GOOD PRACTICE GUIDES FOR FUNDERS

Scaling Innovation

The International Development Innovation Alliance (IDIA)

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GLOBAL INNOVATION FUND

RESULTS FOR DEVELOPMENT

GOOD PRACTICE GUIDES FOR FUNDERS
Scaling Innovation

International Development Innovation Alliance (IDIA)

JUNE 2017

INSIGHTS ON
Scaling Innovation

The International Development Innovation Alliance (IDIA)

ASSOCIATED PRODUCTS

Insights on
SCALING INNOVATION

This 'parent' paper to *Scaling Innovation – Good Practice Guides for Funders* has also been created by the IDIA Working Group on Scaling Innovation. It presents a high-level architecture comprising six scaling stages, eight good practices and a matrix of influencing factors to help guide funders through the long and complex process of scaling innovation.

JUNE 2017

INSIGHTS ON
Measuring the Impact of Innovation

The International Development Innovation Alliance (IDIA)

Insights on
MEASURING THE IMPACT
OF INNOVATION

The companion to the Insights on *Scaling Innovation* looks at the key challenges for funders around measuring the impact of innovation, and presents an approach highlighting key impact domains and indicators to help focus funder approaches. It also includes a case study on projecting the future impact of innovation created by Grand Challenges Canada and Results for Development.

About the International Development Innovation Alliance (IDIA)

The International Development Alliance (IDIA) is an informal platform for knowledge exchange and collaboration around development innovation. Established in 2015 with a shared mission of *"actively promoting and advancing innovation as a means to help achieve sustainable development"*, including through the UN's 2030 Sustainable Development Agenda, it currently comprises the following entities investing resources in the development innovation space:

A key contribution IDIA seeks to make is to enhance the global evidence base and build understanding of the role of innovation within international development. To do this, IDIA establishes Working Groups that bring together experts from within and beyond IDIA member agencies to collaboratively develop common platforms for supporting innovation from idea to scale, shared learning and improved impact measurement. The good practices on scaling innovation captured in this paper represent the culmination of a year-long review and synthesis of learning by the IDIA Working Group on Scaling Innovation, and this is one of the global public goods produced through the IDIA platform that is intended to further build the learning and experience of development agencies both within and beyond IDIA.

This document presents the insights and lessons learned that have been collected through a multi-disciplinary and collaborative process led by the IDIA Working Group on Scaling Innovation. It does not represent the official policies, approaches or opinions of any single contributing agency or IDIA member, nor reflect their institutional endorsement or implementation of the approaches contained herein.

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About this document

This paper in the *IDIA Insights* series focuses on eight good practices for funders seeking to take promising development innovations to scale. It is designed to accompany the Insights on Scaling Innovation paper that draws on the experience and learning of a wide range of bilateral, multilateral, philanthropic and civil society actors who came together in a Working Group on Scaling Innovation facilitated by the International Development Innovation Alliance (IDIA). While these good practices do not represent the formal strategy or approach of any one single agency in the Working Group or IDIA itself, they do reflect areas of overlapping learning and experience that can be used as a point of reference for interested stakeholders in reflecting on, and enhancing, their own approaches and guidance on scaling innovations.

Scaling innovation is a long, complex and dynamic process. The good practices contained herein will therefore benefit from regular review and iteration to accurately capture continuing advances in knowledge and learning. The insights collected in this paper are also likely to be valuable in helping innovators and partner organizations develop their own scaling approaches, thereby acting as a potential catalyst for deeper and more efficient partnerships.

The members of IDIA are committed to supporting the co-creation of tools and knowledge products such as these Insights papers to inform and enhance their own innovation-related work and that of others in the global innovation community. The exchange of knowledge, learning and expertise that has characterized the development of this paper is an essential part of ensuring innovations intended to help accelerate achievement of the 2030 Sustainable Development Goals can be pursued and supported.

Acknowledgments

The good practices outlined in this paper have been contributed through a collaborative process from countless individuals too many to name here. Special thanks go to all of the members of the IDIA Working Group on Scaling Innovation for their insights and expertise; to the IDIA Principal Representatives for their guidance; and to Thomas Feeny and Johannes Linn at Results for Development for their facilitation of the process and the creation of this report.

CONTENTS

These *Good Practice Guides* are designed to be read in conjunction with the *Insights on Scaling Innovation* paper developed with the support of the International Development Innovation Alliance (IDIA). The eight good practices that are at the heart of the scaling architecture presented in that report (see over) are here unpacked in more detail, and provide a curated selection of tips, tricks, tools and resources that can help enhance the practice and impact of those exploring innovation in international development.

Each Good Practice Guide adopts the same structure, comprised of the following sections:

**Relevant
Scaling Stage(s)**

**Glossary
of Terms**

**Why is This
A Good Practice?**

**What Data /
Information
Do I Need?**
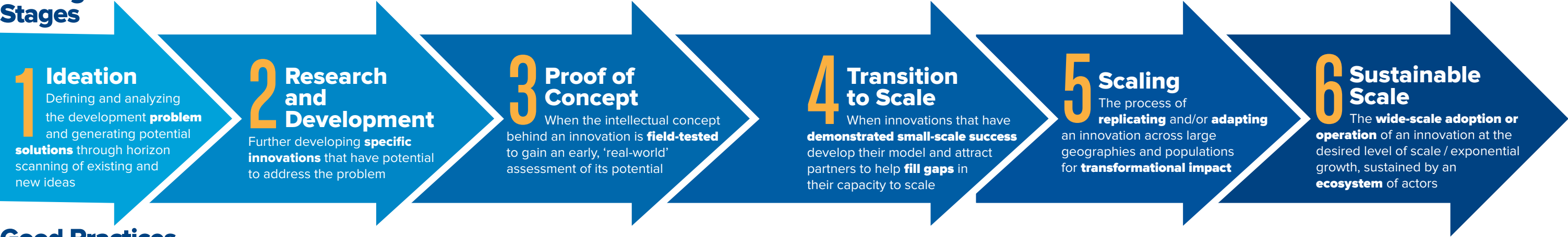
**What Tools &
Resources Can
Help Me?**

**Empirical insights
For Funders**

It is important to note that scaling innovation is far from an exact science, and that there is no 'silver bullet' model guaranteed of delivering impact. Similarly, good practice is dynamic and subjective, and will lead to varying levels of success when applied to different contexts and innovations. However, by combining insights from the latest research with the learning and practical experience of both funders and innovators immersed in scaling development innovations, these Good Practice Guides represent a valuable tool for audiences of all backgrounds who are seeking to improve or extend their support in this challenging area.

A High-Level Architecture for Scaling Innovation

Scaling Stages

1 Ideation
Defining and analyzing the development **problem** and generating potential **solutions** through horizon scanning of existing and new ideas

2 Research and Development
Further developing **specific innovations** that have potential to address the problem

3 Proof of Concept
When the intellectual concept behind an innovation is **field-tested** to gain an early, 'real-world' assessment of its potential

4 Transition to Scale
When innovations that have **demonstrated small-scale success** develop their model and attract partners to help **fill gaps** in their capacity to scale

5 Scaling
The process of **replicating** and/or **adapting** an innovation across large geographies and populations for **transformational impact**

6 Sustainable Scale
The **wide-scale adoption or operation** of an innovation at the desired level of scale / exponential growth, sustained by an **ecosystem** of actors

Good Practices

☑ Explore which internal and external **PARTNERS** to work with at different stages

☑ Co-create a **'VISION OF SCALE'** for the development problem with the innovator

☑ Support the innovator in assessing appropriate **PATHWAYS** for scaling and sustaining the innovation

☑ Consider which funder **INSTRUMENTS** and potential **ROLES** may be appropriate at different stages

☑ Understand the development problem and **ALTERNATIVE OPTIONS** for delivering impact

