1</sup> was chosen, and implemented in five phases to bring together diverse experiences and perspectives on the Strategy design and implementation, state-of-the-art international MEL

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<sup>1</sup> Defining characteristics: (i) Iterative, flexible and context-sensitive design, which may be adapted as new insights emerge. (ii) Several reinforcing methods, with a heavy emphasis on qualitative information. (iii) A multi-disciplinary and highly experienced team with complementary skills who can deliver within short timeframes. (iv)

trends and examples, and megatrends likely to affect future Foundation contributions. A second contract was given to the team to add two components during phase 5, aimed at further information on partner perspectives and on peer comparators.

### Methodology

3. The Review was executed in five phases and with a largely qualitative design, in line with the detail in Annex 2. The peer comparator analysis was included in phase 5 to ensure that the peer issues considered were directly relevant to issues identified during the Review. An additional component was added to engage partners in discussion, including about the CEP survey results. For practical and strategic reasons, individual conversations were preferred to group or sprint discussions - with good results; the frank and extensive stakeholder conversations yielded diverse insights.

4. The Review matrix can be found in Annex 1, more details of the design in Annex 2, the lists of Foundation documents read, and persons interviewed in Annexes 3 and 4; examples of interview guides in Annex 5, and the comparator information in Annex 6.

### Constraints

5. Concerns during the inception period about constraints that could affect the quality of the Review proved to be largely unfounded. Very few requests for interviews could not be met, and the timing and perceived quality of the Review outputs and subsequent conversations supported opportunities to inform the stock-take and planning processes. The partner

Experience, integrity and multiple methods that strike a balance between depth and breadth, and between independence and an engaged, participatory approach. (v) Continuously analysing in overlapping and interacting workstreams. (vi) Focused on action-oriented lessons and findings for multiple purposes.

conversations took place with self-selected partners, which could reflect certain biases. However, an explicit focus on learning for improvement and extensive triangulation between sources and methods helped to strengthen the credibility of the findings.

## Outputs

6. The Review team prepared two reports. The first, delivered in time to inform the stock-take process, highlighted top-line strategic considerations. This second report aims at more comprehensive information for the Foundation leadership and MEL team as they deliberate on the next MEL positioning and strategy phase.

## B. Positioning the Review

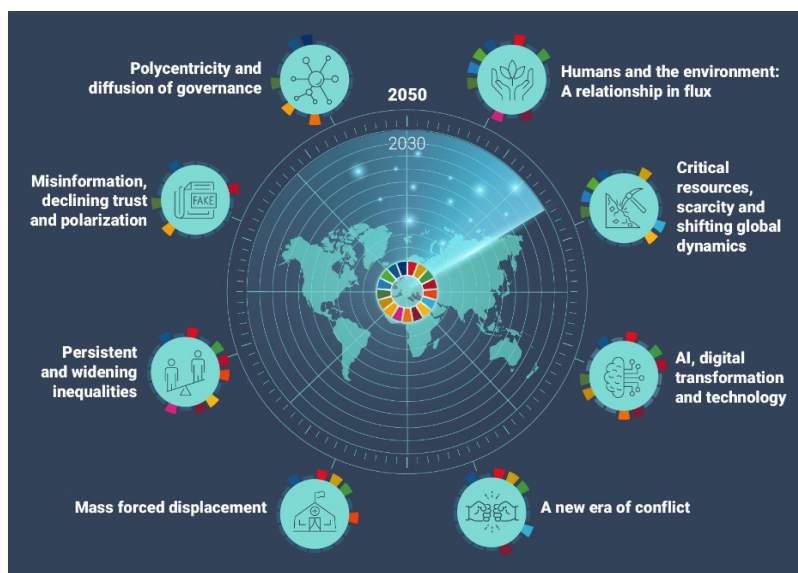
**The Review team developed the following assumptions and propositions,** drawing from our understanding of the backstory, contexts and points of view from which the Foundation has been operating - as reflected in Review documents and during conversations. They helped us to position and strengthen the credibility, implications and usefulness of our assessments, findings and recommendations.

7. **The origin and roots of the Foundation are important.** In purpose, structure and practices the Foundation is independent from the IKEA enterprise. Yet they are connected – both purpose-led and sharing the passion to make a difference and to create value for people and planet - each with its own set of values, and on its own journey of discovery towards impactful contributions.

8. **The Foundation is now in a good position to create value by balancing outcomes across several domains to contribute to impacts that matter for this time.** Typical of a dynamic organisation, IKEA Foundation has revised its goals and strategy since 2006 to be in tune with major

trends, insights from experience, and evolving visions for the value and impacts it aims to create. We note that the break with the past that took place around 2017 has steered the Foundation to change its goals, programming and partnerships in line with a commitment to impacts that matter for people and the planet. The period from 2018 has largely been about getting appropriate people, systems and practices in place and gaining experience as a newly constituted team.

9. **The evolving, complex strategic landscape and ecosystem in which the Foundation operates demands sensitive positioning for impact among a diversity of trends, actors and other dynamics.** Creating value through investing financial and knowledge resources means that the Foundation has to position its contributions within a landscape characterised by a great diversity in players and relationships, changemakers and obstructionists, opportunities and challenges. Many investment modalities can be found among the continuum of charities, foundations, development agencies, multilateral funds and banks, impact investors and commercial businesses – as well as among government to non-government, civil society and private sector ambitions, with new entrants from the Global South bringing new ways of thinking and working.



Source: UNEP Global Foresight Report 2024

10. **The Foundation will also respond to shifts and trends in the larger investment landscape, and the need for drastic change:**

- **Growing recognition of the importance of systemic change and transformation.** Without healthy systems, investments will be wasted. This means thinking and working in ways that can bring about drastic change or transformations, intentionally not seeking the easiest solutions but contributing to efforts to create more human- and nature-centred economies and societies. Simple interventions and results-based approaches that are too linear and incremental are ineffective at scaling and do not sustain when not aligned with other efforts.
- **Growing recognition of the need for a long-term view while acting with a sense of urgency.** Opportunities are increasingly being sought to catalyse actions that can accelerate and scale

(intensify, amplify) progress towards urgent transitions for a better world - learning from experience while taking a long-term view of how to make significant change happen.

- **Growing engagement with the ‘big picture’ and futureproofing of investment potential.** Tracking global to national shifts and trends help to anticipate future shocks and stresses that may influence what is done and achieved.
- **Emphasis on connections and relationships.** Investment players are increasingly forming connections and collaborations and wider networks, realising that such efforts can bring speed and scale to bear for more impactful results.
- **A nuanced view of risk-taking.** Risk management at this time moves beyond protecting and advancing reputations to include fostering a culture of evidence-informed or well-reasoned strategies, with a focus on discovery and experimentation well beyond safe bets.
- **Efforts to change how ‘value’ and ‘success’ are accounted for,** based on multiple perspectives that respect and engage with diverse experiences, insights and knowledge systems, in particular among those whose lives are most affected.

11. **The Foundation will strive to find its distinctive space, building on its values and ambition, but also considering what has been learnt from philanthropic giving’s successes and failures–** in particular, given notable recent trends and shifts in the field (detail in Annex 7):

- From simply supporting good causes, to meeting expectations of outcomes and impact** that show funders’ responsibility towards people and planet based on a diversity of perspectives and approaches to trust, power and accountability.
- From the singular funder role to differentiated roles** such as convening, scaling, catalysing, crowding in others, demonstrating

- proof of concept, influencing mindsets and strengthening capacities, informed by notions of value creation beyond simple returns on investment.
- iii. **From individual projects and siloed portfolios, to the “bigger we”<sup>2</sup> - more holistic, connected actions and results** through connected grants, shared outcomes, public-private-philanthropy partnerships (PPPPs), support to movements, and a focus on transformative systems change.
  - iv. **From well-known sector programmes to new issues demanding urgent attention**, such as climate action, inequalities and injustices, food security, inflation, geopolitical upheavals, forced displacement, disaster recovery, and the need for resilience to shocks and stresses.
  - v. **From colonial mindsets to decolonised systems and practices**, among others attending to power asymmetries, elevating marginalised voices, respecting and blending different knowledge systems, localising grant-making and insisting on 360-degree accountability.
  - vi. **From grant-making to new forms of finance**, such as impact investing, pay-for-performance, social impact bonds and aggregating capital through intermediaries – and, among younger philanthropists, giving based on prior performance (e.g. MacKenzie Scott), lean philanthropy and technology-driven strategies.
  - vii. **From known problems and solutions, to calculated risk-taking**, focusing beyond reputational risk to favour high-risk/high-reward

approaches that address wicked problems, embrace uncertainty and expand risk tolerance.

