# TOO TOUGH TO SCALE?

Challenges to scaling innovation
in the humanitarian sector

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## ABOUT ELRHA

Elrha is a leading actor in the humanitarian system focused on research and innovation. We improve outcomes for people affected by crises by ensuring that humanitarian practice is based on evidence of what works, and that the tools and techniques used are continually improved through innovation.

We fund and support research and innovation projects around the world, working in partnership with a range of actors in the humanitarian ecosystem to tackle the most complex humanitarian challenges.

Elrha's Humanitarian Innovation Fund (HIF) supports organisations and individuals to identify, nurture and share innovative and scalable solutions to the challenges facing effective humanitarian assistance.

www.elrha.org

## SUGGESTED CITATION

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Research undertaken by Spring Impact – a non-profit consultancy focused on the challenge of scaling social impact. They aim to create a wider ecosystem to enable and support scale across a range of sectors.

Editing by Good Problems team at Science Practice – a research and design consultancy that works with foundations to help them identify and prioritise important problems and design effective innovation programmes.

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# CONTENTS

# FOREWORD

Taking innovation effectively to scale has been a (if not the) critical challenge for the global humanitarian innovation community to address.

The sector has identified a clear need to move beyond the plethora of successful early-stage innovations and develop ways to systemically enable innovation at scale. A scant evidence base on supporting scale, as well as a shortage of technical tools and capabilities, represents a key learning gap for the sector.

While scale can and has been differently defined and understood, for Elrha scale means:

> "Building on demonstrated successes to ensure that solutions reach their maximum potential, have the greatest possible impact, and lead to widespread change."[1]

Elrha has been at the forefront of supporting humanitarian innovation for ten years, funding over 150 humanitarian organisations to develop, test and scale many highly impactful innovations. Since 2016, we have been tackling the challenge of scale head-on. We have delivered a dedicated three-year initiative funded by the Netherlands Ministry of Foreign Affairs called Accelerating the Journey to Scale, which is building a body of evidence and learning on scale. This initiative has focused on one particular scaling pathway, where support for growing the innovating organisation itself is the strategy for going to scale.

We are now well positioned to share our insights and learning from this experience with the sector at large. This report is the first in a series of papers, case studies, tools and guidance on how to effectively support humanitarian innovation to scale.

Grounded in our operational work, portfolio, and approach to supporting innovation to scale, this report outlines the discrete problems or 'barriers' to scale in the humanitarian system, with specific 'calls to action' for how these can be addressed. In addition to our own experience, we draw on the insights of other humanitarians, the development sector, and the field of social innovation, to offer a set of key questions for groups of humanitarian actors which provide fresh lines of enquiry beyond the overall recommendations made.

Innovators looking to scale their projects in the humanitarian sector face a complex set of barriers and constraints at operational and systemic levels. While operational barriers are being overcome with focused effort and support, the more systemic barriers to scale remain significant and intractable. This report highlights these more systemic barriers, many of which we cannot tackle alone.

Through targeted calls to action, we actively encourage others to work with us to better understand and support humanitarian innovation to scale and achieve transformative change for the sector.

**We look forward to what we can achieve together.**

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1    Elrha, 'Developing an approach to scale.' [webpage], 2018, http://www.elrha.org/hif/innovation-resource-hub/hif-video-clips/accelerating-journey-scale/, (accessed 18 September 2018).

# ACKNOWLEDGEMENTS

# GLOSSARY

**ACCELERATOR**
A fixed-term, cohort-based programme designed to accelerate the growth of participating innovations, typically including investment, connections and support.

**ADOPTION**
Where an independent organisation takes on another organisation's innovation and implements it in a new location. Also referred to as **uptake.**

**CORE FUNDING**
Financial support that covers basic 'core' organisational and administrative costs of an organisation, including salaries, facilities, equipment, communications and the direct expenses of day-to-day work.

**ENDGAME**
A description of how an innovation's impact might be sustained in the long term (25 years or more), often including a best guess at what an organisation's operations will need to look like to achieve this.

**DEVELOPMENT AID**
"Responds to ongoing structural issues, particularly systemic poverty, that may hinder economic, institutional and social development in any given society, and assists in building capacity to ensure resilient communities and sustainable livelihoods."[2]

**DIFFUSION**
An approach to scale where the innovator creates and publishes resources to enable an independent other to implement the innovation in a new location.

**UN-EARMARKED FUNDING**
Funding that is not reserved for a specific purpose, where the organisation can determine how it is used.

**HUMANITARIAN AID**
"Save lives, alleviate suffering and maintain human dignity during and after man-made crises and disasters caused by natural hazards, as well as to prevent and strengthen preparedness for when such situations occur"[3]

**IDEATION**
The process of generating and developing new ideas.

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2    Humanitarian Coalition. 'From Humanitarian to Development Aid', [webpage], 2018,  http://humanitariancoalition.ca/from-humanitarian-to-development-aid, (accessed 18 September 2018).

3    Development Initiatives. 'Defining Humanitarian Assistance', [webpage], 2018, http://devinit.org/defining-humanitarian-assistance/, (accessed 18 September 2018).

**INNOVATION**  We use the HIF–ALNAP definition of innovation as "an iterative process that identifies, adjusts, and diffuses ideas for improving humanitarian action."[4]

**PILOT**  The process of implementing an innovation to test whether it is successful and iterating to increase impact and efficiency.

**REPLICATION**  Taking an organisation's structure, systems, and processes; innovation; programme; or set of core principles to other geographic areas. Replication can be within or outside an organisation.

**SCALE**  Building on demonstrated successes to ensure that solutions reach their maximum potential, have the greatest possible impact, and lead to widespread change.

**SCALABILITY**  The extent to which an innovation has the potential and ability to scale.

**SCALE STRATEGY**  The coherent set of planned actions that allow an organisation to overcome barriers and successfully scale the impact of an innovation.

**SUSTAINABILITY**  The extent to which the impact of humanitarian or development work can be continued over the long-term. This definition goes beyond how a programme or service will be funded and considers the different end games.

**SOCIAL SECTOR**  Organisations primarily motivated by generating social impact.

**UPTAKE**  See **adoption**

**USER-CENTRED DESIGN**  An approach to developing new innovations and programmes where the end user's characteristics, environment, and needs are at the centre of each stage of development.