☑ Assess the **SCALABILITY** and **SUSTAINABILITY** of an innovation both before support and then throughout the scaling journey by examining the likely **INFLUENCING FACTORS** that will enable or constrain the scaling process

☑ Plan for the most impactful **SEQUENCING** of support along the scaling pathway

☑ **MEASURE** the progress and impact of the scaling process, and apply the **LEARNING**

Influencing Factors

Funders	Innovator / Implementor	Environment
Vision of desired development impact → ←	Vision for achieving desired impact at scale → ←	National and global development goals (SDGs, etc.)
Understanding of the development problem → ←	Direct evidence of effectiveness → ←	Supporting evidence from other related interventions
Risk appetite and tolerance → ←	Evidence of market/community demand and the innovator's own incentives to scale → ←	Market and/or community demand ←
		External incentives (e.g. subsidies/taxes, competitions, etc.) ←
Investment timeframe → ←	Scaling timeframe → ←	Political cycles
Financial support (amount and type) → ←	Financial management & accountability mechanisms → ←	Availability of different financing instruments and sources
Non-financial support (amount and type) → ←	Team capacity, experience and expertise → ←	Existence of potential partners, competitors and intermediary organizations
Leadership and influence →		Supporting champions and political environment ←
		Policy/regulatory frameworks ←
Internal policies, incentives, culture, systems and ways of working →		Supporting infrastructure and resources (e.g. technology, land) ←
		Social, political and/or economic stability and security ←
Feedback loops & institutional learning mechanisms → ←	Monitoring & Evaluation tools and capacity → ←	Availability, diversity and accuracy of data

Understanding the Problem & Options for Impact

Understand the development problem and alternative options for delivering impact

RELEVANT SCALING STAGE(S)

▶ **Ideation** (Stage 1)
▶ **Research and Development** (Stage 2)
▶ **Proof of Concept** (Stage 3)

GLOSSARY OF TERMS

'Development problem': the challenge or situation that you are seeking to improve.

Why Is This Good Practice?

▶ A systematic process for *defining and understanding the development problem* or opportunity, *exploring ideas* on how to address it, and then deciding on the *most appropriate option(s) or innovation(s)* to pursue is the necessary starting point for any effort to achieve development impact at scale.

▶ Such a process aims to assure that relevant and feasible ideas are *considered* and *compared*, and that effective, efficient, sustainable and scalable ideas are selected for subsequent scaling up stages. If such a process is skipped, there is a serious risk that potentially better ideas are neglected and poor, untested ideas pursued

What Data / Information Do I Need?

The process of information gathering and decision making can be characterized into four simple steps.

DIVERGENT THINKING

CONVERGENT THINKING

1 Defining the Problem / Opportunity

2 Generating Ideas

Ideas / Possible Solutions
Many ideas ▪
Open ▪
Anything can be suggested ▪
Topic is explored ▪

3 Evaluating Ideas

Focus / Selection
▪ Few suggestions
▪ Feasible
▪ Effective
▪ Efficient
▪ Profitable

4 Deciding on Implementing Idea

Source: S. Schöllhammer (2015)

Step 1 – Defining/understanding the problem:

▶ A key starting point for funders is a well-founded understanding of the development problem that needs a solution at scale. An analysis should provide an understanding of **the development problem**, of **opportunities**, **symptoms and causes**, of **constraints and enabling factors** and of the potential **points of intervention and leverage**. This assessment would draw on appropriate sector or thematic-specific tools of analysis.

Step 2 – Generating ideas:

▶ Once funders have defined the development problem they wish to tackle, a range of possible options for addressing the problem need to be systematically explored. This is also referred to as a phase of **"divergent thinking"** or **"horizon scanning"**, i.e., casting the net widely to explore as many ideas and options as possible, bringing in the ideas of many different stakeholders (especially of the communities most directly affected by the problem and possible solutions), and considering both locally generated solutions as well as those from other contexts or countries.

▶ Funders often use **innovation competitions** and **challenge funds** to source innovative ideas, but conferences, brain storming events, literature reviews, etc. can also be used to scan for ideas and solutions.

Step 3 – Evaluating ideas:

▶ Having scanned the horizon widely for useful ideas, it is then necessary to narrow down the options by **filtering out those ideas** that are less likely to offer effective, efficient, sustainable and scalable solutions to the problem to be addressed.

▶ Funders can choose from a wide range of methods and approaches at their disposal for scanning and developing potential innovations and for selecting those innovations that they wish to support (see 'What tools and resources can help me?' below). However, this is not an exact science and **accurate comparison across diverse innovations is not always possible**, so a funder's experience and judgement will still be very important.

Step 4 – Selecting one or more ideas:

▶ Based on the evaluation process in Step 3 the funder needs to decide whether or not to fund implementation of the idea(s) that have been identified, or to deploy another horizon scanning tool for **further sourcing of ideas**.

▶ It is important at this stage to look at these ideas from an implementation perspective and think about what **additional resources might be needed** to support a scaling up process, aside from financial support.

In practice the evaluation and selection steps (Steps 3 and 4 above) blend into each other.

What Tools & Resources Can Help Me?

For a general guide to innovation scanning, evaluation and selection:

▶ Nesta's **Innovation Flow Chart (2013)**, which summarizes potential tools relevant to problem analysis and innovation selection.

Tools to support idea generation:

▶ **Horizon scanning:** Horizon scanning involves the **systematic and iterative review of innovations** in a collaborative and inclusive manner, involving experts, stakeholders and communities, as appropriate.

● RedAnalysis (2012) provide a useful review of **general approaches and applications**.

▶ **Innovation Competitions:** Competitions can serve the triple purpose of **surfacing existing ideas**, **stimulating innovators to develop new ones**, and/or **providing funding** for the winner(s) to further develop, implement and even scale up their innovations.

CONTINUED

What Tools & Resources Can Help Me? CONTINUED

- Clifford Zinnes (2010) provides an in-depth review of **competitions and tournaments** in supporting development innovation and scaling. **LEARN MORE**

- Nesta (2014) have produced a **practical handbook** on how to organize **challenge prizes**.

Tools to help funders evaluate and choose between different ideas and innovations:

▶ Jeffrey Baumgartner provides a useful summary of tips, tricks and pitfalls when evaluating innovations. **LEARN MORE**

▶ **Scalability assessment:** The potential of an innovation to go to scale is a critical differentiating factor in deciding between innovations. For more on this, see the section 'Factors influencing scalability and sustainability' in the accompanying paper "Insights on Scaling Innovation", as well as Good Practice Guide 3 within this series.

▶ **Projecting impact:** Grand Challenges Canada and Results for Development have developed a **methodology for funders** that can help them predict which of the innovative options available to them is likely to yield the greatest impact (and perhaps offer the best value for money). The methodology is discussed in detail in the Case Study that forms the appendix to the *'Insights on Measuring the Impact of Innovation'* paper produced by an IDIA Working Group.

▶ **Institutional criteria:** In addition to the evidence that may arise from comparison of different innovations using the tools noted above, many funders have introduced their own institutional criteria to help their staff select among different options. For example, UNDP uses **10 criteria for assessing innovation proposals** submitted by UNDP country program offices in the Asia-Pacific region. **LEARN MORE** Harvard University also developed four criteria for helping select ideas for the 'Innovations in American Government Award. **LEARN MORE**

Empirical Insights for Funders

▶ Complex evaluation methods and selection processes take time, resources and effective management. Often, **simpler approaches** (e.g., fewer rather than more selection criteria, simple weighting schemes, etc.) will be **more effective and transparent**.

▶ It is important to involve the **right combination of qualified experts** in understanding the development problem and selecting appropriate innovations. **LEARN MORE** In the early stages of the process these may include academic / sector experts, while in the later stages practitioners close to target markets, communities and clients to be served by the innovation will be essential.