- viii. **From lengthy paper-based studies and extractive practices, to fostering and using the benefits of technology** – digital and AI tools, strengthened data capacities, and collaborative data systems aimed at the public good.
  - ix. **From philanthropy almost entirely driven by the Global North, to increasing diversity**, with entrants from the Global South bringing fresh perspectives and financing modalities.
12. As achievements in philanthropy over past decades are being dwarfed by the polycrisis, failures are being acknowledged and different directions proposed. Among others, proposed models that put trust fully in local players - often as part of efforts to decolonise - ignore the social and cultural complexities that may detract from community members’ accountability towards one another. New ways to think about creating value and achieving real impact are urgently needed.
13. **As the Foundation evolves, the MEL function and strategy will co-evolve with it, reflecting critical trends in MEL worldwide**, in particular.
- i. **The full value of MEL.** The role of MEL has been expanded to reflect more fully the value of evaluative thinking and evidence, captured in acronyms in use such as MERL<sup>3</sup> and SMILE<sup>4</sup> - supporting risk management, enabling organisational learning; informing the design and assessment of organisational niches, performance, systems, frameworks, strategies and portfolios; and helping to create knowledge for the public good.
  - ii. **MEL and private sector interests.** Interest in MEL for the private enterprise infrastructure, value chains, finance systems,

<sup>2</sup> Term quoted from JPB Foundation

<sup>3</sup> Monitoring, evaluation, research, learning

<sup>4</sup> Strategy, monitoring, impact, learning, evaluation

sustainability strategies and market ecosystems - as part of efforts to contribute to public good, and to create business value by solving social problems that intersect with business goals.

- iii. **MEL for systemic solutions and transformation.** Responding to the Sustainable Development Goals (SDGs), the climate crisis and polycrisis more generally, MEL is expected to play a greater role in addressing the problems confronting humanity and nature – identifying simplistic solutions that are unlikely to endure; helping to accelerate systemic transformations; and enabling timely course corrections for greater impact through rapid response, developmental and real-time MEL.
  - iv. **Decolonisation of and through MEL.** MEL processes and assessment priorities are being adjusted as part of decolonising MEL as well as philanthropy, promoting collaboration and co-design to help shift power, promoting a focus on GEDI<sup>5</sup>, and blending Western with Indigenous and other knowledge systems.
  - v. **Technology for MEL, MEL for technology.** Enhancing MEL through the benefits of digital and AI developments, and investing in data security, including GDPR requirements. But at the
14. **The Foundation will continue to strive to develop MEL in tune with current trends in philanthropy.** A recent review of philanthropy benchmarking reports, studies and surveys highlighted several important characteristics of progressive MEL in foundations (Annex 7), among others.
- i. a MEL strategy aligned to the foundation’s mission, values and strategy;
  - ii. a clear mandate and authorising environment for MEL;
  - iii. leadership of MEL that is visionary, compelling and empowering;
  - iv. strategic, technical and operational excellence in MEL;

- v. right-sized MEL resources and well-aligned coverage of the needed MEL priorities;
- vi. well-crafted executive level communication about MEL, and
- vii. MEL that contributes to the public good.

These characteristics were also used to inform relevant findings and recommendations in this Review.

## C. FINDINGS

**Review Question 1.** How well were the MEL Strategy and ToC designed to support the Foundation’s strategic needs? (*Were the strategic direction and change logic appropriate?*)

**Finding 1.** The MEL Strategy (2021-2025) heralded in an impressive first phase of development towards a mature MEL function in the Foundation. It was well conceived for the time, informed by relevant international MEL developments and by the design team’s interpretation of the Foundation’s values, programming priorities and emerging strategy. It helped the Foundation to catch up with MEL trends and gave impetus to the effort to shift the Foundation towards impact thinking and the ability to tell a credible impact story.

15. The development of the first MEL Strategy was an important and timely step in the evolution of the Foundation. The very significant shift in focus and programming in 2017-2018 demanded a more intentional and systematic approach to MEL. It is fortunate that the Foundation created

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<sup>5</sup> gender, equity, diversity, inclusion

the enabling conditions in which MEL could thrive from the start: It highlighted impact as one of its main goals. The Board and leadership gave the necessary support for its development. And in line with the general trend among leading foundations at the time, the MEL function was critical in the shift from a corporate, primarily trust-based to a strategic philanthropy. **Key strengths of the MEL Strategy included:**

- **shifting focus to intermediate outcomes and impact** rather than outputs and targets.
- **inspiring appreciation for the importance of evidence** – to inform theories of change, to prove the capabilities of potential grantees to partner with the Foundation, and to support critical decision points.
- **confirming the value of learning from evidence** through carefully selected key performance indicators (KPIs) complemented by Foundation-led external evaluations, with feedback loops that can help move programming teams towards outcomes of interest.
- **recognising the need for a ‘living’ Strategy** that allowed the evolution of the MEL function, from getting to grips with basics until it could become a more distinctive effort in line with the Foundation’s ambition.

**Finding 2. Some of the reasoning and assumptions in the MEL Strategy’s theory of change (ToC) were overly optimistic. The MEL team made adjustments as they learnt from experience, but several of the flaws in the change logic continued to hamper success during implementation:**

- **Undervaluing preconditions for success** – including the need for the MEL leadership to establish it as an empowering function and

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<sup>6</sup> The strategy developed in 2018 was not widely accepted and implemented, and its influence faded early on.

using a systematic change management strategy to build understanding of and support for MEL across the Foundation.

- **Too-linear logic for how MEL could support the Foundation’s journey to impact** - risking exaggerating the potential impact of the Foundation, underplaying the importance of MEL for guiding and assessing the Foundation’s performance and impact beyond grant-making, and underestimating the importance of Foundation-wide learning.
- **Ignoring the human factor in organisational change, creating perverse incentives** – the temptation to manipulate KPIs given their perceived importance for grant-level performance assessment, especially in the absence of a culture of accepting risk and failure as part of moving forward towards the desired impact.
- **Too-optimistic expectations from evidence flows**, in particular getting the right information to the right users at the right time.

**Finding 3. The MEL Strategy and its implementation evolved within a good enabling environment and position in the Foundation, but it had to do without the benefit of being directed by a widely accepted Foundation strategy.<sup>6</sup> In the beginning the MEL function’s priorities and ways of working led to confusion and tensions that affected its position and standing. Yet the MEL team also added sufficient value to maintain significant support among the leadership and programme staff. This tension in perceptions of the MEL function was intensified by the leadership style and priorities of the first Chief Impact Officer (CIO).**

16. A MEL strategy has to be well aligned with a foundation’s mission, values and strategy. It also has to set clear boundaries for MEL roles, including clear distinctions between planning, programming, monitoring

and evaluation functions. The MEL Strategy succeeded in this only to some extent. Without an overarching strategy and associated impact and performance frameworks, the MEL Strategy's influence drew the Foundation's attention almost entirely to grant level performance. While being praised for much of the work at this level, the lack of clarity in roles and responsibility also led to misunderstandings and raised internal tensions with Programme over the level of authority and some of the methodological choices. Some MEL and portfolio team members stressed accountability as first priority, while others preferred a more strategic focus - supporting strategy development, generating evidence to test theories of change and promote innovation, and enabling partner capacity development.

17. The role of the first Chief Impact Officer (CIO) was particularly important during these early years. Despite widespread appreciation for many good contributions, in the eyes of some the incumbent leadership style and approach in addressing differences in opinions caused friction with Programme and perpetuating early on notions of MEL as a control function. As a result, there is the risk today of confusing the value of a well-crafted CIO role and position with the way in which a specific incumbent may have acted and influenced what is done, and how.