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4   A. Obrecht and A. T. Warner, 'More than just luck: Innovation in humanitarian action', London, ALNAP/ODI, 2016, p. 6, https://www.alnap. org/system/files/content/resource/files/main/hif-alnap-2016-innovation-more-than-luck.pdf, (accessed 18 September 2018)

# EXECUTIVE SUMMARY

Over the past decade, the humanitarian sector has started to invest more heavily in innovation, seeking new and more efficient solutions to humanitarian crises. Elrha established its pioneering Humanitarian Innovation Fund in 2011, responding to the sector's need for more innovative approaches to aid delivery, and advocated strongly for an increased focus on humanitarian innovation, including at the World Humanitarian Summit in 2016. More recently, innovation units have become commonplace in the large agencies that dominate the sector, while innovation-focused incubators and funding initiatives continue to emerge. While this is an overwhelmingly positive trend, investment in research and development in the humanitarian sector remains low compared to other sectors;[5] the best effort to quantify spending to date on research and development identifies it at less than 0.2%.[6]

Given the increased investment in humanitarian innovation, however, we may expect to start seeing significant numbers of innovations beginning to achieve scale. Although we are seeing some examples of innovations that are scaling or have scaled, in the main this is not the case. This is because:

> There are significant barriers to scale in the humanitarian sector which are inhibiting innovations reaching their full potential. These barriers increase the time, effort and financial investment required to scale, and are preventing the type of transformative change we want to see.

The need to address these barriers is therefore critical. Not only does the humanitarian system urgently require the development of robust new solutions to make limited resources more effective, but it also needs to ensure that the limited resources targeted at innovation are used effectively and achieve the expected impact.

This report presents the key **barriers to scale** at both an **operational and systemic level**. These are grouped into **five broad challenge areas** for clarity. At the end of each challenge, we describe how the humanitarian sector is currently tackling the challenge and give clear **calls to action** for key humanitarian actors at both operational and systemic levels. We end each challenge with a **set of questions to reflect on**.

# CHALLENGE AREAS & BARRIERS

## 1
**Too few humanitarian innovations are geared to scale**

Innovations don't always address the right problem

Scalability is often insufficiently considered during the early stages of innovation development

## 2
**The humanitarian sector has insufficient embedded knowledge and skills for supporting innovations to scale**

The sector does not understand or use the full range of scale strategies available

The sector does not yet have hands-on capability for supporting or enabling innovation to scale

## 3
**There is a lack of appropriate and adequate funding for scaling innovation in the sector**

Supporting an innovation to scale can be expensive and relatively high risk, which deters many donors from long-term financing

Funding in the humanitarian sector is generally inflexible and short-term

Core funding, particularly for smaller organisations, is hard to secure, so investment in the organisational capacity to scale is limited

## 4
**There is insufficient evidence of the impact of humanitarian innovations**

Evaluation of an innovation's impact is sporadic

There is a lack of baseline data demonstrating the effectiveness of current practice

The sector lacks both in-depth and sector-wide evaluations of humanitarian innovation

## 5
**The humanitarian ecosystem significantly frustrates efforts to scale humanitarian innovation**

Uptake of innovation in the sector can often be stifled due to the underlying incentive structure

There are a lack of markets that would exist in other contexts

A fully functioning ecosystem for humanitarian innovation is missing

The report concludes that:

> there has been significant progress on overcoming operational barriers to scale, but very little action is being taken to address the more complex, systemic barriers.

To achieve **transformative change**, we need to address the key **systemic barriers**. These systemic barriers remain significant and intractable. To date there has been little or no action to tackle these. Moreover, they can only be addressed through collective action and collaboration.

The report's **Calls to Action** highlight the most pressing priorities for scale. It concludes that we urgently need:

1. Funding structures to support innovation. We are calling on **donors** to:

    a. Make every effort to increase the level of core or unrestricted funding available in the sector, particularly for smaller organisations

    b. Ensure funding can be made available for evaluations – both for evaluations of current best practice approaches to provide a baseline, and for post-innovation funding assessment of an innovation's impact

    c. Provide more longer-term funding to support innovations

2. Structural adjustments to the humanitarian architecture. We are calling on **donors** and **global innovation actors** to collectively define:

    a. Pathways and incentives to enable humanitarians to mainstream the adoption of innovations into their programmes

    b. What we can adopt/adapt from the for-profit innovation architecture

    c. How we move toward more investment-style behaviours

    d. What individual roles are required to sustain an environment for investing and co-investing?

3. Enhanced knowledge and insight. We are calling on **innovation hubs/labs/accelerators** and **global innovation actors to:**

    a. 'Test out' as yet untested pathways to scale and share case studies and insights thereby building on our hands-on experience

    b. Research and publish how many innovations that receive funding and technical support at an early stage progress to achieve scale

    c. Conduct more cross-portfolio impact evaluations, particularly looking at the impact of innovations over time

## ELRHA'S COMMITMENT

To show our commitment to addressing both operational and systemic issues, Elrha commits to continue to tackle more complex challenges, pushing the boundaries of our understanding and experience. We will continue to share best practice on how to scale. We will also work with our portfolio of innovation teams to ensure that, at the appropriate time, we produce high quality challenge briefs, increasingly robust impact assessments, and solid, detailed scaling and sustainability plans.

In addition to this, we will work with others in the sector to start to tackle some of the tough systemic barriers that we need to overcome if innovation is to achieve truly transformative change. We will work with key donors to develop a consistent and coherent approach to funding stages and risk management across the sector. We will also collaborate with the largest humanitarian organisations, and particularly gatekeepers or key decision makers, to better support this route to market for innovators.

# METHODOLOGY

This report seeks to provide a snapshot of the current state of scale in the humanitarian sector and the challenges we collectively need to address. Our aim is to share our experience of scale in the humanitarian context and act as a primer to stimulate further action and debate.

## SOURCES OF INSIGHT

This report draws on three main sources of insight. Firstly, it is grounded in data, experiences and perspectives drawn from Elrha's Humanitarian Innovation Fund's (HIF) work and innovation portfolio, and particularly its initiative on Accelerating the Journey to Scale. The HIF has wide-ranging experience of funding and supporting over 150 humanitarian organisations and their partners to develop, test and scale innovations that aim to improve the effectiveness of humanitarian response.

Secondly, it is informed by research on scaling humanitarian innovation conducted by Spring Impact between December 2017 and March 2018, which was commissioned by Elrha. This research was qualitative in nature and included:

- a desk-based literature review

- semi-structured interviews with 23 experts from across the humanitarian sector, including people from (I)NGOs, innovation hubs/labs/accelerators, donors, research organisations, global innovation actors and the HIF Accelerating the Journey to Scale grantees (a full list of experts consulted can be found in the appendix).

Thirdly, this has been supplemented by Spring Impact's own knowledge and practical experience of directly supporting over 120 organisations to scale.

## LIMITATIONS

There are limited resources and scant literature specifically on scaling in the humanitarian sector, and there is no consensus on what scale in the humanitarian context means. While the research also draws on lessons from other sectors, the small amount of humanitarian-specific literature to draw from presents limitations for observations and recommendations made.

# DEFINING SCALE AND PATHWAYS TO IMPACT

Elrha's Humanitarian Innovation Guide[7] sets out our model of the innovation process in the humanitarian sector. This process is based on our experience and an extensive literature review.