▶ As part of the evaluation and decision process, funders will want to ensure that the innovators with whom they engage (a) **also have a good understanding of the development problem** and of the opportunities, constraints and risks they face in pursuing an innovation-scaling pathway; and (b) are **well informed about the evaluation and decision criteria used by the funder that led to their selection.**

▶ Funders will inevitably have to take risks in selecting the ideas that they end up supporting. Rather than minimizing risks and working towards ensuring that each project succeeds, funders would do better to **take a portfolio-based approach**, in which innovations of both high and low risk are supported with a view to the portfolio delivering a good return as a whole, with the added advantage of being able to learn from unsuccessful innovations.

Defining a Vision of Scale

Co-create a 'vision of scale' with the innovator appropriate for the development problem and level of demand/need

RELEVANT SCALING STAGE(S)

▶ **Research and Development** (Stage 2)
▶ **Proof of Concept** (Stage 3)
The vision should also be revisited at all subsequent stages of the Scaling architecture for confirmation / refinement

GLOSSARY OF TERMS

'Vision of Scale': the desired potential long-term impact of an innovation, if and when it is successfully scaled up; it generally needs to include considerations not only of breadth of impact, but also of depth, quality, equity and inclusiveness, as well as sustainability.

Why Is This Good Practice?

▶ A vision of scale of impact is needed to recognize that *scaling up of an innovation is necessary, desirable, and feasible*, and to ensure that the focus is on impact of the innovation, not on the innovation per se.

▶ A vision of desired impact focuses attention on the need to explore a scaling up pathway towards the ultimate scale goal *from the earliest stage of innovation* and to look beyond a specific project or intervention.

▶ A vision of scale allows the *identification of intermediate target impacts for specific stages of the scaling up pathway*, and helps funders track progress towards the top-level target they have defined within their vision of scale.

▶ A shared vision provides *a basis for cooperation among partners and motivates action*. It also helps to mainstream an innovation from initial incubation by the funder's innovation lab or challenge fund into the broader "mothership" organization. The vision is therefore a key driver of the scaling up process.

▶ In terms of the image of "crossing the river, by feeling the stones", the vision represents the bank on the other side of the river.

What Data / Information Do I Need?

▶ A *clear identification and analysis of the development problem* to be addressed by the innovation (see Good Practice Guide 1); this helps define the target market or population that is to be reached under the vision of scale.

▶ A clear identification of the *scale of impact* that the innovation would need to reach in terms of market size (consumers, service recipients reached), lives saved, or people taken out of poverty.

▶ The a*ppropriate vision of scale depends on the innovator / implementer / funder*: a social enterprise will appropriately aspire to a more limited vision of scale than a large multinational firm; similarly, a mayor of a city relative to a national government; or a national government relative to a funder with global reach (the World Bank, the Gates Foundation, etc.)

▶ For many actors, especially those with national or global reach, the *vision of scale could (and generally should) be linked to the relevant SDGs*, in terms of the contribution that the innovation when scaled successfully is likely to make to the achievement of the SDGs.

What Tools & Resources Can Help Me?

▶ The **'Leading'** indicators section of the IDIA report *'Insights on Measuring the Impact of Innovation'* provides examples of factors that will influence the vision of scale at 'Proof of Concept' stage

▶ **"Visioning"** is the process of establishing a vision for an organization, community, initiative or program, where the goal is to establish a vision that is shared among the various relevant stakeholders, usually based on their participatory engagement.
LEARN MORE

▶ **"Scenario planning"** involves the development of alternative future states and pathways towards them, allowing for uncertainties in terms of future events.
LEARN MORE

Empirical Insights for Funders

▶ In considering the long-term vision of scale for the impact of an innovation, the question of financing should also be addressed. For example, *does the vision ultimately involve self-financing of the product/service* or will it require *sustained budgetary funding* (subsidies) for viability?

▶ Many programs manage to clearly articulate a short-term (2-3 year) vision for scale, but are less clear on their *long-term vision of scale*, which requires them to consider what is plausible over a given long-term horizon and the possible influence of external shocks, unexpected barriers, etc. Scenario planning (see above) can help address these risk factors.

▶ Establishing a shared vision within and across programs, institutions and partners can represent a great challenge. It requires *persistent leadership and effective champions*, as well as *effective constituency building, outreach and communication* to concerned stakeholders. In a country context, the development of sector or subsector strategies can help define an appropriate vision of scale.

▶ The *vision of scale may be adapted as the scaling up process runs through its various stages* and experience is gathered with the potential for expansion of relevance and scope, in terms of horizontal scaling, vertical scaling or functional scaling. For example, a solution that initially is judged locally scalable with a vision of, say, universal coverage at the level of a specific jurisdiction (such as the earthquake-proofing of schools and hospitals in a particular city) may be expanded to universal coverage at the country level as it is successfully scaled locally, and may eventually be scaled across countries (e.g., the application of BRAC's approach beyond Bangladesh, including in Africa).

Choosing a Scaling Pathway

Support the innovator in assessing appropriate pathways for scaling and sustaining the innovation

RELEVANT SCALING STAGE(S)

This good practice is most relevant between **Proof of Concept** (Stage 3) and **Transition to Scale** (Stage 4), but the scaling pathway should also be reassessed throughout the scaling process.

GLOSSARY OF TERMS

A **"scaling pathway"** is the route that is followed to increase the reach of an innovation through different partnerships and approaches.

"Horizontal scaling" refers to an increase in the reach of an innovation by expansion or replication, within or across jurisdictions.

"Vertical scaling" refers to an expansion of the impact of an innovation through policy, regulatory or institutional reform at a higher organizational level.

Why Is This Good Practice?

▶ The scaling up process generally involves *a sequence of steps and intermediate stages*, usually extends over a long period, and must be framed to consider the changing impact of various *influencing factors* (see *Good Practice Guide 4*).

▶ The sequential steps have to be systematically developed so that *each step creates the platform on which the next step can build,* i.e., that the enabling conditions are created and barriers removed for sustainable scaling to take place.

▶ Learning and adapting are key aspects of the concept of the scaling pathway which involves an *iterative process of innovation-learning-scaling*.

What Data / Information Do I Need?

The funder and innovator should think first about the type of innovation they are trying to scale, as this will likely have the greatest impact on the scaling pathway that will be appropriate. Today, innovation is often categorized into three different types:

▶ **Scientific/Technological Innovation**, where engineering and other applied sciences are used to solve the practical problems of human lives (e.g. solar power, a mobile phone application or a new vaccine). These can usually rely on existing diffusion processes or institutions and tend to be easier to scale than social or business/financial innovations.

▶ **Social Innovation**, where the value of the innovation accrues primarily to society rather than a private individual (e.g. a policy that improves the status of women). These often require the mainstreaming of new practices and relationships into social settings, and are therefore harder to scale due to resistance from pre-existing incentives, mind-sets and cultural practices or habits.

▶ **Business/Financial Innovation**, where the aim is to improve the efficiency of how products or services are offered to and utilized by the market (e.g. innovations that increase the affordability, accessibility or

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What Data / Information Do I Need?

demand for a product). The level of difficulty in scaling will typically depend on the complexity and scope of the change, and the level of demand among those it targets.

Innovative partnerships will likely be a feature of all three categories.

'Integrated innovation' is a term coined by Grand Challenges Canada to refer to the *coordinated application of scientific/technological, social and business/financial innovation* to develop solutions to complex global challenges. This concept does not discount the singular benefits of each of these types of innovation alone, but rather highlights the powerful synergies that can be realized by aligning all three.