**Review Question 2.** How well did the MEL Strategy meet the needs of each targeted stakeholder group?

**Finding 4.** The implementation of the MEL Strategy has had significant value for the Foundation. There is much to celebrate – and much of it is due to the expertise and commitment of the MEL team. Widely praised by the leadership and portfolio staff, they have brought new ways of thinking and working that gave greater credibility and rigour to grant-making, streamlined processes and reduced or eliminated inappropriate practices. They stimulated debate and deeper engagement with

**performance issues and inspired among many an appreciation for evidence-informed planning and decision-making.**

18. The MEL team is widely respected by the programme teams and leadership for their dedication, competence and contributions, especially at grant level. Since the MEL function was established, they have generated an impressive quantity and quality of MEL products, demonstrating a solid understanding of the spectrum of MEL practices relevant for the Foundation.

19. The team is often seen as trusted arbiters of what makes for good evidence and have generally been appreciated as a 'sounding board' for grant design. They have strengthened a focus on the evidence base for the development of theories of change and other aspects of partner performance. They have helped to root out some questionable grant-making practices and brought a sense of greater accountability among partners and Foundation staff. They have delivered high quality and generally useful and used external evaluations. Their approach and products have contributed to robust discussions about what matters in grant-making processes, and informed decisions regarding corrective action, exits and continuation strategies. The KPI dashboard and traffic light system has been an effective communication tool - quickly adopted by the Grant Approval and Review Committees. Learning moments were created through ad hoc discussions, and a first few steps were taken towards more strategic engagement at portfolio level and beyond.

20. Their contributions have therefore led to a better understanding of, and appetite for the value of a MEL function in a grant-making organisation that seeks to balance trust in partners with a healthy sense of accountability. Most importantly, the implementation of the Strategy has crafted a sound basis for MEL work that, as it evolves and matures, will strengthen significantly the Foundation's chance of achieving its desired intermediate and long-term impacts.

***Finding 5.*** Despite its many good contributions, implementation of the MEL Strategy also had to deal with new challenges, falling somewhat short in meeting important needs among the Foundation’s leadership. This situation is to be expected during the first phase of evolving MEL as valuable function; it highlights the importance of seeing the evolution of the MEL function as a journey along a meaningful trajectory and steering it accordingly.

21. One of the most fundamental decisions in the design of the MEL Strategy was to focus on evidence-building and evaluation as well as progress monitoring at grant level in order to inform critical decisions. This approach was valuable, ensuring more rigorous planning and reporting, limiting unsound or unaccountable grant-making practices, and preventing unchecked power. But the demands for theories of change and KPIs often failed to foster among portfolio staff (and partners) a sense of ownership, empathy and usefulness.

22. As a result, the transition to greater scrutiny and evidence-based practices suffered a backlash. MEL became a function, especially in the early days, which seemed to seek to control rather than empower. Despite significant improvements over time, some tensions between Programme and MEL persist as a result of inadequate attention to clear division in responsibility, and lines of authority and power.

23. The MEL Strategy did foresee an evolution in the function, starting with the focus on grant level work before moving on to more strategic impact and performance issues. Recognising that challenges in approach and implementation were inevitable, the experience over the last 3-4 years has highlighted the need to see and assess the implementation of MEL as a journey rather than a snapshot in time. A new MEL phase can now bring a change in direction and build on the valuable lessons learned.

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***Finding 6.*** The grant-level focus of the MEL team drew attention away from other expressed leadership needs, which MEL can lead or play a significant role in. The most frequently noted and important are:

- Greater clarity on Foundation level performance and impact, and on what Foundation investments have achieved; the ability to tell a credible, coherent Foundation impact story is an urgent priority.
- Understanding and assessing impact from the perspective of collectives, considering cumulative performance and impact rather than only that of individual grants or partners (or portfolios) – supported by an overall Foundation strategy for the necessary coherence.
- Support for the development of a full-fledged Foundation-wide performance management system.
- Prioritising getting to sufficient flows of timely, useful evidence for learning and decision-making at all levels of the Foundation.
- Cultivation of a culture of ‘mutual’ (360-degree) accountability for performance and impact.
- A higher profile for MEL in discussions about risk management priorities and practices.

***Finding 7.*** The Grants Approval and Review Committees benefitted from the more systematic and rigorous planning and assessment processes initiated by the MEL team. Among members, appreciation of the value of MEL in these processes have grown. At the same time the risk has been growing of decisions based on insufficient or inappropriate information.

24. The MEL team, and in particular also through the leadership and assertiveness of the previous CIO, has come to be seen as *the* arbiters of what makes for good evidence and risk. The theories of change and KPIs set expectations about the merit and performance of the grant, and MEL became the function best trusted to give credible perspectives on these

matters. Members appreciate the traffic light (RAG) dashboard data and the capacities and insights they have advanced in the committees. So, too, the greater confidence in decisions as a result of the MEL team's insistence on well justified grant-level theories of change.

25. Exposure to more solid theories of change has also drawn attention to MEL's potential to inform approaches to risk management, although its potential in this regard has yet to be fully explored.

26. However, KPIs and dashboard data tell only part of the story. If there is too much reliance on a few largely quantitative KPIs and too little emphasis on nuanced narratives, decisions may be taken that are not sensitive enough to the different types of challenges faced by the very diverse types of projects supported by the Foundation.<sup>7</sup>

27. Furthermore, valuations are not always available in time for critical decisions. Committee members are keen to have access to more useful and timely data and information.

***Finding 8. Pillar directors and portfolio leads and teams appreciate the value that MEL has brought to establishing systematic evidence-based grant-making and notions of grant level performance. But in line with issues raised by the leadership, they also identify significant gaps in what is on offer. The same urgent needs are articulated across the Foundation, pointing to the need for a next stage in MEL development.***

28. These unmet MEL needs are significant, complementing those noted by the Foundation's leadership, among others:

- A stronger systems-informed approach, even where initiatives are not aimed at shifting systems.

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<sup>7</sup> Examples have been shared with the Review team of conflicts between MEL and Programme with regard to the interpretation of grant performance – the result

- A stronger focus on portfolio- and pillar-level strategy design and performance – considering aspects such as long-term impacts, understanding the value from investments, dealing with negative externalities and not only with positive impacts, and how to work towards and assess contributions to transformation.
- Effective learning, including from portfolio results, which includes partners and changes mindsets, incentives and ways of working.
- More strategic MEL support, including access to the latest insights on topics central to strategic decision-making in the Foundation – for example, apart from learning how a project is performing against what it said it would do, where the current focus lies, it is equally important to learn about what it takes to reduce GHG emissions.
- Connecting contributions to impact - where appropriate - with the changes in formal social and ecological indicators at national and/or global level.
- Better listening to and respecting partners' needs.
- More substantive engagement with the approach to risk in the Foundation, so that programmes can be freer to experiment, innovate and take a leap into the dark.
- Insight into what 'decolonisation' and the need to shift power means for the Foundation.
- The need for significant changes in the current approach to grant-level monitoring, evaluation and learning (see next sections).

29. It is important to note that this list of issues does not imply that the MEL team should have addressed all these needs during this time. We

among others of differences in perceptions of credible evidence and the suitability of a limited number of primarily quantitative KPIs for specific types of investments.

observed that the team is well aware of most of these issues, but have been unable to address them because of the challenges of building up the MEL foundations, inevitably leaving some of these issues for the next phase in Foundation and MEL evolution; constraints in the Foundation such as the absence of an overall strategy, and time and resource constraints.

***Finding 9. Despite some progress, the MEL, Programme and Communications functions have not yet developed the strategic coordination and focus necessary to help position the Foundation and highlight its journey to impact to both internal and especially to external stakeholders.***

30. The commitment to transparency shown by publishing evaluations on the Foundation's website is a good step, but simply the beginning of building external credibility, interest in and learning from the work of the Foundation. Programme has worked with Communications on individual impact stories and so has MEL. But examples are limited; insufficient cooperation between the three functions in developing and implementing a joint strategy for impact and assessment-related communications has led to missed opportunities. Relatively simple interventions such as solar panels in health clinics can make for impressive stories of impact, but equally inspiring can be around achievements with regard more complicated interventions, connected experiences across grants or portfolios, and sharing other issues of interest from the Foundation's many diverse efforts. The triangular engagement in crafting appropriate messages will help avoid potential distortions of achievements and impacts.