RECOGNITION → SEARCH → ADAPTATION / INVENTION → PILOT → SCALE
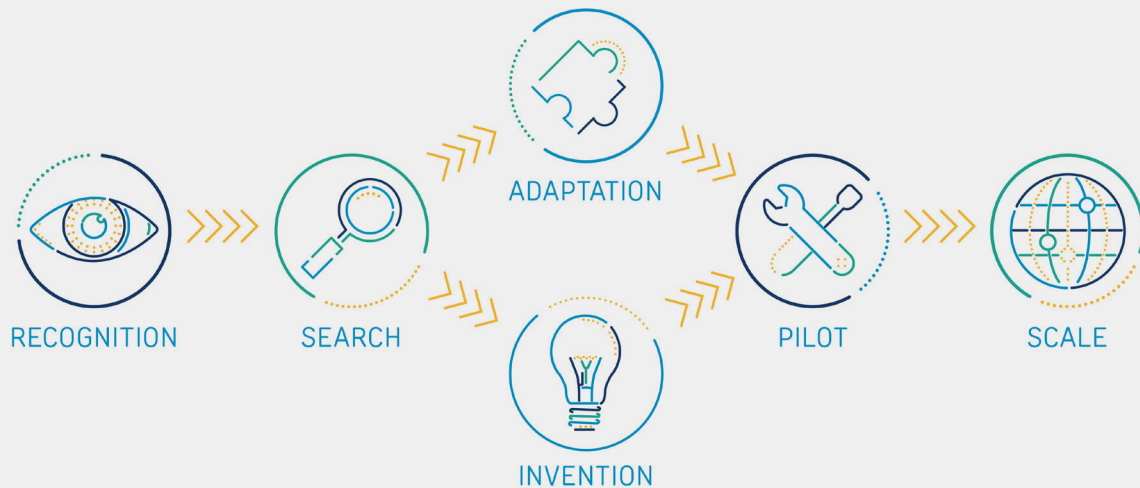
Scale is a broad concept that lacks a universal definition. This report uses Elrha's definition of scale, which emphasises expanding an innovation's impact to its maximum potential, rather than focusing only on growing an innovating organisation's operations. For Elrha, scale is defined as:

"Building on demonstrated successes to ensure that solutions reach their maximum potential, have the greatest possible impact, and lead to widespread change"[8]

This definition is in line with the way Spring Impact views scale, as:

"Increasing the impact of an innovation to better match the size of the social problem it seeks to address."

Neither of these definitions sets out a numerical target for scale – in all cases – to be achieved. It instead emphasises the extent to which the innovative solution and associated changes address the problem identified. This is important because it defines scale as relative to the impact we set out to achieve.

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7    Elrha, Humanitarian Innovation Guide, [website], 2018, https://higuide.elrha.org/toolkits/get–started/innovation–process/, (accessed 18 September 2018).

8    Humanitarian Innovation Fund, 2018. 'Developing an approach to scale', [webpage], 2018, http://www.elrha.org/hif/innovation–resource–hub/hif–video–clips/accelerating–journey–scale/, (accessed 7 August 2018).

There are multiple ways in which an organisation can achieve scale. Different pathways are set out and discussed in the literature on scale under different categories and names.[9,10] This report uses Elrha's Pathways to Impact Framework as a structure within which to situate our discussion of scale.

## PATHWAYS TO IMPACT FRAMEWORK

The Pathways to Impact Framework outlines three core ways Elrha can support an innovation to scale and achieve its full impact and potential. These are:

- **Through policy and guidance or practice standards:** This requires close collaboration with key decision-makers from an early stage to ensure we can influence them to adopt the changes into policy and practice guidelines.

- **Through adoption by others:** This could be demand-driven by the communities we seek to support, humanitarian mechanisms (e.g. clusters) or key donors to humanitarian assistance. The adoption of more systemic changes, such as cash programming, gain significant traction through demand driven by donors and sector-wide actors (for example the Grand Bargain). Adoption can also happen through encouragement or advocacy of 'what works' to others in the sector who then elect to adopt it.

- **Direct implementation by originating organisation:** This pathway supports innovators who are themselves directly implementing or using the new innovation to scale their operations, either directly or through a franchise or partnership model where they retain a degree of control. Elrha's Accelerating the Journey to Scale initiative supports innovators in this category.

The pathways are not mutually exclusive – in many instances more than one pathway or a hybrid approach will need to be pursued. Innovation is a complex and non-linear process – approaches are often adapted and changed as the innovation evolves. The Pathways to Impact Framework is a simple conceptual model that attempts to demystify scale and draws on established wisdom from social entrepreneurs and researchers, combined with Elrha's hands-on experience. Within each pathway, multiple variations exist, and in reality each innovation will be different and will have its own unique pathway(s) to impact.

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9   For an alternative framework and a more detailed breakdown of different scale strategies, see: The Fuqua School of Business, 'Approaches to Scaling Social Impact', [webpage], 2006, https://centers.fuqua.duke.edu/case/wp-content/uploads/sites/7/2015/02/Presentation_Kalafatas_ApproachesToScalingSocialImpact_2006.pdf, (accessed 18 September 2018).

10   Spring Impact categorises scale strategies into direct and indirect. Direct forms of scale is when an organisation increases impact by enhancing its product or service offering and indirect is when an organisation increases impact by indirect influence or working with others. Replication, which is defined as an organisation enabling others to deliver their proven model, is a combination of direct and indirect.

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PART ONE

# SCALE IN THE HUMANITARIAN SECTOR

# 1.1 BARRIERS TO SCALE ARE DAMPENING THE EFFECTS OF INCREASED INVESTMENT IN INNOVATION

The humanitarian sector has started to invest more heavily in innovation in recent years, seeking new and more efficient solutions to humanitarian crises. Elrha established its pioneering Humanitarian Innovation Fund in 2011 and advocated strongly for an increased focus on humanitarian innovation, including at the World Humanitarian Summit in 2016. More recently, innovation units have become commonplace in the large agencies that dominate the sector, while innovation-focused incubators and funding initiatives continue to emerge. There has also been a slow but steady increase in the sector's engagement with domestic innovative and 'tech' communities, such as the hugely dynamic innovative community in Nairobi, as well as increasing engagement by the private sector at the multi-national level. The sector has been trying to emulate the success and draw on the methodologies of other sectors, especially private sector industries such as information technology. This has led to interest and investment from private companies like Google and Deloitte. Innovative financing approaches such as impact investing are also being actively explored but remain in a relatively nascent stage. With such a growth in interest and activity, the number of actors engaging in innovation activity is rapidly increasing, in turn increasing the need for the Global Alliance for Humanitarian Innovation (GAHI) which was established in 2017 with a remit for effective coordination.