Next, think about the *sector* relating to the innovation (e.g. health, agriculture) and the *target beneficiaries* (e.g., general population vs. a specific subgroup such as women). What are the best channels or institutions to work through to reach these beneficiaries? With this information, it should be possible to consider which of these scaling pathways is likely to be most efficient for reaching target beneficiaries and scaling the innovation:

▶ **Public pathways** (through government — often required for scaling at a population / national level)

▶ **Commercial pathways** (through the private sector — often for innovations that want or need commercial sustainability)

▶ **Hybrid pathways** (leveraging both government and market actors)

▶ **Horizontal scaling** (expanding impact through replication by others)

▶ **Vertical scaling** (changing the policy / institutional environment to enable scale)

What Tools & Resources Can Help Me?

For general planning and management of scaling pathways:

▶ The S-curve of technology diffusion and adoption introduced by Everett Rogers (2003) is helpful in understanding how an innovation typically scales across a population, and can help in recognizing the different pathways that may be necessary to reach different segments of the population. **LEARN MORE**

▶ Management Sciences International (2016) have produced a three-step/ten-task general planning and management approach for practitioners to identify appropriate scaling up pathways, and look at the pros and cons of expansion, replication and collaboration pathways. **LEARN MORE**

Pathways for scaling innovations in health:

▶ USAID's Center for Acclerating Innovation and Impact has produced a range of useful tools for scaling up health innovations, including **"Pathways to Scale"** (focusing on business models and partnerships);

"Ready, Set, Launch" (a country-level guide to scaling) and **"Idea to Impact"** (focusing on the introduction of new products)

▶ ExpandNet (2009) also provide guidance on scaling product and process innovations through the public sector. **LEARN MORE**

Pathways for scaling innovations in **education**:

▶ Brookings (2016) provide an analysis of scaling up pathways focusing on the interaction between public and private initiatives. **LEARN MORE**

▶ UNICEF/R4D (2016) also document successful pathways to scale for education innovations. **LEARN MORE**

Pathways for scaling innovations in agriculture and rural development:

▶ IFAD (2015/16) has produced 11 thematic scaling notes documenting the scaling of product, process and organizational innovations in support of small-holder development in the public and private sectors. **LEARN MORE**

What Tools & Resources Can Help Me? CONTINUED

▷ The World Bank (2012) has produced guidance on engaging public and private actors to support scaling of agriculture and rural development initiatives. **LEARN MORE**

▷ The Canadian International Food Security Research Fund (CIFSRF) tests and scales up practical solutions to increase food production, raise income for farming families, and improve nutrition throughout the Global South. **LEARN MORE**

Pathways for scaling up innovations in fragile and conflict affected states:

▷ Brookings (2011) explores some of the key lessons and good practices. **LEARN MORE**

Pathways for scaling social enterprise innovation and inclusive business:

▷ The World Bank (2016) has documented approaches and lessons around public-private interaction in scaling up pathways for social enterprise innovation. **LEARN MORE**

▷ Nesta (2014) has developed a conceptual model comparing different scaling up pathways. **LEARN MORE**

▷ GIZ (2016) has a toolkit on helping inclusive businesses achieve scale. **LEARN MORE**

Empirical Insights for Funders

▷ In planning and implementing scaling up pathways innovators and their funders need to realize that there are no blueprints and that **pathways continually have to be evaluated and adjusted** as the scaling up process proceeds.

▷ Scaling pathways usually extend over a **long time horizon** (10-15 years), well beyond funders typical project or program duration.

▷ Many scaling pathways will require **horizontal and vertical scaling in a parallel and iterative process**, as they are always subject to policy and regulatory forces that should be considered and where possible changed to support the scaling pathway.

▷ **Most scaling pathways involve both private sector and government actors**, since innovations scaling in the commercial sphere will be influenced by policy and regulatory conditions, and innovations scaling in the public sector will generally involve private actors, as recipients/beneficiaries, contractors and/or competitors.

▷ Most types of scaling up pathways will benefit from the presence of an **intermediary institution**, i.e., an institution that helps bridge the common gap between the innovator and the government or market institutions that ultimately implement the innovative model at scale. Funders or universities are well-positioned for this role.

▷ Appropriate financing instruments will vary across the different stages of the financing pathways and across different types of pathways. **Grants will more likely be appropriate at the first two stages of the pathway, while non-grant finance (loans, equity, guarantees, etc.) will often be more appropriate at later stages of the process.** Generally, grants will also be more appropriate in supporting pathways that primarily involve the public sector, but care has to be taken to increase the role of domestic public financing, as a scaling up process matures and the external funder is preparing to exit. (See also *Good Practice Guide 5*)

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Empirical Insights for Funders

▶ The ***analysis and management of risk is a significant factor throughout the scaling up pathway***. The nature of risk will vary with the type of scaling up pathway. Predominantly private pathways face market risk, but also risks of policy and political interference; predominantly public pathways face risks of political discontinuities, of weak and corrupt implementation, and of unpredictability of budget support.

▶ ***Effective M&E is a key determinant of a successful scaling up pathway***. Funders will want to focus careful attention on the design and implementation of M&E in the pathways they support, considering not only impact metrics, but also whether the vision remains relevant, whether the necessary enablers are in place and possible barriers are being removed, whether instruments of support are the right ones, whether partnerships are working, and whether key elements of the implementation process are properly sequenced.

▶ ***Implementation of a complete scaling pathway will usually require that funders (and potentially innovators) hand off to other partners along the way***. This will often be externally, i.e. from a funder to a private impact investor or public sector partner, but it also includes internal transitions from a funder's innovation lab or challenge fund into their broader organization.

GOOD PRACTICE GUIDE 3

Choosing a Scaling Pathway

Support the innovator in assessing appropriate pathways for scaling and sustaining the innovation
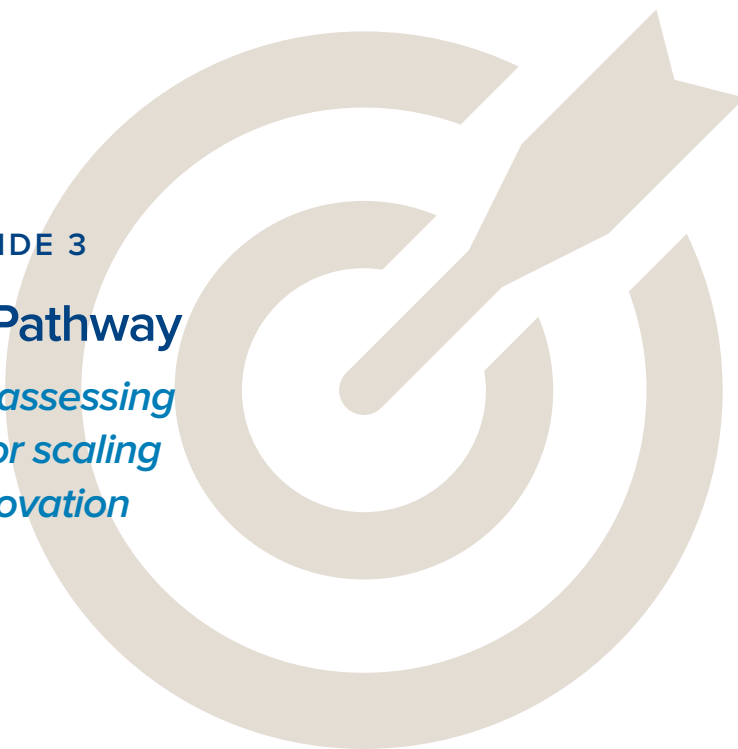
Assessing Scalability and Sustainability

Assess the scalability and sustainability of an innovation before and throughout the scaling journey by analyzing the likely influencing factors that will enable or constrain the scaling process.

RELEVANT SCALING STAGE(S)

Principally at **Proof of Concept** (Stage 3) and **Transition to Scale** (Stage 4), but also at subsequent stages to check that scalability remains assured along the scaling pathway and to monitor and shape influencing factors that will affect progress.