***Finding 10. While some had examples of less-than-ideal experiences, and many offered constructive suggestions for improvements, overall the partners consulted reflected a high degree of appreciation for the work of the MEL team. They did not find the negative findings in the CEP survey reflected in the MEL aspects of their work with the Foundation.***

31. The tone in all seven partner discussion groups was positive and constructive, with considerable goodwill and ideas to help IKEA Foundation evolve their MEL practice. There was solid alignment on those aspects that the partners appreciated:

- The efforts made by the MEL team to establish a constructive and trusting space, and to foster a collaborative, co-creating working relationship around MEL;
- The focus on the MEL needs of partners, with informal check-ins during which they felt 'listened to';
- The flexibility to adjust as their work proceeds;
- Striving to find the most appropriate KPIs while recognising their limitations;
- Taking the time to provide feedback on reports – although sometimes too late;
- Spending time to help partners improve the quality of their MEL and build MEL capacity;
- Valuing rigor and evidence, while also giving partners the confidence and trust to talk about failure;
- The interest of the MEL team in system level MEL work, even though practice is still focused on individual grants.

***Finding 11. Despite their positive experience overall, partners identified significant areas in need of improvement and made suggestions to address these - in particular, weaknesses with regard to the clarity and consistency of the MEL approach, staff contacts, linkages within the broader ecosystem of partners, the type of Foundation support and opportunities to learn.***

32. The MEL strategy was not always clear, with different MEL approaches across programme areas and with inconsistent messaging

from different MEL team members about what was needed. Some found that the goal posts changed without clear reasons, while others felt that there was a difference between Programme staff and the MEL Team in understanding ToC and monitoring report requirements. Several partners indicated spending a lot of time on multiple TOC versions, and responding to comments and questions during the course of a relatively short grant. While they appreciated the drive for rigour, they questioned the time spent relative to what was useful for them for a relatively short-term grant. There also appeared to be many changes in MEL contacts, which exacted high transaction costs when having to repeat information. Some partners also noted that MEL staff at times seemed overwhelmed and exhausted.

33. Most partners participating in the discussions had never met despite working in the same programme area. A few indicated they have had Foundation sponsored partner meetings which they found very useful. All expressed the need to meet other partners on a regular basis to better understand the ecosystem in which they all work, how their grant fits into the bigger picture towards change, and how they can achieve more together. Most consulted partners also wished to structure their MEL work to focus more intentionally on learning within their grant and with other partners in the same space.

34. While in-depth rigorous feedback from the MEL team was appreciated by some partners, others found it to be too much and questioned whether it was an appropriate role for a foundation to get involved at such a level of detail. In some cases considerable time was spent on rigorous in-depth research and evaluation using RCT designs and ex-ante econometric modelling. The value of such work was appreciated, but some felt it would be better deployed in a research stream of work, leaving the core MEL work to be more useful through more nimble 'good enough' approaches tailored for each situation. Foundation MEL staff should instead be doing more strategic level MEL work with partners, which could then also lighten the workload on the

team. Some regranteeing partners also struggled to find appropriate framings for their MEL within the parameters of the Foundation since they are not direct implementers.

35. Overwhelmingly, partners would like the Foundation to convene them in portfolios in order to learn together, develop a clearer picture of the ecosystem within which they all work, discuss leading practice and, where feasible, collaborate around shared outcomes. Suggestions about how to start included hosting and moderating virtual reflection convenings for partners in the same portfolios at six-month intervals – starting with exchanging experience and working towards connections between what is being done. Many partners are highly motivated and eager to participate at a higher level than their grant to meet their peer partners and work together on a joined-up view of systems-level change. They suggested starting by bringing partners together at regular intervals to learn from each other.

36. Partners also pointed out the need for innovating and testing the next generation of MEL beyond KPIs, such as systems MEL and the use of AI. In the spirit of letting old things go and investing in the future, partners suggested that the Foundation's MEL team could play a leadership role by investing in the further development and application of systems level MEL, the ethical use of AI, and furthering of impact narratives.

***Finding 12. Partner discussions indicated the need to reconsider and/or refine current monitoring and reporting frameworks.***

37. Partners consulted appreciate that the MEL team tries hard with partners to find KPIs that best reflect the intent of their work. However, several found the KPIs to be too top-down, reductionist and short-term, and not particularly well suited to the nature of their work, for example, in policy, governance, advocacy, narrative, and early-stage emergence work. They had to twist and contort their work to fit the wish for quantitative KPIs.

38. Some felt that KPIs give a false sense of precision when in reality change is messy, non-linear and more complex than can be reflected in three KPIs. While some partners were comfortable with their KPIs, most questioned whether KPIs were really what the Foundation and the MEL field should be doing in an era of systems change and complexity, particularly since the Foundation has a progressive systems change vision for both their People and Planet pillars. They felt that KPIs to be an old and inadequate tool for philanthropy and that the Foundation should play a leadership role in moving to new approaches and ways of telling the story of impact at a systems level. Partners also found that the focus on quantitative KPIs, and other technical MEL (RCTs and technical modelling) tended to overshadow efforts to use narrative to tell a compelling impact story. Rubrics were found to be cumbersome and too vague, and would not recommend them as an alternative unless significant improvements are made.

39. Some partners found the Foundation's reporting templates to be confusing burdensome and somewhat mechanical – even noting typos in the templates which did not appear to be professional. They found it frustrating to have to report in a fashion unfit for early stage or emergent work where it takes time to see progress and results are therefore often repetitive. Some indicated frustration with Fluxx (not knowing whether reports were actually submitted or not). Feedback on reports often took a long time and was inconsistent in terms of the level of detail and apparent interest in what was done and achieved. Some partners had to prepare similar reports for multiple funders (some partners have 12 funders and 12 different reporting requirements and templates).

40. Partners recognised that the broader MEL field was still figuring out how to move on from KPIs, and therefore suggested that the Foundation could play a leadership role and invest with others to accelerate and experiment in exploring MEL solutions beyond KPIs. They

also suggested that the MEL team could work with other like-minded funders to streamline reporting requirements wherever possible in order to lower transaction costs, especially where multiple funders are involved.

***Finding 13. The intended beneficiaries of Foundation investments are an integral part of the Foundation's ecosystem, yet their needs are seldom discussed, and it is not clear to what extent partners are reliable interlocutors. This is particularly pertinent when consultations with the MEL (or portfolio) team propose changes to theories of change or to KPI reporting.***

41. It is significant that issues raised in conversations do not usually refer to potential needs of intended beneficiaries of Foundation investments despite the fact that they are an integral part – in fact the most crucial - of the Foundation's ecosystem. Partners are their interlocutors, but experience elsewhere has shown that such intermediaries do not always reflect their realities. While evaluations and field visits provide opportunities for relevant insights, even then a true or sufficiently insightful picture might not emerge. In particular, grant level theories of change developed without sufficient or appropriate consultations with local groupings run this risk. Experience elsewhere has shown that government organisations and consulting firms based in the Global North and even in the Global South can be insensitive to the real needs of people on the ground, the way in which trade-offs can be made, or the social dynamics and politics at play. The extent to which theories of change have been sensitive in this regard is unclear; the fact that potential grantees are at times asked by MEL and/or programme teams to change their ToCs - even changing the purpose of the grants in some instances – without consultation raises a note of caution.

**Review Question 3.** How well has the MEL Strategy implementation inspired doing the right things in the right way? (*To what extent does the way that Foundation MEL activities are designed and executed reflect professional standards and practices?*)

42. In this section we consider key elements of the MEL system as implemented since 2021. It intends to add value through support to portfolio managers, teams (PMs) and partners at grant level, and informing and reporting to IFAC and in Grant Approval and Grant Review Committees. Components of the system focus on theory of change design and the generation of monitoring and evaluation evidence for decision-making at key points in the project lifecycle, and for learning within the Foundation and among partners. Monitoring narratives and KPI data are captured on a RAG-based dashboard. All evaluative evidence and decision processes are managed on the Fluxx database (preceded by PARL).