Despite this positive trend, spend on research and development in the humanitarian sector remains low compared to other sectors;[11] the best effort to quantify spending to date identified that current spend was less than 0.2%.[12] By comparison, the UK government is targeting an investment of 3% of GDP in research and development to drive productivity growth in the UK.[13]

This positive increase in spend is also very recent, and we know that scaling innovation takes time. As Triple Line notes in their independent evaluation of Elrha's HIF (2017):

"...humanitarian innovations may take years to foster large scale, 'transformational' or 'disruptive' changes in the humanitarian system."[14]

We would go further and say some innovations currently take decades to scale. Cash transfer programming is a prime example of this.

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11  By 'research and development' we specifically mean activities oriented towards the development and testing of solutions and approaches to humanitarian problems, including innovation activities and empirical research.

12  Deloitte and World Humanitarian Summit, 'The Humanitarian R&D Imperative: How other sectors overcame impediments to innovation', 2015, https://www2.deloitte.com/content/dam/Deloitte/global/Documents/About-Deloitte/dttl_cr_humanitarian_r&d_imperative.pdf, (accessed 18 September 2018).

13  The Royal Society, 'Investing in UK R&D', https://royalsociety.org/~/media/policy/projects/investing-in-uk-r-and-d/investing-in-UK-R-and-D-07-11-2017.pdf, (accessed 18 September 2018).

14  IPE Triple Line, 'The Humanitarian Innovation Fund External Evaluation', 2017, p.14, http://www.elrha.org/wp-content/uploads/2017/09/HIF-Evaluation-submitted.pdf, (accessed 18 September 2018).

## CASH TRANSFER PROGRAMMING

At the turn of the millennium, cash transfer programming (CTP) was rare but is now one of the main tools used by humanitarian agencies. In 2016, an estimated $2.8bn in humanitarian assistance was disbursed through cash and vouchers, approximately 10% of the global humanitarian budget.[15,16] When used appropriately, cash provision represents good value for money, supports local markets and gives people both greater control over how their needs are met and a greater sense of dignity.[17]

Much of CTP's success is attributed to the work of the Cash Learning Partnership (CaLP), formed after small-scale pilots during the 2004 Indian Ocean Tsunami indicated it could be a suitable tool.[18] The CaLP has developed the evidence base, designed training and tools to build the sector's capacity to deliver quality cash programmes, raised awareness of how it can be used appropriately and advocated to keep CTP at the top of policy agendas.[19] The CaLP however had a strong base to develop its evidence and support from. Prior to 2004, CTP already had ten years' worth of evidence from small-scale experiments and a number of reviews that brought it to the attention of senior figures in mainstream agencies.[20]

CTP's journey illustrates the potential for scaling humanitarian innovations, but there is still a frustration that growth has not been faster. Organisations like CaLP highlight the sector's inertia and reluctance to fully embrace the disruptive potential of cash.[21]

While some of the earlier innovations Elrha supported, such as MedBox, are achieving significant success at scale, many more are still in progress.

## MEDBOX

MEDBOX is an innovative online library aimed at improving the quality of healthcare in humanitarian action, worldwide. Humanitarian health workers around the world access MEDBOX in real-time to get relevant and up-to-date medical literature. MEDBOX collates the increasing number of professional guidelines, textbooks and practical documents on health action. Created by the Medical Mission Institute in Wuerzburg with funding from Elrha's Humanitarian Innovation Fund, the tool was launched in 2013.

Since then, thematic toolboxes have been developed for special needs such as cholera, or Typhoon Haiyan. Specific information is available for 25 countries. By 2017, 10,600 documents had been made available, and viewed by 590,000 visitors from 192 countries with 2.8 million downloads.

15  Cash Learning Partnership, 'The State of the World's Cash Report: Cash Transfer Programming in Humanitarian Aid', 2018, http://www.cashlearning.org/downloads/calp-sowc-report-web.pdf. (accessed 18 September 2018).

16  Given that the figures for total humanitarian assistance and amount disbursed through cash and vouchers are compiled from different sources, they may not be perfectly comparable.

17  Overseas Development Institute, 'Cash transfer programming and the humanitarian system', 2015, https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9592.pdf. (accessed 18 September 2018).

18  Cash Learning Partnership, 'A Review of Cash Transfer Programming and the Cash Learning Partnership (CaLP): 2005 – 2015 and Beyond', April 2014, http://www.cashlearning.org/downloads/calp-review-web.pdf. (accessed 18 September 2018).

19  Ibid

20  J. Bessant, 'Case Study: Cash-Based Programming in the Food Assistance Sector', 2015,  https://assets.publishing.service.gov.uk/media/57a08978e5274a31e00000cc/Cash-based-programming-in-the-food-assistance-sector_Case-study-MIHIS-project-FINAL.pdf. (accessed 18 September 2018).

21  P. Harvey, 'Cash Transfers: only 6% of humanitarian spending – what's the hold up?', The Guardian, 22 January 2016, https://www.theguardian.com/global-development-professionals-network/2016/jan/22/cash-transfers-only-6-of-humanitarian-spending-whats-the-hold-up. (accessed 18 September 2018)

As Elrha's portfolio of humanitarian innovations matures, we anticipate more projects achieving success at scale. Without a doubt, time will always be a crucial factor contributing to scaling innovation in the humanitarian sector, however we hope through this report and the recommended actions we can encourage the emergence of a more conducive environment that supports more efficient routes to scale.

Best practices around planning for scale and growing a supportive environment for scale, while starting to emerge, are not yet sector-wide. Growth is still slow and the route to scale is often unclear. In short, there is broad recognition in the sector that the creation or invention of solutions has been supported at the expense of sufficient attention to how to scale them.

There are also significant systemic barriers to scale in the humanitarian sector which tend to lead to innovations taking longer to scale and needing more time and therefore financial support to achieve scale. These systemic barriers are preventing the type of transformative change we want to see as a result of innovation in the sector.

Innovation in the global development and social sectors is more mature with fewer systemic barriers to scale. Unsurprisingly then, these sectors have more success stories of innovators scaling their impact. Humanitarians can learn from these adjacent sectors, although it is important to bear in mind that the humanitarian sector faces unique and significantly intransigent barriers to scale. This is explored in more detail in Challenge 5.