GLOSSARY OF TERMS

'Scalability': the potential for an innovation to scale up in support of the vision of scale

'Sustainability': the ability of an innovation to continue operating and generating impact over the long term

'Influencing factors': the internal or external circumstances that may enable or constrain movement

Why Is This Good Practice?

▶ *Not every innovation can be scaled up, or is worth scaling up if it is not sustainable.* Asessing the scalability and sustainability of an innovation is therefore a matter of due diligence carried out by the funder and the innovator.

▶ Assessing scalability also helps in the *design of the scaling up pathway*, as it helps to identify how fea-tures of the innovation may have to be adapted, and the potential influencing factors that may therefore enable or constrain its progress.

▶ *Initial assessment* and then *continuous monitoring of all potential influencing factors* (not only the most obvious ones) will significantly improve the likelihood of scale, and help funders test the assumptions on which the impact of an innovation depends.

What Data / Information Do I Need?

Funders and innovators can assess an innovation's scalability in several ways, depending on the level of rigor they want:

1. By applying a set of *generic 'scalability criteria'* across all innovation type and sectors;

2. By applying criteria or questions that are specific to a *particular sector or innovation type*;

3. By relying on the broader *judgement and experience* of their team members in assessing innovations on a *case-by-case basis*.

Regardless of which approach they choose, two things are essential:

▶ That scalability is assessed both *before implementa-tion* and then on a *continuous basis* throughout the scaling process

CONTINUED

What Data / Information Do I Need? CONTINUED

▶ That scalability is assessed with reference to the range of **influencing factors** that may enable or constrain the scalability of an innovation over the course of its implementation (see the matrix of these in the main IDIA scaling architecture for more details)

Funders should ensure that either they or the innovator have adequate capacity and processes in place to enable these.

What Tools & Resources Can Help Me?

For a general introduction into the concepts of **enablers and barriers to scaling**, see Brookings (2008) *"Scaling Up: A Framework and Lessons for Development Effectiveness from Literature and Practice."* **LEARN MORE**

Approaches for scalability assessment:

▶ Funders and innovators can use the **matrix of influencing factors** included in the introduction to these *Good Practice Guides* to assess which of the listed factors may apply to the specific context and scaling pathway of the innovation; the degree to which it may enable or constrain that scaling pathway; and how the influence it exerts may change over time.

▶ Other, more criteria-based approaches for scalability assessment include:

o The **"CORRECT"** approach of ExpandNet, which asks **seven questions** to assess scalability of an innovation: is/does the innovation credible, observable, relevant, have a relative advantage, is easy to transfer and adopt, compatible, and able to be tested and tried? **LEARN MORE**

o **MSI scalability checklist:** Building on the CORRECT approach, this is a more detailed scalability assessment tool, rating scalability of innovations against **32 criteria**, grouped under seven categories; suitable for all types of scaling pathways. **LEARN MORE**

o **ThoughtWorks** scaling assessment map: a detailed scalability assessment tool that is especially relevant for commercially oriented innovations. **LEARN MORE**

Tools to assess influencing factors (enablers and constraints) include:

Social enterprises

▶ For an analysis of **scaling barriers for social enterprises**, see Deloitte Touche (2014) *"Beyond the Pioneer: Getting Inclusive Industries to Scale"*. **LEARN MORE**

Health Product Innovations

▶ USAID's "Idea to Impact" (2015) approach has developed a tool kit that includes a **bottleneck analysis framework** for assessing country specific health product uptake challenges, and an **'Intervention Demand Forecasting'** tool. **LEARN MORE**

Institutional factors influencing scaling

▶ **MSI** (2016) explores how **intermediary institutions** can support scaling by bridging the gap between innovators and adopters. **LEARN MORE**

▶ Brief #12 of a series of case studies produced by **IFPRI** (2012) considers the challenges that may occur when scaling up agriculture and rural development innovations through **multiple institutions**. **LEARN MORE**

Empirical Insights for Funders

▶ There is **no 'correct' set of scalability criteria** that when applied will produce a clear answer for funders as to whether an innovation will successfully scale or not. An innovation that may score highly on innovator capacity may fail to scale due to a lack of community demand, while another that ticks all of the boxes at the 'Proof of Concept' stage may ultimately fail to scale because of a natural disaster that destroys essential infrastructure or supply chains. However, experience suggests that a **systematic approach to identifying and monitoring the actual and potential influencing factors** that impact the scaling process over time is at the core of designing and implementing successful scaling up pathways.

Some of the empirical insights below have near universal relevance, while others apply only in selected contexts or for certain types of innovations:

▶ A **clear vision**, strong **leadership/champions** and effective incentives/accountability mechanisms are always important among enablers, as are costs, fiscal and financial resources, institutional capacities and policies. **Fiscal and financial constraints** tend to be most often the binding and neglected constraint to scaling up.

▶ **Inadequate consideration of financing constraints** is a very common shortcoming in donor-financed programs, especially in terms of sustainability and scalability beyond the end of the funder-supported program cycle. Financial viability on funder exit needs to be **assessed and planned for at the outset**, and then **monitored throughout implementation** in line with changing factors such as consumers' or beneficiaries' ability and willingness to pay, a government's ability and readiness to provide budgetary support, etc.).

▶ **Political constraints**, while not universally binding, are often neglected in the design and implementations of scaling up pathways.

▶ **Natural resource constraints** are most relevant for agricultural, water/sanitation and climate change-related interventions.

▶ **Cultural barriers** can affect many innovations, but are especially relevant for smallholder agriculture, social service provision at the base of the pyramid, and water/sanitation innovations.

▶ **The risks associated with scalability** relate to uncertainties about how an innovation that has been tested in a specific set of institutional and external ecosystems conditions will play out in different settings. The Transition to Scale phase (Stage 4) therefore may have to include repeat or concurrent pilots in different circumstances.

▶ Many commercial innovations may be challenged based on **pre-existing patents or intellectual property rights**, and funders will need to assess as part of due diligence whether such challenges might occur. A related concern is whether an innovation should, or should not be protected by patents. Patents may impede scaling on the one hand, yet protecting intellectual property rights may also encourages innovation.

Specific examples of how the enablers and constraints influence scaling pathways include:

▶ The analysis of the Mexican conditional cash transfer program (**"Progresa-Oportunidades"**) in Brookings "Progress against Poverty" (2006) documents an excellent example of successful scaling up with systematic consideration of all relevant enablers and barriers. **LEARN MORE**

▶ The scaling up review of IFAD's programs by Brookings (2010) provides **country specific analyses of enablers and barriers to scaling** in IFAD supported agriculture and rural development programs in selected countries. **LEARN MORE**

▶ IFPRI (2012) summarizes the implications of 14 cases studies of **scaling up in agriculture and rural development**, with reference to the scaling up enablers and barriers. **LEARN MORE**

Identifying Appropriate Funder Instruments and Roles

Consider which funder instruments and roles may be most appropriate at different stages

RELEVANT SCALING STAGE(S)

Relevant at all scaling stages where a funder is involved, but typically Stages 1-5 of the IDIA scaling architecture.

GLOSSARY OF TERMS

'Instruments and roles' refer to the different kinds of support that funders can provide in helping an innovation scale, including financial and non-financial contributions.

Why Is This Good Practice?

How best to support scaling up of innovations is a central concern to funders, and it is important to explore **which of the contributions they can make at different stages** of the scaling pathway will have the greatest impact.

What Data / Information Do I Need?

First, it is important to know **what instruments might be available** to you as a funder, including those that are not yet in your toolkit but that could be added in the future. The most common 'financial' and 'non-financial' instruments are listed in the table below.