43. We highlight here aspects of the MEL system that may appear to be minor yet are having a significant impact on its value and successful implementation.

**Finding 14.** The MEL system reflects approaches largely in line with convention in development and philanthropic organisations over the past decade, and the high level of expertise in the MEL team has made for mostly successful implementation of the Strategy components. Despite being able to do and innovate more, the team is being constrained by the volume and diversity of responsibilities required from each team member. While their contributions have built a solid MEL foundation, the following serve as alerts for issues that require attention in a next phase of MEL development:

- i. **Clarity on the main purpose of the MEL function.** The purpose articulated in the original vision is not quite the purpose around which the MEL system has been implemented. There is a lack of explicit dealing with the disparity between the current focus on producing evidence that can support decisions towards grant

progression, and what is needed to enhance the effectiveness of the Foundation's efforts to achieve impact through its portfolios. It is furthermore not clear enough whether the Strategy has positioned the MEL function to check and 'police' the work of Programme or whether it is to be an empowering, learning-oriented function. This lack of clarity has given rise to the notion of MEL as control function - in the early years especially through the actions of the MEL Head and later CIO, but also the result of how MEL was used by the Board and Grants Approval and Review Committees. The delicate balance that is needed between the two extremes is only now, under the new MEL leadership (acting CIO) and with a 'freer' MEL team, slowly coming to fruition.

- ii. **Relationship between Programme and MEL.** Especially in the early years of MEL work in the Foundation, the lack of clarity about their respective roles and levels of authority, and in particular the way the previous CIO expressed his approach and power, created tensions between portfolio and MEL teams, and also between the Programme and MEL leadership. Despite mutual respect and good relations now characterising the collaboration, the legacy of the tensions that arose early on – even before implementation of the MEL Strategy - continues to linger. Conversations indicate that the situation in at least two of the portfolios are not yet ideal; when there is a difference in approach or interpretation between the MEL and programme teams, a disconnect emerges. The MEL team has been a 'critical friend' to many programme counterparts, but among some, they are seen as "just critical", or even as a "savage critic". The portfolio team may not feel equipped enough to counter these perspectives, and this hampers any co-creation effort. Tensions at a more strategic level have also surfaced. Primarily through the monitoring part of the MEL system, the MEL team and, in particular, the previous CIO have had very significant influence over decisions - including pursuing a partnership, accepting or

rejecting a proposal, renewing a partnership or exiting and seeking another funder. The CIO could shape the information to the Board and influence the assessment of risk for a grant. While this is in principle in order and even desirable, the system that informs arguments at this level has to be sound. This is not yet the case with the current MEL system.

- iii. **Roles and lines of authority between Programme and MEL.** In the absence of clearly delineated responsibilities and lines of authority between the MEL and programme teams, boundaries are at times crossed and defended. Personalities, worldviews and backgrounds have a big influence on the working relationships, and perhaps most of all, the legacy of past leadership tensions that have trickled down to the teams. Some feel a sense of competition to be seen as the most competent. Unnecessary levels of perfectionism are also referred to in multiple interviews with both portfolio and MEL team members. Where relationships work well, the MEL manager scores the grant and shares it with the programme manager for review and approval. Communication with partners includes all team members, and the programme manager is respected as the primary focal point. When there are disagreements, dialogue takes place and compromises are found. When the relationships work less well, the MEL manager can submit scores without consultation and dialogue. The assessment information is presented to the relevant committee, and the result can be shared with the partner's MEL focal point even if not aligned with the programme team. This has in the past created confusion and uncertainty.
- iv. **Logic and assumptions underlying theories of change.** There is a risk that ToCs continue to reflect an understanding of change (and of risk) that is too Western, linear and reductionist, with underdeveloped assumptions and insensitivity to local dynamics, and undervaluing the importance of thinking in systems –

including considering the barriers and patterns that hold problems in place, feedback loops, the role of power, unintended consequences (externalities), and so on. Recurring examples are underestimating the need for structural (i.e. policy) change by government to support change efforts by foundations.

- v. **Incentives created by the MEL system.** The current MEL system can create perverse incentives - incentivise overselling of potential impact during the design phase when expectations are set. This can produce miscommunication about progress throughout the grant and lead to confusion when decisions are taken to renew, continue to scale, exit or hand over a grant. Some partners or portfolio managers may have a hand in setting up later tensions by actively trying to get around the KPI system in early grant-making phases. "Ticking the KPI box" in order to get through the early steps of approval can lead to being confronted later with the power of a KPI score that might misrepresent realities on the ground.
- vi. **The need for 360-degree accountability.** It is important to cultivate a culture that inspires 360-degree accountability, and not accountability only to the Foundation. Partners are accountable to the intended beneficiaries, who are also accountable to all those who provide them with support. Partners are also accountable to the Foundation; in turn, the Foundation is accountable to partners, to the intended beneficiaries and to the Board. And all involved are accountable for doing good for society and for nature. Convenings between the Foundation, partners and at times even intended beneficiaries can help to foster this mindset.
- vii. **Balancing accountability, trust and partner comfort.** It is extremely important to hold partners to account for quality planning and work on the ground that can make a real difference – but without being bureaucratic or giving a sense that MEL is used to 'police' or control. The latter can be achieved by ensuring

that everything provided by partners is appropriate, well explained and used, and that the feedback to partners – which is essential - is timely, productive, useful and learning-oriented. This is not always the case in current processes. Despite critical comments in the CEP survey, MEL and reporting demands do not appear to be unreasonable compared to the development world, although philanthropy often has fewer accountability measures. The way in which the MEL and/or programme teams have communicated and implemented these requirements may have led to discomfort among some.

- viii. **(Dis)empowerment of partners.** As part of the logic of empowerment, partners are normally invited to develop the project theory of change and KPIs. When the ToC process is approached in a co-creative way, the experience can be positive for all concerned. Yet upon submission the MEL and portfolio managers' assessments can lead to a request for partners to make changes. The MEL manager can end up doing a significant amount of ToC development, sometimes justified by (perceived) weak partner capacity – despite the fact that all involved recognises that this is not ideal: *“Nobody wants to force a ToC and KPIs on a partner”*.
- ix. **Guidance for the Foundation and partners.** The guidance documents developed by the MEL team to explain expectations from monitoring and evaluation are clear, useful and, importantly, refer to international quality standards and criteria. Certain aspects may need more thought in view of state-of-the-art developments (see below). The guidance is also not yet comprehensive enough to strengthen buy-in and consistency, and reduce the sense of bureaucracy (for example, by providing a fuller overview of the MEL system, its underlying values and points of view, how it supports all participants' journey to impact,

the purpose and use of each component, and key technical and process requirements).

- x. **Risk appetite.** Instead of inspiring dialogues about project achievements and challenges, MEL reporting can at times close down conversations about ‘the story behind the indicator’; the way risk to the Foundation’s reputation is perceived may prevent deeper and more open engagement about potential improvements in a particular grant; a single anecdote indicates that there may have been pressure on evaluation teams to hide unfavourable findings for fear of reputational damage. Several portfolio managers noted that due to the effectiveness of the RAG reporting, a narrative about grant risk can emerge, which then dominates other important considerations.
- xi. There are thus two parallel due diligence processes influencing grant decisions – MEL and broader risk management. The risk management process tends to benefit Global North partners who are much more readily seen as low risk compared to less equipped partners in the Global North. It is also notable that important programmatic and MEL considerations are not included in risk assessment priorities - for example, insufficient monitoring data and inadequate reporting on what has been done or achieved is not considered a risk factor.
- xii. In a different way, insistence on a certain amount or kind of evidence might limit risk-taking when innovation is essential; evidence is important and should be used where available but should not prevent well-reasoned innovative action and some calculated risk-taking.
- xiii. **The need for timely delivery.** The MEL team is tasked with a diversity of responsibilities and strives hard to meet the demands placed upon them. However, when these become too many, some aspects will suffer. At times therefore the team

underdelivers on one of their most important contributions: reviewing applications and progress reports, and scoring them fairly and rapidly so that everyone knows where they stand. This could be only one of many reasons, but delays in this process disrupt the grant-making process, hampering partner responses and increasing uncertainty. The CEP survey pointed out as a weakness the length of time to reach decisions and communicate with partners. It can cause problems for partners, especially in the Global South, who cannot easily deal with payment delays. Mixed messages on grant performance and the likelihood of renewal can also cause confusion about what is happening and why. Such a chain of disruptions can lead to perceptions that the Foundation undermines rather than supports partner capacity and impact – a potential risk to the Foundation’s reputation.