# 1.2 HUMANITARIAN ACTORS WHO SUPPORT SCALE

In recent years, a growing and increasingly diverse cross-section of humanitarian actors have started to actively address how to take innovations to scale. For the purpose of this report, these different actors can be grouped into five functional roles:

1. **Innovators** create scalable innovations

2. **(I)NGOs** implement others' scalable innovations as well as developing their own

3. **Donors** fund scaling pathways

4. **Innovation hubs/labs/accelerators** support innovators

5. **Global innovation actors** develop the humanitarian innovation ecosystem

Table 2 – Examples of humanitarian actors

| | |
|---|---|
| **INNOVATORS** | Field Ready |
| | Translators without Borders |
| | Panzi Foundation |
| **(I)NGOS** | Save the Children |
| | Oxfam |
| | Médecins Sans Frontières |
| **DONORS** | UK Department for International Development (DFID) |
| | Netherlands Ministry of Foreign Affairs |
| | Foundations (eg, Gates, Rockefeller) |
| **INNOVATION HUBS / LABS / ACCELERATORS** | Elrha's Accelerating the Journey to Scale initiative |
| | World Food Programme – Innovation Accelerator |
| | Response Innovation Lab (RIL) |
| **GLOBAL INNOVATION ACTORS** | Elrha's Humanitarian Innovation Fund |
| | Global Alliance for Humanitarian Innovation (GAHI – Global Coordination) |
| | Grand Challenges Canada |

# 1.3 HOW ELRHA SUPPORTS SCALE

Elrha has a unique role in enabling and supporting promising humanitarian innovations to scale:

- Our experience as a pioneer funder and supporter of innovation in the sector is second to none. We understand what is needed to support innovations to scale and have developed a range of tools, methodologies, and non-financial support mechanisms to accompany our grant funding.

- We have extensive networks. We connect with thought-leaders, policy-makers and practitioners, donors, expert panels and advisers. These connections are essential for using our advocacy and convening capabilities and influence to achieve impact in the sector.

- We care deeply that humanitarian innovation is ethical, responsible and considered. We ensure the projects we support take full account of this approach.

Scaling innovation is hard. Often, change is needed at a systemic as well as an operational level, and a wide range of stakeholders and organisations need to adapt before the desired impact can be achieved. Elrha understands that greater rewards come from being able to work collaboratively to scale comprehensive solutions to complex problems than can be achieved by working alone. We have a track-record of supporting innovation within highly complex environments and we understand the importance of analysing the drivers of change within such contexts: this experience and the networks we have built up over time enable us to work effectively with and influence the work of diverse and multiple actors. Despite the complexity of scaling innovation in the humanitarian sector, there are still some standard approaches that can be useful. At Elrha, we apply the relatively simple framework described above (see page 13) to assess which pathway(s) are most suitable for each innovation we support. We then support projects with the activities they need to complete in order to scale, and directly carry out specific tasks where appropriate. We also work more broadly to build an ecosystem that supports scale.

## 1. Supporting projects

a. From the beginning of funding an innovation, we work with the innovating team to assess the most appropriate pathway(s) to scale and to ensure that the appropriate actions are built into the initial project plan. Our approach is tailored to the nature and needs of each innovation.

b. We then support the innovation teams as they progress to assess what's working and what needs to be adapted, and to ensure the focus remains solidly on achieving the desired outcomes and longer-term impact. Scale and sustainability remain a focus. We have developed a core set of tools and techniques to support teams in this endeavour.

c. This support can include assistance with communicating the activities of the innovating teams and the outcomes achieved. For example, we might help them communicate through video blogs, panel and workshop sessions at innovation events and conferences, or key stakeholder meetings and pitches to donors.

**2. Direct support to scale**

   a. Elrha directly supports innovations to scale through early and regular engagement with key influencers and decision makers at global and national levels, to ensure their involvement and commitment from the start.

   b. We draw out learning from our innovation portfolio and programmatic activity and identify synergies across the innovations we fund. We share these findings at conferences or in publications to build the knowledge base for the wider sector.

   c. We make connections and broker strategic partnerships, which are often instrumental for the success of innovation at scale.

**3. Building an ecosystem that supports scale**

Over and above supporting individual innovations, Elrha works at a more strategic, system-wide level to influence relevant humanitarian actors and enablers for scale. We do this by:

   a. Sharing our learning on how to support innovations to scale, for example, through our Humanitarian Innovation Guide.

   b. Addressing barriers to scale, for example, through sharing this report or directly in our funding programmes by coordinating activity and synthesising evidence against key thematic challenges.

   c. Advocating on the need for greater levels of spending on research and innovation, for example through our seat on the advisory Group of the Global Challenges Research Fund.

   d. Advocating for greater levels of coordination in the innovation ecosystem, for example through our input at the World Humanitarian Summit in 2016, which led to the creation of the Global Alliance for Humanitarian Innovation (GAHI), and through our Global Prioritisation Exercise mapping.[22]

Elrha's most clearly defined contribution to supporting scale in the humanitarian sector is our initiative on Accelerating the Journey to Scale, a unique and valuable collaboration with and funded by the Netherlands Ministry of Foreign Affairs, with a contribution from the UK Government (DFID). A synopsis of this initiative is provided below while detailed examples and learnings are highlighted throughout this report.

## ELRHA'S ACCELERATING THE JOURNEY TO SCALE INITIATIVE

Accelerating the Journey to Scale is a three-year initiative that helps promising innovations to scale, maximising their potential to improve the lives of people affected by crisis.

Three Accelerating the Journey to Scale 'winners' were selected by the HIF Funding Committee in September 2016: Panzi Foundation and Make Music Matter; Field Ready; and Translators without Borders. Each innovation team was awarded a £400,000 grant supplemented by a two-year non-financial support package involving technical expertise and one-to-one mentoring, tailored to each project and its scaling needs.

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22   Elrha, Global Prioritisation Exercise for Research and Innovation in the Humanitarian System. Phase One: Mapping, 2017, http://www.elrha.org/researchdatabase/global-prioritisation-exercise-research-innovation-humanitarian-system-phase-one-mapping/, (accessed 18 September 2018).

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This initiative places a strong emphasis on generating new learning and evidence relating to the journey to scale and has supported the publication of this report, and forthcoming case studies and other materials.

For more information on the Accelerating the Journey to Scale grantees, visit
elrha.org/hif/funding/journeytoscale/the-winners/

For more information on the initiative, visit
elrha.org/hif/funding/journeytoscale/support-package/

PART TWO

# 5 CHALLENGES TO SCALING HUMANITARIAN INNOVATIONS

# FIVE CHALLENGES TO SCALING HUMANITARIAN INNOVATIONS

In this section we describe the key barriers that prevent the humanitarian sector's ability to scale humanitarian innovations. These are grouped into five broad challenge areas for clarity.

At the end of each challenge, we describe how the humanitarian sector is currently tackling the challenge and give clear calls to action for key humanitarian actors at both an operational and systemic level. We end each challenge with a set of questions to reflect on.