Financial instruments	Non-financial instruments
▶ Grants	▶ Technical assistance (TA)
▶ Conditionally Repayable Contributions (CRCs)	▶ Board membership
▶ Loans	▶ Direct implementation (e.g. through country level teams)
▶ Equity	▶ Project supervision
▶ Guarantees	▶ Convening, match-making, networking, curating
▶ Results-based finance (RBF)	▶ Non-financial competitive awards
▶ Social/development impact bonds (SIBs/DIBs)	

What Data / Information Do I Need?

Second, you should find out **what degree of authority and mandate** from your funder governing body there is to deploy these instruments, as permissions will vary significantly according to the type of funder and the capital they deploy. For example, many bilateral agencies are not permitted to often loans, others are restricted from using equity investments.

Third, consider which **instruments may be most appropriate for your intended recipient** or partner in the scaling process. For example, non-grant financing with some form of cost-reimbursement will often be appropriate for commercial (for-profit) recipients, while grants will be more suited to not-for-profit recipients. When supporting governments, all financial options can be utilized (except equity), but with grants the more likely option for low-income and non-credit-worthy countries.

Finally, consider exploring some of the following questions that arise when thinking about which instruments to use:

▶ **For grants**: How might the use of these dis-incentivize the recipient from seeking a more sustainable form of financing (e.g. commercial revenue)?

▶ **For loans/equity/guarantee**: What is the ability of the recipient to negotiate and manage these complex financial instruments? What is the credit worthiness of borrower in terms of their ability and willingness to repay/live by the contractual obligations?

▶ **For SIBs/DIBs/RBF**: what is the capacity of recipient and counterparties to handle and honor these instruments, and how substantial are the transactions costs?

▶ **For all financial instruments**: how can the funder extend their financing over longer time periods more aligned with the length of the scaling pathway (as per the example of the Swiss Government, which has introduced a multi-year funding modality that extends its support for up to 12 years)?

▶ **For all non-financial instruments**: do any of these create a conflict of interest for the funder, or undermine the recipient? What capacity does the funder have to deliver?

What Tools & Resources Can Help Me? CONTINUED

At present, no systematic assessment of funder instruments (especially non-financial tools) appears to be available. However, Nesta (2015) have provided a **landscape of financing tools** that provides a helpful summary. The examples below therefore highlight a limited number of studies that include an analysis of instruments as part of a broader discussion.

▶ In the 2016 publication *"Innovative Financing Recommendations: Background Paper for the Education Commission"*, Results for Development look at range of innovative financing mechanisms within the education sector, from those that *tailor* **established financial instruments** to education, for example education bonds and loan buy-downs; to relatively new financial instruments ready for expansion such as social impact investment and student financing; as well as **new financial instruments** such as debt conversion development bonds. **LEARN MORE**

▶ Chapter 5 of the Brookings book *"Getting to Scale: How to Bring Development Solutions to Millions of Poor People"* includes a review of various funder instruments and their incentive effects for scaling up, including **incentive grants, service delivery contracts, competitions and tournaments, subsidies and RBF.** **LEARN MORE**

CONTINUED

What Tools & Resources Can Help Me? CONTINUED

▶ Section A of the 2016 Adam Smith International review *"Getting to Scale: Lessons in reaching scale in Private Sector Development programmes"* includes a section on **'Strategies and Tactics'** for scale that funders can use with private sector partners. **LEARN MORE**

▶ The Brookings study (2010) *"Scaling Up the Fight against Rural Poverty: An Institutional Review of IFAD's approach"* includes a comprehensive review of **IFAD's instruments** and how they support a scaling agenda. **LEARN MORE**

▶ A 2016 World Bank evaluation of **RBF** (*"Program-for-Results: An Early-Stage Assessment of the Process and Effects of a New Lending Instrument"*) does not specifically assess this instrument from a scaling dimension, but provides some useful learning around areas for improvements. **LEARN MORE** The World Bank also supports a website on the **application and learning around RBF in the health sector**. **LEARN MORE**

▶ A 2015 Brookings review of experience with **SIBs/DIBs** (*"The potential and limitations of impact bonds: Lessons from the first five years of experience worldwide"*) shows they are potentially effective for supporting innovation, but less so for scaling up. **LEARN MORE**

Empirical Insights for Funders

When considering what instruments to deploy, larger funding institutions should consider the respective capacities of their **innovation-focused teams/units** and their broader organizational **'mothership'**. Innovation labs and platforms generally have the ability to deploy financial and non-financial instruments appropriate for early stages (1-3) of the scaling up process, while the mainstream operational departments of aid agencies tend to have a broader range of financial and non-financial instruments at their disposal to support the later stages of the scaling process (4-6).

However, different instruments incur different risks and require different due diligence criteria. This means that careful consideration of instruments is of critical importance. Financing instruments also have important **incentive effects** which need to be explicitly considered:

▶ **Grants** are in effect subsidies; from an efficiency perspective they are justified to correct for market failures, especially in the early stages of innovation and scaling, and they are justified from an equity perspective if they are targeted to reduce poverty. However, they also may undermine sustainability and scalability, discourage own-resource mobilization, encourage waste and grant-chasing behavior, and reduce ownership. To mitigate these risks, grants can be targeted for specific purposes, including in support of M&E and learning, or to encourage activities that might otherwise be underinvested in by the innovator, e.g., outreach and communications. However, unless indefinite financing is appropriate and can be guaranteed (which is usually not the case), careful planning of the phase-out of grants is essential.

▶ **Loan and equity finance** can be important signals for the markets that enterprises/governments are creditworthy — hence, they can be effective instruments for sustainability and scaling up. An example of this is the Rockefeller Foundation's rural renewable energy power program in India, where private ESCOs (energy service companies) asked for loans

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and equity participation to help them demonstrate capital market access credibility.

▶ **RBF** tools reward delivery of results, rather than delivery of inputs, which tends to encourage local ownership, innovation and adaptation, and hence sustainability and scalability of impact. However, these instruments can have high transactions cost and require substantial institutional capacity, and hence may better suited for the innovation than the scaling stage, and perhaps more effective in middle and higher income country contexts.

▶ **SIBs/DIBs** and guarantees often have high transactions costs and require significant capacity among participants for effective deployment. Like grants, they are typically more appropriate at early stages of the pathway, while loans and equity are often most effective for the last two stages ('Scaling' and 'Sustainable Scale').

▶ **Non-financial instruments** can be very helpful in supporting innovators/implementers during the scaling process. Funders can serve as important champions, sources of technical input and expertise, and as commitment and accountability mechanisms — sometimes as intermediary institutions to bridge the originators and adopters of innovation (see *Good Practice Guide 4*). Funder-provided technical assistance is often evaluated as an important success factor, particularly in the eyes of the innovator.

GOOD PRACTICE GUIDE 5

Identifying Appropriate Funder Instruments and Roles

Consider which funder instruments and roles may be most appropriate at different stages

Exploring Partnerships for Scale

Explore which internal and external partners to work with at different stages

RELEVANT SCALING STAGE(S)

- ▶ **Proof of Concept** (Stage 3)
- ▶ **Transition to Scale** (Stage 4)
- ▶ **Scaling** (Stage 5)
- ▶ **Sustainable Scale** (Stage 6)

Why Is This Good Practice?

Experience shows that partnerships are essential along the scaling pathway.

For Innovators:

- ▶ Partners can *complement each other with resources* (financial, organizational, human, information, political, etc.) at any given stage, which will significantly improve the strength of a scaling pathway. However, *managing partnerships can be a costly exercise*, so knowing how to identify, design and sustain the right partnerships is an important skill for innovators to possess.

- ▶ Assessing the potential for effective partnership is also a critical element in any scalability assessment that innovators will undertake (see *Good Practice Guide 4*).