xiv. **Perceptions of ‘credible evidence’.** It is imperative to have clarity on what constitutes credible evidence in the context of the Foundation’s work and that of different types of partners. Two aspects matter:

- **Monitoring evidence.** *At times KPIs are treated as the only available reliable evidence for decision-making about grant renewal or exit, especially when evaluation data are not available in time. Yet many KPIs are not appropriate for this purpose. They tend to provide only partial indications of progress or success, are often short term in nature, and sometimes devoid of context. They can, therefore, be highly misleading. Experience elsewhere has also shown that KPIs chosen by grantees often satisfy funders but do not fit how intended beneficiaries see ‘success’ – one of the key issues in decolonisation discussions. Grant narrative reports need equal consideration, complemented and informed by real-time evaluation, developmental evaluation and rapid studies to test aspects of the change hypotheses.*

- **Evaluation evidence.** *MEL team choices in evaluation designs have often been influenced by debatable notion in the field of evaluation around the ‘hierarchy of evidence’ for impact evaluation, with experimental designs (RCTs) often seen as the ‘gold standard’. Time-consuming case-by-case negotiations – and sometimes disagreements – take place around what constitutes credible evidence for grant-related decisions. Even if there is a preference for this type of (statistics-based) ‘gold standard’, such evidence is frequently unavailable, too burdensome or inappropriate for most field conditions in the Global South. It is now widely recognised that having a systems view of the world is essential when trying to bring about change. It is therefore crucial for the MEL team to accept the much broader interpretation of credible evidence that is also widely accepted in the global evaluation field, where the gold standard is ‘evaluation design fit for circumstance’ - implemented according to rigorous practices as recognised and applied in relevant disciplines.*
- **Engaging with decolonisation.** The MEL team can encourage conversations around decolonisation both of the MEL function and the broader Foundation. Among others it may require action to eliminate or reduce power asymmetries between stakeholders or partners from the Global South and Global North, or between international and local actors. It can help ensure respect for and integration with non-Western interests, beliefs, frameworks or mental models, knowledge and practices. It can consider the implications in practice of 360-degree accountability – especially the accountability by the Foundation and its grantees to the intended beneficiaries of Foundation financing and other forms of support.

**Review Question 4.** How well has the MEL Strategy implementation supported achievement of the expected outcomes: (i) course correction and (ii) continuation/exit strategy achievement?

**Finding 15.** Efforts at course correction are at an early stage and limited to date - the result of a lack of clarity both in the Foundation and among partners about what it is, what should inform and guide it, what should be permitted, and what successful course correction looks like. Foundation-led evaluations are proving their worth for this purpose, although the number remains low compared to the need.

44. A focus on course correction – also seen as ‘adaptive management’ - is a relatively new phenomenon in development and in philanthropy, but it is essential for success. It is a learning-by-doing approach, a systematic and iterative process of incremental improvements towards desirable outcomes and impacts by learning from past evidence and practices as well as from real-time experience during implementation. As with wayfaring - where the boat stays on course by reading and connecting the movement of the sea, the wind, the changing position of the sun, moon, planets and stars - it means continuously reading all the signs that may show the best way to get to the destination, in this case the desired outcomes and impacts from grant to Foundation level. Adaptive management is particularly important as a way to use evidence and experience to inform decision-making during times of uncertainty – and therefore reducing different unknowns as lessons are learnt and course corrections are made.

45. Theories of change are used to help understand where course corrections might be needed and simply watching out for early warning signals of something going right or wrong; at best, three KPIs can provide some indication in this regard. A culture of ToC use and adjustment and sensitivity to early warning signals coupled to impact-focused, evidence-informed learning is essential. This has yet to be established within the Foundation and its ecosystem.

46. Decision-making for course correction has therefore often been incoherent and inconsistent. It has suffered from insufficient evaluation evidence, as well as feedback on reports being either unavailable or provided too late to make a difference. ‘Human factors’ have also played a role – respect for and relationships between individual portfolio and MEL team members, and hesitation among partners to question Foundation insights or demands. It also appears to some that changing KPIs has become more important than changing an approach or the ToCs that are intended to guide implementation.

47. Several Foundation-led evaluations have proven their value in this regard, for example dealing with complexities as they arise and changing theories of change as lessons are learnt or doing major course corrections especially towards the end of a particular support period. The extent of this type of use of Foundation-led evaluations – and their timeliness in general for use in this way - is unclear.

**Finding 16.** MEL team guidance and monitoring and evaluation evidence have had significant positive influence in decisions informing grant continuation and exit, strengthening the basis for decisions. However, it has not brought a sense of consistency, transparency and timeliness to the relevant decision-making processes, especially as programme teams still grapple with the stage-gating approach. An unfortunate consequence is that partners are often left in limbo, while internal debates continue about the merit of the evidence and other factors influencing the decision-making process.

48. When available, as intended evaluations are taken into account in continuation and exit decisions. But KPIs and end-of-project learning notes (which include the KPI score history) are readily available, and they are often used instead despite their notable shortcomings. Programme teams can get renewal for a project showing ‘red’, but it is a challenge and depends on who is involved; the MEL team is seen as having the most power and expertise to influence these decisions. Among others, their

insistence on evidence helps to eliminate renewals based on ad hoc decisions. Evaluations, when timely, have been influential. Field visits sometimes inform these decisions too, while the risk profile of a grant is reported as being exceptionally influential.

49. The stage-gating approach can be helpful for this type of decisions, but each stage can benefit from being more carefully delineated, with examples.

50. The Review team was therefore unable to determine exactly how much MEL contributions have strengthened the relevant decision-making processes. A large percentage of grants is renewed; it is unclear whether this is the result of in-depth assessment or, given the Foundation's focus on longer-term grants, simply the result of grants automatically allocated unless major reasons are found not to do so. An important unintended consequence of delays in the decision-making process is that partners often have to cope with uncertainty and at times mobilise bridging funds. This favours partners from the Global North who tend to be better equipped to manage such situations.

**Finding 17. The MEL team has excelled in launching since 2020 a series of high-quality and useful Foundation-led evaluations, highlighting powerful results and lessons that can inform Foundation programming as well as MEL approaches. The wide range of expertise in the MEL team shows in their commissioning of different types of evaluations for different purposes, for a range of intervention types and for use by a**

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<sup>8</sup> Such as, among many others, how intervention ToC can be strengthened by comparing with or benchmarking against other models; scrutinising and testing partners' business models and ToCs before it is too late ; showing the value of good situation analysis, and of timely baselines e.g. ; potential approaches to scaling ; the need for more thoughtful attention to issues of decolonisation ; and how to programme better from a systems perspective.

**variety of stakeholders. The evaluations also highlight the richness of Foundation programming. But several aspects require attention:**

51. **Enhancing the learning potential of the evaluations.** The evaluations are purposefully selected to address some of the major multi-intervention and multi-stakeholder grants and, in consultation with the programme teams, where valuable lessons are expected. They generally target major multifaceted initiatives with exceptional potential for learning, exploring and assessing the value of major investments, and for decision-making about further support. The Review team came across very few evaluations noted by the programme teams to have been less than useful to partners (*this will be verified*) or initiated without their support. Annual pillar and portfolio reports and conversations refer to the use of evaluation results – with the obvious caveat that they should be timely for relevant decisions and strategy or ToC design. The choices made for Foundation-led evaluations therefore seem largely well justified.