## THE FIVE CHALLENGE AREAS ARE:

1. Too few humanitarian innovations are geared to scale

2. The humanitarian sector has insufficient embedded knowledge and skills for supporting innovations to scale

3. There is a lack of appropriate and adequate funding for scaling innovation in the sector

4. There is insufficient evidence of the impact of humanitarian innovations

5. The humanitarian ecosystem significantly frustrates efforts to scale humanitarian innovation

# CHALLENGE AREAS & BARRIERS

**Too few humanitarian innovations are geared to scale**

Innovations don't always address the right problem

Scalability is often insufficiently considered during the early stages of innovation development

**The humanitarian sector has insufficient embedded knowledge and skills for supporting innovations to scale**

The sector does not understand or use the full range of scale strategies available

The sector does not yet have hands-on capability for supporting or enabling innovation to scale

**There is a lack of appropriate and adequate funding for scaling innovation in the sector**

Supporting an innovation to scale can be expensive and relatively high risk, which deters many donors from long-term financing

Funding in the humanitarian sector is generally inflexible and short-term

Core funding, particularly for smaller organisations, is hard to secure, so investment in the organisational capacity to scale is limited

**There is insufficient evidence of the impact of humanitarian innovations**

Evaluation of an innovation's impact is sporadic

There is a lack of baseline data demonstrating the effectiveness of current practice

The sector lacks both in-depth and sector-wide evaluations of humanitarian innovation

**The humanitarian ecosystem significantly frustrates efforts to scale humanitarian innovation**

Uptake of innovation in the sector can often be stifled due to the underlying incentive structure

A lack of markets that would exist in other contexts

A fully functioning ecosystem for humanitarian innovation is missing

## CHALLENGE 1
# TOO FEW HUMANITARIAN INNOVATIONS ARE GEARED TO SCALE

Although many humanitarian innovations have been developed and piloted, not enough are ready to be scaled. Continued investment in the early stages of an innovation cycle which fails to routinely produce scalable innovations will undermine the value of investing in humanitarian innovation.

We have identified two key barriers that reduce the number of scalable innovations with potential for high impact:

- **Barrier 1**: Innovations don't always address the right problem

- **Barrier 2**: Scalability is often insufficiently considered during the early stages of innovation development

## BARRIER 1
## INNOVATIONS DON'T ALWAYS ADDRESS THE RIGHT PROBLEM

Elrha's experience shows that addressing the right problem is at the heart of a successful pathway to scale. Gaining a deep and insightful understanding of the problem is crucial, and the more time spent on understanding the problem, the less the likelihood of developing an inappropriate solution. Effective engagement with people affected by crisis is essential to be able to fully understand the problem and solution required. More detail on this is set out in the problem recognition section of our Humanitarian Innovation Guide at higuide.elrha.org/toolkits/recognition/

From Elrha's portfolio, Field Ready,[23] provides a strong example of emerging good practice on how to engage people affected by crisis in problem diagnosis and innovation from the beginning. They are a non-profit organisation aiming to transform humanitarian supply chains by making products when and where they are needed, using local labour and materials on hand in crisis-affected contexts. Field Ready works directly with affected populations to ensure viable products are developed that better meet their needs. Usamah, a Syrian displaced by conflict, was hired by Field Ready to support their response to the Syrian crisis. When asked what motivated him to work with Field Ready, he replied:

> "The idea that humanitarian supplies can be made in the field, using modern technology to make products that help people who are suffering from crises. That's exactly what my people need nowadays. It's like I found my passion for making things and inventions with Field Ready. What is impressive when we work together is that we deal with each other like a family, and that's really great."

For more information about Field Ready, see their project profile elrha.org/map-location/fieldready-scale/

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23 Eric James, interviewed by Spring Impact, 12 January 2018.

Innovations designed away from their operational context are also less likely to consider how to use and work within local markets and systems. This is particularly important for crisis-affected settings. Factoring in the local ecosystem can increase the chance of sustainability for the innovation in the longer-term. Again, Field Ready have demonstrated the benefits of working with local markets. In Nepal they partnered with others, including World Vision, to increase the capacity for digital manufacturing within aid agencies, local makerspaces, and local entrepreneurs by training and equipping local makers. Products manufactured locally include medical parts, water pipe connectors and cookstoves. Local producers, such as Zener Technologies, run by Ram, who started out as a trainee on this programme, is now commissioned to create products by aid agencies and others. In this way, the local community have not only found new income generation opportunities but are also able to respond to gaps in the supply chain in the early stages of a humanitarian response, thus increasing community resilience.

Field Ready adapts their innovation approach to the context "because the people you want to design, make, implement and use the solution have different capabilities, ways of working etc."[24] The approach is also adapted to suit humanitarian realities; while the engagement of local capabilities will always be there to some extent, there are instances where the ability to engage local people is more limited – for example as part of some rapid emergency deployments. Good practice, therefore, is not a one-size-fits-all approach, but rather a flexible approach to suit the circumstances, underpinned by the core principle of involving local capabilities.

Another area of emerging good practice comes from the use of user-centred design approaches, now starting to gain traction in the humanitarian sector. From Elrha's portfolio, we can look at the example from the user-centred design challenge we ran in 2017 to incorporate community perspectives into the design of sanitation facilities in the early stages of rapid-onset emergencies.[25] Although this approach is still quite new to the sector, it is starting to be better understood.

The sector is seeing more humanitarian actors working directly with affected populations and highlighting local ownership and user participation as underlying principles to how they work, recognising these as crucial in developing impactful innovations. A few are actively pushing this agenda. For example, Rethink Relief led a consortium to develop a customisable gender-based violence curriculum that engages refugees in the design process[26] and UNHCR has published a report showcasing case studies of bottom-up innovation in refugee settings.[27] The Start Network has created a localised network of humanitarian actors, including non-traditional actors, to create a more supportive environment for locally based humanitarian innovation capacity.[28]

Despite these positive examples, those we consulted in the sector believe these principles are not always executed in practice, resulting in some innovations still being designed away from the problem, without the input from affected communities. During one of the interviews for this report, this issue was described as "solutions in search of a problem, rather than the reverse".

24  Dan Butler, interviewed by Spring Impact

25  See Humanitarian Innovation Fund, 'Challenge: User Centred Sanitation Design Through Rapid Community Engagement', [webpage], http://www.elrha.org/hif/funding/water-sanitation-hygiene-wash/challenges/rapid-user-driven-sanitation-challenge/, (accessed 18 September 2018).

26  Humanitarian Innovation Fund, 'Addressing GBV Through Refugee-Led Innovation', 2016, http://www.elrha.org/researchdatabase/final-report-addressing-gbv-refugee-led-innovation/, (accessed 18 September 2018).

27  UNHCR, 'What is bottom-up innovation?', [webpage], 2015, http://www.unhcr.org/innovation/what-is-bottom-up-innovation/, (accessed 18 September 2018).

28  The Start Network is made up of 42 aid agencies that aim to deliver more effective emergency aid. For more information go to https://startnetwork.org/

Interviewees also flagged the lack of diversity, both in terms of who sets the agenda and who receives the funds. This is confirmed by Elrha's Global Prioritisation Exercise for Research and Innovation in the Humanitarian System, which found that in 2016–2017, the vast majority of both research and innovation funders and funding recipients were headquartered in Europe and North America.[29] However, many recipients of innovation funding partner with organisations who are based in and work directly with affected communities in emergency settings. These innovators also connect up to local and national organisations in context or recruit local staff. The impetus for a funding application may well be bottom-up from practitioners working with communities at local level through to an organisation's headquarters.