For Funders:

- ▶ As part of their due diligence, funders should assess whether the innovators have (or are seeking) effective partnerships to strengthen scalability and sustainability.

GLOSSARY OF TERMS

"External partners" are organizations (including funders) or individuals whose collaboration may be helpful to an innovator in supporting the scaling up process. It includes other organizations with whom a funder may collaborate in providing support.

"Internal partners" are individuals or units within a funding organization which may support or collaborate with an innovator in different ways. A good example of internal partnership is between a funder's unit that is specifically focused on supporting innovations (e.g. an innovation lab) and the teams that carry out the mainstream operational activities (the "mothership").

- ▶ Innovation funders interested in supporting scaling up will generally need to develop both *external partnerships* with other funders and with *stakeholders on the ground.*

- ▶ Teams working as part of dedicated innovation labs or platforms within a larger funding organization will also need to *develop effective internal partnerships with the 'mothership'*, especially for effective scaling in the later stages of the scaling pathway when the support for innovations needs to be mainstreamed into the 'mothership'.

What Data / Information Do I Need?

For the Innovator:

Innovators need to assess (through a 'Partnership Scan') a number of related factors:

▶ their own capacities and need for complementary resources to support scaling;

▶ potential partners and their resources, strategic alignment and readiness to commit to a joint vision and scaling pathway;

▶ their capacity for different collaborative arrangements that may be appropriate (e.g. a formal contract or memorandum of understanding); and

▶ the likely benefits of the partnership versus the costs of making the partnership work, in terms of potential compromises regarding vision and design of the pathway and the transaction costs involved in making the partnership operational.

For the Funder:

▶ As part of their due diligence, the funder should assess whether the innovator has adequately considered the partnership components listed above, and whether they have a **strong track record** of effectively pursuing and maintaining partnerships.

▶ At the same time, the funder needs to carry out their own **'Partnership Scan'** to consider:

o the funder's own resources and capacity, including those of any dedicated innovation labs/platforms and the mothership's main operational units;

o the resources, capacity, interests and potential commitment of possible partners;

o appropriate collaborative arrangements; and

o the benefits v. costs of engaging in more versus fewer partnerships.

What Tools & Resources Can Help Me?

While partnerships are generally recognized to be a key factor of success in scaling up, there appear to be few tools or resources with comprehensive guidance to help funders or innovators determine what kinds or partnerships to develop, when and how.

For the Innovator:

▶ The 2015 Nesta report *"Winning Together – A Guide to Successful Corporate-Startup Collaborations"* looks at how partnerships between **startups and large companies** can, if correctly designed, create sustainable win–win situations for both. LEARN MORE

▶ The 2014 Nesta report *"Making it Big: Strategies for Social Innovations"* explores different kinds of **"strategic partnering"**, including joint ventures, mergers and acquisitions. LEARN MORE

▶ The 2009 WHO/ExpandNet report *"Practical guidance for scaling up health service innovations"*

explore the **advantages and disadvantages of partnerships** for scaling up. LEARN MORE

For the Funder:

▶ Chapter 4 of the Brookings 2013 study on *"Scaling up Programs for the Rural Poor: IFAD's experience, lessons and prospects (Phase 2)"* reviews IFAD's partnership arrangements for scaling up, both with **domestic partners and with other funders**. LEARN MORE

For an overview of partnership models:

▶ Chapter 1 of the Brookings 2013 book "*Getting to Scale: How to bring Development Solutions to Millions of Poor People*" explores the growing importance of **multi-stakeholder partnerships**, with new models of "**hybrid" partnership** between public, commercial and not-for-profit actors complementing traditional public and private models, as well as traditional **public-private partnership** models. LEARN MORE

Empirical Insights for Funders

▶ Multi-stakeholder alliances are a critical element of scaling up, and will typically involve a ***multiplicity of stakeholders at different levels*** (local, provincial, national, international) and from different sectors (governmental, civil society, business, etc.).

▶ Funders and innovators should both explore and pursue potential partnerships ***early in the scaling process*** – at least from Stage 3 ('Proof of Concept'), but ideally from the design and ideation process itself – to ensure that partners understand and share the vision and a sense of ownership of the scaling pathway.

▶ Partnerships typically require: an ***investment in networking***; a willingness to ***share information*** and, where necessary, to ***compromise on objectives and standards; and a culture of collaboration*** among managers and staff.

▶ Partnerships can be expensive, and both funders and innovators should carefully ***assess the cost and benefits***, prioritizing partnerships according to which will add the greatest net value.

▶ Public agencies and private entrepreneurs (including social entrepreneurs) have ***different objectives, mindsets, modes of operating and constraints***. So, sustained collaboration among these different players is very often critical, but it raises two practical issues:

o Getting governmental agencies to take up innovations piloted in the private and NGO sector is a must for many social sector initiatives, but can raise very difficult challenges. This was exemplified by the case of a World Vision supported education initiative which was successfully piloted by an NGO in Kenya and taken over by the government, but then failed because of opposition from teachers' unions.

o Successful collaboration is often difficult to sustain, especially given staff turnover and the need to keep refreshing and justifying relationships.

▶ Internal partnerships can be just as difficult as external partnerships, and need to carefully ***championed and nurtured by a funder's top management***. **LEARN MORE** [53]

GOOD PRACTICE GUIDE 6

Exploring Partnerships for Scale

Explore which internal and external partners to work with at different stages

Sequencing Different Kinds of Support for Scaling

Plan for the most impactful sequencing of support along the scaling pathway

RELEVANT SCALING STAGE(S)

All stages (1-6) of the IDIA scaling architecture are relevant here.

GLOSSARY OF TERMS

"Sequencing of support" refers to the timing and order in which actions are taken by the innovator and implementer along the pathway, and the timing and order in which funders apply financial and non-financial instruments in parallel.

Why Is This Good Practice?

▶ Different instruments and forms of support have different levels of impact and relevance at *different stages of the scaling pathway*. An effective sequencing of actions is therefore important to enhance the likelihood of scale and sustainability being achieved.

▶ Some steps related to scaling *need to be enacted early in the process* (e.g. at the 'Proof of Concept' stage, or even earlier), such as forming a vision of scale (see *Good Practice Guide 2*), considering potential scaling pathways (see *Good Practice Guide 3*) and assessing scalability and sustainability (see *Good Practice Guide 4*).

▶ *The transitions between stages and between funding cycles* have to be carefully managed to avoid gaps occuring in the management or implementation of the scaling pathway. This is also true for when a funder exits from providing support, which is a key time of vulnerability for the sustainability and continued scaling of an innovation.

What Data / Information Do I Need?

For the Innovator:

▶ Establish early on (when defining the development problem to be addressed) what scale of impact is feasible should the innovation be successful. This vision of scale can then continue to be refined and adapted during the scaling process.

▶ Develop, for each stage of the scaling pathway, *clear metrics of impact and progress* in establishing favorable influencing factors and addressing those that represent barriers. These metrics will help establish whether the innovation is on track to achieve the desired impact, and provide the basis for adjusting the model. It will also enable the testing of *key assumptions* about actions taken along the scaling pathway.

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What Data / Information Do I Need? CONTINUED

▶ Over the course of the scaling pathway, innovators should consider when and how to:

- o sequence and/or combine **horizontal and vertical scaling**;

- o move from **grant financing** to loan/equity funding sources to secure more sustainable commercial financing;

- o go from **organizational expansion** to a **replication** or **collaborative** pathway;

- o bring in key public, private or not-for-profit **partners**.

For the Funder:

▶ Establish whether the innovator is approaching the sequencing challenge in an effective manner (using the criteria immediately above), and assess the changing needs of the innovator for **non-financial assistance** over the scaling cycle.

▶ Avoid **damaging gaps in financing or non-financing between awards or projects**, and consider when and how to move from funding through a dedicated innovation lab, platform or challenge fund to channeling support from the "mothership".