52. Where the evaluations were timely, examples of use are common - influencing continuation/exit decisions and other ways of working, and in some cases not only in the Foundation but also by other agencies. The evaluations are a source of insights with regard to the richness and strengths of Foundation programming. They also highlight potential gaps for further exploration such as more robust use of resilience, market systems, decolonisation and transformation frameworks, as well as areas for further improvement.<sup>8</sup> They also highlight valuable lessons for the MEL team.<sup>9</sup> It will therefore be particularly useful to do briefings based on

<sup>9</sup>For example, the need for a well-calibrated MEL approach for difficult contexts and vulnerable populations, as well as for baseline data where this is relevant ; when and how 'success' should be defined and determined, and contribution rather than sole attribution assessed , key issues in the evaluation of business coalitions, how to strengthen the MEL system in order to prevent failure, the need to focus more on assessing how the adoption of tools may lead to changes in behaviour learning how to assess for transformative action, and experimenting with developmental evaluation.

overviews or syntheses across grants to share and that can trigger conversations within and beyond the Foundation ecosystem. This has to our knowledge not been done – a lost opportunity to expand the value of the evaluations.

53. Most importantly, external strategic evaluations must focus beyond grant-level – examining thematic areas of work that cut across portfolios, and aggregating clusters or portfolios of grants that support one or more organisation-wide outcomes.

54. **Safeguarding methodological quality and diversity.** The useful guidance provided for Foundation- and partner-led evaluations<sup>10</sup> lacks some key points of view and detail that more clearly sets out values, principles and practices for such evaluations – among others lacking in a focus on critical aspects such as

- power asymmetries between international and local participants, or between Global North and Global South partners, members of reference groups or evaluation teams, and frameworks
- promote trust balanced with accountability, and a learning approach that tolerates a certain level of failure.
- deal with trajectories rather than isolated snapshots of progress
- the values and principles that underlie the choice of evaluation questions, methodologies, criteria and definitions of progress and success
- the difference between research and evaluation (‘evaluation research’ is not an accepted term among the global community of evaluation specialists)
- carefully tailored approaches to evaluating for scaling, based on what has been learnt about successes and failures in scaling up,

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<sup>10</sup> *IKEA Foundation-led evaluations: Guidance on choosing between Ikea Foundation-led and partner-led evaluations.*

out and deep – in particular but not only from a systems perspective

- assessment foci and frameworks addressing issues of great relevance at this time, such as sustainability, resilience, intersectionality, GEDI, decolonisation and transformation
- a wider range of fit-for-purpose evaluations beyond ‘process’ and ‘impact’ evaluations, for example formative, diagnostic and real-time evaluation, and rapid reviews for hypothesis testing
- different impact evaluation designs – experimental, quasi- and non-experimental - with a strong focus on rigour that includes in-depth, systematic triangulation.

**Review Question 5.** How far has the Foundation come with a culture of evidence-informed learning through MEL contributions?

***Finding 18.* Across the Foundation, systematic, purposeful, evidence-informed learning has been limited, despite an appetite for ‘connected learning’ – strategic and operational - among staff. Fledgling efforts by the MEL team together with some programme teams to promote and encourage learning are not yet systematic, comprehensive and strategic enough.**

55. The MEL and programme teams as well as partners want to learn together to generate impact more effectively, and the MEL team is seen by many as responsible for eliciting that learning. Yet observations across interviews highlight that (MEL supported) learning is taking place only at grant level; the work with ToCs, KPIs and evaluations are giving some useful insights. But the learning is described as ad hoc, individual-led and

dependent on individual interests – and not always centred on the strategic or impact interests of the Foundation. It is mostly too project-specific for wider application, and often focus on how projects have performed against set intentions rather than their wider implications for the field and society in which the intervention is taking place. Current incentives do not promote cross-Foundation learning on cross-cutting issues, nor do they encourage aggregate reporting at the outcome level or insights about how individual grants contribute to longer-term outcomes and impact.

56. KPI discussions have catalysed learning moments, but these are ad hoc, without purposeful outcomes. Some see the emphasis on KPIs as limiting and at times even ‘closing down’ learning – they are used at important decision points, yet too often focused on what some Foundation staff think ‘good’ should look like rather than considering the wider implications of the intervention in context. Some see MEL efforts to influence portfolio thinking and learning as ineffective, as portfolio strategies drive action. It is often not clear at what stages evidence should be used for learning (in order to inform decisions, planning and improvement) and where this is not necessary; this situation is further complicated by the fact that not all MEL team members agree on what constitutes credible evidence. Lessons captured in reports have some value but are not internalised and their implications for practice explored. Monitoring reports become outdated or have limited value. End-of-project learning notes reinforce the focus on grant-level learning and not on the programme, portfolio or pillar levels which are increasingly in demand among programme staff.

57. The MEL team together with some programme teams have launched some initial efforts to improve this situation. In at least two portfolios, deliberate learning is being pursued at portfolio level. The MEL team is also well positioned to use the current focus on KPIs, as well as the critical lessons that have been produced by Foundation-led evaluations (and assuming also from partner-led evaluations) to inspire space across the Foundation for dialogue and deliberate learning moments around what

projects, portfolios and strategies are trying to achieve, how, for whom, with what values and under what circumstances. This still has to be brought to fruition. Innovations around indicators and signals of change are also sorely needed; can dynamic indicators or rubrics be developed to help demonstrate progress at appropriate times as more understanding develops?

58. It is essential to work towards a system that enables such learning among partners together with the Foundation – yet has to be developed without creating an undue burden on MEL or programme staff.

***Finding 19. The lack of progress is primarily the result of incentives for learning that are lacking across the Foundation. There are also other significant barriers hindering efforts to initiate a more intensive, systematic and strategic approach – including insufficient attention to knowledge management.***

59. The Foundation leadership and staff are well aware of the importance of systematic, purposeful, evidence-informed learning. Portfolio leads and programme teams want systematic knowledge management and access to evidence bases on their topics. There is a need for dialogues about what projects are trying to achieve and how well this is working, and many programme staff miss a dedicated space for such conversations.

60. The programme teams see the MEL team as best positioned to help them to find or generate appropriate evidence, and to translate such evidence and knowledge to practice. Trust in them to do so is not always apparent; certain MEL team members are said to focus more on accountability than on learning for strategy development and other purposes. However, the most significant barrier to systematic learning and efforts in this regard by the MEL team is their inability to find the time to do so. They also lack the necessary incentives to do so, given the priorities reflected in the Strategy, their responsibilities and budget structure.

Similarly, incentives across the Foundation still appear to value quantity in grant-making above quality – and above learning.

61. External opportunities for staff to learn are also limited. There are no subscriptions to journals, books are scarce, and given travel resources, the Foundation does not seem to place a high value on participation in conferences. There is also a tendency to look only to other foundations and not to the wider development landscape where valuable lessons about good and poor practice have been learned over a long time. At the same time, the infrastructure for gathering internal and external documentation and lesson extraction and sharing is not well developed, reflecting a larger challenge in knowledge management in the Foundation.

## D. Recommendations

During this time of great uncertainty and instability, where we need to find urgent interconnected solutions to global crises, MEL and impact practice is still evolving worldwide. This presents the Foundation with a unique opportunity to use and contribute to MEL for its own purposes and beyond, drawing from the best progressive MEL knowledge while innovating too.

The Foundation can be at the forefront of the field by getting the best value from its MEL function. Most importantly, it can help ensure that the value of progressive MEL is fully used not only for the benefit of the Foundation and its partners but also for the benefit of those people, societies and ecologies its funding is intended to serve.

As the MEL function co-evolves with the Foundation's direction and strategy, the following recommendations emerging from the Review can serve as the basis for further deliberations on action after the stock-take.

### *Overall*

1. **It will be necessary for the MEL team to use 2025 well as a year of transition.** The Review findings show that there is much to celebrate since 2021, but also much to attend to. Implementing MEL is a journey to impact along a trajectory that is moving in the right direction, but with a fair share of challenges and necessary course corrections.
2. **Build on likely success factors and eliminate or reduce those that have hampered progress and success.**
  - i. **Observed success factors**
    - *A good enabling environment* for MEL, including a receptive Board and leadership with a strong interest in working towards real impact - and enough resources and opportunities to advance the MEL work.
    - *A good authorising environment* for MEL, allowing an authoritative MEL voice in strategic meetings, and opportunities to influence
    - *Knowledgeable, politically and technically savvy MEL leadership*
    - *A sound MEL strategy* directing annual plans and actions
    - *A committed, hard-working MEL team with strong and differentiated technical abilities.*
  - ii. **Hampering factors include:**
    - *Organisational evolution.* The move away from a purely trust-based approach, evolving in line with international good

practice<sup>11</sup>, but causing tensions among portfolio and MEL teams – which, over time, faded away.