Funding received by Europe or North American based INGOs does not necessarily then lead to a lack of local input. From Elrha's portfolio, a good example of this comes from the Panzi Foundation and Make Music Matter's Healing in Harmony project. Using music therapy, the programme rehabilitates the survivors of sexual violence in Rwanda and the Democratic Republic of Congo, to reintegrate them back into society and to prevent ongoing abuse from taking place. Panzi USA partnered with Panzi Democratic Republic of Congo (DRC) to effectively act as the funding conduit. The project was nevertheless absolutely grounded in the issues and local context in the DRC.

For more information about Panzi Foundation and Make Music Matter, see their project profile elrha.org/map-location/panzi-scale/.

While the picture is nuanced, there are still instances of ill-thought-through, top-down innovation processes resulting in innovations that do not address real problems as lived and experienced by real people. This presents an opportunity-cost to the sector: scarce funds for innovation could have been better spent on innovations that are able to achieve real impact.

Spring Impact's reflections on their experiences of scaling in the development and social impact sectors also mirror the importance of proper contextualisation of an innovation at the ideation stage. Only through doing this can the innovator identify the aspects of the innovation that must be flexed and co-designed with recipient communities, rather than standardised, when implemented at scale. Across Spring Impact's past and present clients, co-production of an innovation with affected populations features regularly, though it is hard to assess to what extent this is an issue in these sectors. There are certainly some organisations in the development sector such as IDEO.org that are pushing for even more inclusive design processes, using concepts like human-centred design to better address difficult development issues.

## BARRIER 2:
## SCALABILITY IS OFTEN INSUFFICIENTLY CONSIDERED DURING THE EARLY STAGES OF INNOVATION DEVELOPMENT

Scalability refers to an innovation's potential and ability to be scaled. It should be acknowledged that not all innovations are suitable for scale – some are only appropriate to a local context, and the innovator may have no ambition to scale the innovation further. Of course, in instances where the impact is always going to be limited, the investment should be commensurate. Outside these examples, where scale is a reasonable ambition, and where investment is needed, Elrha's experience suggests that success at scale is more likely when scalability is considered from the outset, even though in practice the scaling strategy may pivot and adapt through the innovation cycle.

29  Elrha, Global Prioritisation Exercise for Research and Innovation in the Humanitarian System. Phase One: Mapping, 2017, http://www.elrha.org/researchdatabase/global-prioritisation-exercise-research-innovation-humanitarian-system-phase-one-mapping/, (accessed 18 September 2018).

In part, this is because considering routes to scale early on influences activities and partnerships, and therefore influences the options open to an innovator. It also moves the focus away from outputs to the intended outcomes of the innovation.

Gugelev and Stern's concept of 'endgames' for how an innovation's impact is envisioned can be a helpful framework to use here, although not designed specifically for the humanitarian sector.[30] They argue, for example, if government adoption is the endgame then the innovation must be designed with high coverage potential and the capacity for integration into public sector systems and programmes. Efficiency and cost-effectiveness will be important to convince government stakeholders and make the case for public sector involvement, as will delivering results and outcomes at scale. The innovation would therefore need strong monitoring and evaluation systems from the start.

Our research across the humanitarian sector indicates that the question of scalability is being de-prioritised at the ideation stage, with focus instead on the development of creative solutions. Designing simple solutions runs counter to what one expert shared is a culture that "rewards braggadocio and creativity."[31]

Practitioners consulted also expressed frustration that many in the sector continue to believe that only product innovations could be scaled. Our Humanitarian Innovation Guide outlines four broad types of innovation,[32] each of which can be scaled:

- Product/service innovation – a change in what is offered

- Process innovation – a change in how a product or service is created or delivered

- Position – a change in how a product or service is targeted and delivered

- Paradigm – a change in the underlying mental models that govern our approach

Plumpy'Nut, a fortified peanut-based paste that revolutionised the treatment of severe acute malnutrition, is commonly cited as a product innovation that has scaled.[33] However, the innovation's real impact stemmed from the fact that the product innovation enabled a Community-based Management of Acute Malnutrition model (CMAM) – a process and position innovation. By enabling acute malnutrition to be treated at home by caregivers in the community, the innovation became a process innovation, and by transitioning from a medical to a social intervention, it became a position innovation. The real impact resulted from the significant reduction in the cost of treatment, and the outcome that medical staff and facilities were freed to treat other cases. Furthermore, care-givers were able to continue with essential day-to-day tasks alongside their caregiving duties, which in turn increased their resilience and well-being.

From Elrha's portfolio, an innovation to address Postpartum Haemorrhage, developed by Massachusetts General Hospital (MGH) is a good example where scalability was central to the innovation process. Postpartum Haemorrhage (PPH) is the leading cause of maternal morbidity and mortality in developing countries where more than 30% of all maternal deaths are attributable to PPH, accounting for approximately 130,000 deaths annually, with an additional 2.6 million suffering from a PPH-related disability.

30  A. Gugelev and A. Stern, 'What's Your Endgame?', Stanford Social Innovation Review, Winter 2015, https://ssir.org/articles/entry/whats_your_endgame, (accessed 18 September 2018).

31  Laura Walker MacDonald, interviewed by Spring Impact, May 2018

32  Humanitarian Innovation Fund, 'Innovation Basics', [webpage], 2018, https://higuide.elrha.org/toolkits/get-started/understand-innovation/, (accessed 18 September 2018).

33  There is, however, controversy surrounding Plumpy'nut as its patent is owned by private company Nutriset, which has sparked legal debates with NGOs on the grounds that it has limit lifesaving treatment, and that the patent is too broad and prevents other companies from producing similar products.

Uterine balloon tamponade (UBT) devices are used to address this in high-income countries, but manufactured medical balloons are single-use and can cost over US $400 each.

Massachusetts General Hospital wanted to find a solution that could be widely used in lower-income countries. The pathway to scale was incorporated into the design from the start, with supporting materials needed for roll-out developed as a core component of the innovation. The innovation team found inspiration from examples of creative obstetrician-gynaecologists in Bangladesh and Uganda, who were making their own uterine balloon tamponades with gloves or condoms in place of the balloons. This prompted them to trial different examples, and they developed their own product and package of support called ESM-UBT (Every Second Matters for mothers and babies – Uterine Balloon Tamponade). This includes a kit costing less than US $5 along with a training programme, wall charts, checklists and facility manuals. Following successful trials in Sierra Leone, the ESM-UBT device has scaled to 13 countries and continues to grow.