What Tools & Resources Can Help Me?

General Guidance on Sequencing Support

▶ MSI (2016) has developed a sequential **3-step/10-task planning and management approach for scaling innovations**. **LEARN MORE**

▶ UNDP (2013) has developed an approach to map the sequencing of horizontal and vertical scaling in its *"Guidance Note: Scaling Up Development Programmes"*. **LEARN MORE**

▶ Seelos and Mair (2016) have developed a framework that focuses on avoiding mistakes in the scaling pathway sequence. **LEARN MORE**
These mistakes include:
- o Never getting started
- o Stopping too early
- o Stopping too late
- o Innovating again too soon
- o Pursuing too many bad ideas
- o Scaling too little

Sequencing support for social enterprises and inclusive business

▶ Nesta's **innovation spiral** and related **innovation flow chart** (2013) provide guidance for sequencing

support through seven steps. The flow chart is particularly helpful since it analyzes the **resource needs, actions and goals appropriate for each step**, categorized in six dimensions:
- o special skills requirements
- o example activities
- o risk levels and handling
- o the financing required
- o the kinds of evidence gathered
- o the goal of each step

Sequencing support for Health innovations

▶ USAID's *'Pathways to Scale'* (2016) guide supporting **health product innovation and scaling** include a detailed path of sequenced steps, which overlap with the six Scaling Stages of the IDIA scaling architecture. Additional dimensions (such as **problem formulation, partnership opportunities, policy context and bottleneck analysis**) are also considered throughout. **LEARN MORE**

▶ WHO/ExpandNet (2010) have developed a **9-step approach** to sequencing the scaling up of innovations in the area of maternal and child health. **LEARN MORE**

Empirical Insights for Funders

▶ A ***deliberate and systematic approach*** to sequencing support along the scaling pathway is required; this doesn't mean that one should follow a fixed blue print, but rather that in "crossing the river by feeling the stones" it helps to have a framework to test and refine along the way.

▶ The sequencing of appropriate financing is especially critical for the success of the scaling pathway, in terms of assuring the appropriate financing amounts and instruments are applied at the different stages, and in terms of avoiding gaps in funding that might undermine sustainability and scalability.

▶ The ***end of donor funding cycles*** is always a time of high vulnerability and deserves to be considered from the very beginning of the funding process.

GOOD PRACTICE GUIDE 7

Sequencing Different Kinds of Support for Scaling

Plan for the most impactful sequencing of support along the scaling pathway

Measuring the Impact and Progress of Scaling

Measure progress and impact of the scaling process, and apply the learning

RELEVANT SCALING STAGE(S)

All stages (1-6) of the IDIA scaling architecture are relevant here.

GLOSSARY OF TERMS

A useful **Glossary** of key terms relating to impact measurement can be found in the paper *'Insights on Measuring the Impact of Innovation'* (IDIA, 2017).

Why Is This Good Practice?

▶ At all stages of the scaling process both funders and innovators need to know whether the innovation is having the expected **development impact**, *and* whether there is progress towards establishing an **effective scaling pathway**.

▶ A well-designed monitoring and evaluation process will provide valuable lessons around **what works and doesn't work**, as well as insights on what may have to be changed in terms of the original design of the innovation and/or scaling process.

▶ The demonstration of impact helps establish **credibility, ownership, demand,** and **political backing.**

What Data / Information Do I Need?

For the Innovator:

▶ Development impact at any given stage should be measured not only *in absolute terms* (e.g. total number of lives saved), but also in terms of **the percentage of the scale goal defined by the vision** (i.e., 25% of the scale goal as defined in the vision).

▶ Progress should be measured not only in terms of **impact**, but also with regard to whether the innovator is creating the right conditions for a **continued and sustainable scaling up process** (i.e. following the guidance in the Good Practice Guides 1-7)

For the Funder:

▶ Funders need to assess whether the innovators/ implementers have in place an effective **monitoring and evaluation process** meeting the above criteria.

▶ Funders will want to receive **periodic reports on impact and progress** based on the data that the innovator is collecting. Where there are multiple funding partners, the reporting requirement should be harmonized to minimize the burden on the innovator.

▶ Funders should consider providing grant support for the funding of monitoring and evaluation activities

What Data / Information Do I Need? CONTINUED

by the innovator, as the time and effort required for *effective data collection can be costl*y.

▶ Funders may want to *aggregate the impact results for their portfolio*, to determine whether they are making progress towards their own scale goals as an organization (again, expressed in absolute terms and

in terms relative to the funders' own vision of scale).

▶ Funders may also wish to measure the progress they themselves are making in terms of any *internal / institutional changes they have made* with a view to improving how they support innovations to scale.

What Tools & Resources Can Help Me?

Insights on Measuring the Impact of Innovation has been produced under the IDIA umbrella as a companion piece to the scaling architecture that these Good Practice Guides support. It contains a summary of *key challenges* funders face in measuring the impact of innovation, and provides a simple yet comprehensive architecture of *'leading' and 'outcome' indicators* for measuring impact on beneficiaries, scale and sustainability. It also includes a case study of an *Impact Projection methodology* developed by Grand Challenges Canada and Results for Development to help funders predict the potential impact of different innovations into the longer-term future.

Other helpful resources include:

▶ MSI's scaling toolkit (2012) provides guidance for *monitoring and evaluating the scaling process* as well as impact at scale. **LEARN MORE**

▶ ExpandNet's 2009 report on "Practical Guidance in Scale Up of Health Service Innovation" provides insights on appropriate monitoring and evaluation techniques when scaling up *health service innovations*. **LEARN MORE**

▶ MEASURE Evaluation/USAID (2015) provide a framework for designing and applying an approach for *monitoring and evaluating the success of a scale-up strategy*, using a health-focused case study. **LEARN MORE**

▶ In "Methods for evaluating delivery systems for scaling-up malaria control intervention" (2010), The London School of Hygiene and Tropical Medicine reviews *different evaluation methods* and proposes a framework that "is adaptable to natural experiments at scale, and can be applied using data from routine surveys such as the Demographic and Health Surveys, modified by the addition of one to two questions for each intervention." **LEARN MORE**

Empirical Insights for Funders

▶ **M&E is a critical function of innovation, and is important for both measuring the impact of *individual* innovations as well as the *platform* itself (by aggregating these).** Impact can and should be measured early in the scaling process (to predict success) and after actual outcomes have

been achieved (to determine the overall success of the innovation or platform). More closely aligning approaches to M&E among and within agencies will facilitate learning across innovation platforms and enable comparisons of return on investment.

▶ **M&E frameworks should be** *as simple as possible.* Many of those currently in operation are overly cluttered with indicators that in some instances actually obscured the impact of innovations. However, neither quantitative or qualitative frameworks alone will capture the success of innovation; *multi-method combinations* of quantitative and qualitative data are needed.

▶ **The core of all innovation M&E is the ultimate success of the innovations in terms of their impact on beneficiaries, at the heart of which is a measure of** *lives saved and improved.* However, because the impact of innovation is in the future,

data around lives saved and improved will need to be both measured and modeled. In addition, the funder will also need to be cognizant when measuring indicators such as 'policy / systems change' that these will often be the result of a multiple innovations working together, rather a single innovation alone.

▶ **In addition to** *impact on beneficiaries,* **other core domains that need to be addressed in the M&E of innovation include** *scale* **and** *sustainability.* The latter two in particular are deeply intertwined and will in practice share many overlapping indicators.

GOOD PRACTICE GUIDE 8

Measuring the Impact and Progress of Scaling

Measure progress and impact of the scaling process, and apply the learning

The International Development Innovation Alliance (IDIA)

GOOD PRACTICE GUIDES FOR FUNDERS
Scaling Innovation