- *Strategy vacuum.* The strongest influence has been the absence of an agreed-upon Foundation strategy with associated impact and performance frameworks
- *Lack of clear roles, responsibilities, job descriptions and lines of authority,* especially between Programme and MEL teams.
- *MEL leadership unable or unwilling to position MEL as empowering function,* and unable to strike a balance between strict accountability and empathetic support.
- *MEL team spread too thin.* The small and committed MEL team has reached a stage of exhaustion that has affected their wellbeing.
- *Balance of incentives in the MEL system.* They may encourage inefficient use, or even misuse of the KPIs and related data, and create tensions when grant-related decisions are taken.
- *Insufficient focus on learning, and on different ways to enable learning.* The lack of time and prioritisation has limited leadership facilitation as well as MEL and programme teams' efforts to co-create and inspire systematic learning opportunities.

3. **The need for four interconnected organisational shifts is apparent.** These shifts have significant implications, highlighted in the detailed recommendations that follow:

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<sup>11</sup> Note that the Review team does not use the terminology of “best practice”, which can only be used when differences in context, culture and knowledge systems are willfully ignored.

**Shift 1.** From showing the value of MEL for grant-making and individual grants, to demonstrating its value also at portfolio, systems, strategy and mission level.

**Shift 2.** From blurred lines and fragmentation in roles and incentives, to coherent, clear relationships and lines of responsibility, especially between Programme and MEL.

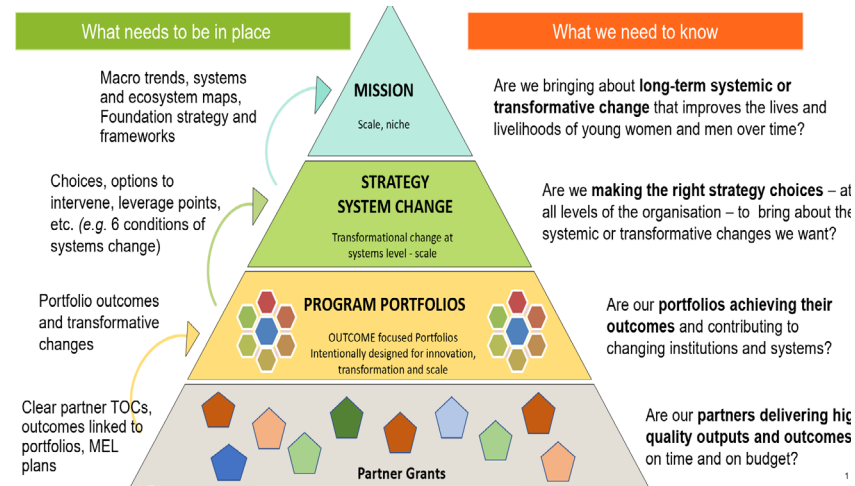
**Shift 3.** From a robust focus on accountability and compliance, to a strong focus on empowerment of all through evidence-informed learning that can lead to better, stronger and more lasting impacts.

**Shift 4.** From fundamental MEL capacities fit for ‘early beginnings’, to MEL capabilities fit for this time in the evolution of the Foundation and the world.

### *Recommendations for Leadership*

1. **Continue to include the CIO position as part of the executive management and leadership** of the **Foundation** – ensuring an incumbent who is technically and politically savvy and experienced yet empathetic and empowering in supporting the Foundation and MEL team.
2. **Facilitate the repositioning and refinement of the MEL function in line with the Review findings and trends in progressive philanthropy and MEL**– in particular

**An illustrative example of MEL foci beyond grant-making, across organisational levels.**



Source: Mastercard Foundation, Impact Team / NM (edited)

- shift their role towards strategic MEL at strategy, portfolio, systems, and mission level (see figure);
  - expand their responsibilities to include key contributions to strengthening the Foundation’s strategy and learning culture;
  - find solutions to support grant level MEL, such as field MEL partners for critical grantee support and capacity building where needed, with only occasional project-level evaluations of particular strategic importance;
  - integrate more corporate MEL approaches to reflect value creation and SROI;
  - allocate resources to match.
3. **Clarify roles, lines of authority and job descriptions between Programme and MEL** - strengthening the role and responsibility of

Programme in leading theory of change development, monitoring and reporting, with MEL in support.

4. **Work closely with the MEL function** to develop complementary impact, performance management and aligned learning and communications frameworks for the Foundation.
5. **Establish a nurturing learning culture** that welcomes learning from, rather than judging risk and failure, and give the MEL function the **authority to drive, demonstrate and model evidence-informed learning** to guide, steer and position the Foundation.
6. **Remove barriers** to a culture of systematic, purposeful, evidence-informed learning, and ensure that the Foundation’s policies and incentives support the focus on impact in the Foundation, as well as the work of the MEL function.
7. **Adopt a culture of 360-degree accountability**, which includes both the partners and the Foundation being accountable to the people their investments and interventions aim to serve.
8. **Involve the MEL function in strengthening the risk management strategy for the Foundation.**
9. **Consider, in discussion with the MEL team, redeploying the team to focus**
10. **Consider, in discussion with the MEL team, how to achieve greater coherence, independence and state-of-the-art specialisation** in the work of the team – for example, whether it could be beneficial to redeploy certain team members to focus on a specific aspect of the work, rather than on a portfolio.

*Recommendations for the MEL team*

1. **Use 2025 to reorient the MEL function towards supporting the Foundation from portfolio to mission level** in the development of frameworks for impact, performance, learning and communication, and in new ways of working.
2. **Foster relationships and ways of collaborating** that can lead to more coherent programming with appropriate MEL systems in support; in planning and reporting processes, manage the creative tension between co-creating, and holding or being accountable; and prevent notions of defensiveness and competition.
3. **Convene partners in and across portfolios with MEL and programme staff** in order to learn from one another and align or collaborate where appropriate, strengthening the partner ecosystem, supporting systems level and systems change work, and increasing the chance of significant, sustainable impact.
4. **Streamline evidence flows to increase their timeliness and potential use for learning, planning, decision-making, communicating and managing risk**, in cooperation with the Foundation leadership, Grants Assessment and Review Committees, Programme teams, Operations, Legal and selected partners from the Global South and Global North.
5. **Play a leading role in developing a stronger culture of learning** towards more robust, lasting Foundation impacts, using state of the art insights about how organisational learning happens in different contexts and cultures.
6. **Support innovation and advanced practice in MEL for business, for-profit and corporate entities, as well as for governance, policy, advocacy, narrative and experimental work.** Partners working in the market-based space<sup>12</sup> require more tailored approaches such as market performance metrics, market readiness score cards, real time

feedback and more nimble impact monitoring approaches. More nuanced MEL approaches are required for partners working in spaces such as governance, policy, advocacy and narrative.

7. **Develop and ensure MEL capabilities fit for this time in the Foundation and the world**, including
  - a strong focus on **systems change informed MEL**, including encouraging a portfolio approach, and placing more emphasis on design evaluation and support for course correction or adaptive management, in particular for systems- and transformation-oriented interventions and portfolios
  - agreeing on **multiple approaches to credible evidence**, drawing from all relevant disciplines including for impact evaluations
  - bringing **cross-cutting values and principles** into impact thinking and practice (e.g. resilience, sustainability, GEDI, intersectionality)
  - focusing on **decolonisation** – ‘decolonising MEL in order to decolonise programming’
  - developing tools that **blend corporate with progressive MEL frameworks** used in development strategies
  - clarifying **stage-gating** and strengthening evaluation for **scaling up, out/wide and deep**
  - improving **knowledge management, and leveraging digital and AI technologies** for MEL
  - **future-proofing planning and evaluation** recommendations, and supporting the Foundation’s ability to predict and anticipate trends, shocks and stresses.

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<sup>12</sup> Renewable energy, enterprise, finance, early-stage business