Not all innovations lend themselves easily to scale or sustainability. Simple, adaptable solutions are far quicker and easier to scale than complex or context-specific innovations. They tend to be cheaper, easier for others to use and create less room for implementation errors. Where it is possible to make a solution easier to use, this is a clear strategy for innovators. For example, OpenDroneMap, also from Elrha's portfolio, provides fast, accurate and easy-to-use aerial drone imagery needed for effective disaster preparedness, monitoring, relief coordination and damage assessment. The team have continuously made improvements to the tool to make it easier to use, and these improvements have correlated with increases in the number of people using the tool.[34]

However, more complex solutions can be necessary to address complex problems, and at Elrha, we have been shifting focus towards tackling these kinds of problems. We are taking a system-based approach with multiple actors and 'points of entry' based on the recognition that isolated interventions are not sufficient to address root causes and complex, protracted problems. The Healing in Harmony project, led by the Panzi Foundation and Make Music Matter mentioned above, is an example of a complex problem in need of a complex solution.

The 1994 genocide in Rwanda and the ongoing conict in the Democratic Republic of Congo (DRC) led to high levels of sexual violence with estimates of 27% of all women having experienced sexual violence in the DRC. Using music therapy, the Healing in Harmony programme is a way to rehabilitate the survivors of this abuse, to reintegrate them back into society and to prevent ongoing abuse from taking place. Based on the pilot study, participants who have been engaged throughout the Healing in Harmony's three-month cycle, are found to be twice as likely to have an improvement in their anxiety scores, with 80% more likely to have an improvement in their PTSD scores than women who did not participate.

The programme has been scaled to a second site in the DRC and is currently being rolled out to four more sites in the DRC through World Vision and IMA Health, with plans to scale beyond the DRC to other country contexts, as well as mainstreaming it into the provision of trauma therapy provided by Canada's largest trauma hospital. This is an interesting example of scaling an innovation trialled within a highly challenging humanitarian context into mainstream service provision in a non-humanitarian context within a developed country.

34  For example, the team moved the tool's core architecture to the Docker platform to make it easier for users to get the software up and running independently. Docker is an open platform for developers and sysadmins to build, ship, and distribute applications, whether on laptops, data centre VMs, or the cloud. For more information please see Elrha, 'Scaling OpenDroneMap for the Humanitarian Sector', [web blog], 2017, http://www.elrha.org/hif-blog/scaling-opendronemap-for-the-humanitarian-sector/, (accessed 18 September 2018).

Working with organisations in the social and global development sectors in the UK, Spring Impact see the same barrier of insufficient consideration of scalability during an innovation's development. Spring Impact have also found that encouraging organisations to think through their routes to sustainability early on in their scaling journey can have a significant impact on short-term activities and an innovation's scale pathway.

## HUMANITARIAN SECTOR CURRENT ACTIVITY

At an operational level, many **innovation hubs/labs/accelerators** are actively working to improve the connection between humanitarian innovation and the needs of people affected by crisis. This includes working with affected populations as innovators themselves or increasing the engagement between innovators and these communities. It involves ensuring that the needs and views of people affected by crisis are integrated into the research that informs innovation as well as being integrated throughout the innovation development process.

A good example of this work is the Response Innovation Lab (RIL), which views its role as solving problems in real-time, on the ground, in large-scale humanitarian emergencies and protracted crises. Another good example is the START Network's Disasters and Emergencies Preparedness Programme (DEPP) Innovation Labs, which aim to foster innovative community solutions to disaster preparedness through a network of labs based in communities prone to disaster.

At Elrha, we have built a strategic partnership with the Asia Disaster Risk Reduction Network (ADRRN), who have a broad and diverse membership of local and national NGOs across Asia. In collaboration with ADRRN, we are connecting with actors actively engaged with people affected by crisis in the Asia-Pacific region and looking to enhance the innovation management skill set across the ADRRN membership to enable them to better respond to the issues they are seeing and hearing about in context, on the ground.

At a system level, Elrha's Humanitarian Innovation Guide provides practical hands-on guidance, tools, and techniques to support innovators to carry out thorough and appropriate problem exploration. Once the guide is completed, it will provide tools and frameworks for innovators to help them think about scalability at an early stage as well as throughout an innovation's development.

Elrha has also published sector-wide Gap Analysis reports in the WASH and GBV sectors. These were based on deep research of the problem areas, assessment of which problem areas innovation would be best placed to address, collective prioritisation of the issues, and framing these problems as challenges for innovators and other humanitarian actors to respond to.

## CALLS TO ACTION

### OPERATIONAL LEVEL

**Innovators** must ensure their innovation is addressing the 'right' problem by embedding the full range of problem recognition activities in their innovation process. People affected by crisis and end-users must be engaged, and their views and needs should inform the problem recognition stage. Innovators should also consider scale from the outset. They must be able to clearly articulate their initial intended pathway to scale from an early stage in the innovation cycle. Elrha's Humanitarian Innovation Guide will be helpful for innovators taking these actions.

**Innovation hubs/labs/accelerators** must insist that innovators adequately carry out problem recognition activity, guide them in this process and provide appropriate funding and support to enable this to take place. They should insist on a clearly articulated problem statement, supported by appropriate research. There is more detail on this in our Humanitarian Innovation Guide at higuide.elrha.org/toolkits/recognition/challenge-brief/

### SYSTEMIC LEVEL

**Innovation hubs/labs/accelerators** and **global innovation actors** should start using challenge briefs, perhaps following the structure outlined in the Humanitarian Innovation Guide.[35] Publishing such challenge briefs would aid transparency, share important situation analysis information with the wider sector, highlight the importance of this stage of the innovation cycle and may help to increase the quality and consistency of the problem recognition phase. We also encourage **innovation hubs/labs/accelerators** to commit to making use of the Humanitarian Innovation Guide to support innovators in practice.

**Donors** should hold the **innovation hubs/labs/accelerators** they fund to account if they finance and support any innovations that have not adequately researched the problem, understood the needs of people affected by crisis, or if they have no plan for scale at an early stage. These could be key reporting criteria and a mechanism for accountability.

**Global innovation actors** should research and publish how many of the innovations that receive funding and technical support at an early stage progress to achieve scale, and monitor whether this improves over time.

## QUESTIONS FOR THE SECTOR

- How can we mitigate against 'solutions in search of a problem'?

- Could greater transparency and accountability drive behavioural change?

- How can we build the right culture and incentives so that scalability is routinely considered from the earliest stages of innovation?

## CHALLENGE 2
# THE HUMANITARIAN SECTOR HAS INSUFFICIENT EMBEDDED KNOWLEDGE AND SKILLS FOR SUPPORTING INNOVATIONS TO SCALE

Supporting innovations to scale requires understanding, skills and knowledge that the humanitarian sector as a whole does not currently have. This is particularly because the skills required to scale an innovation are different to those required to develop an innovation in the first place.

We have identified two knowledge and skill-related barriers that currently prevent the scaling of innovation in the humanitarian sector:

- **Barrier 1**: The sector does not understand or use the full range of scale strategies available

- **Barrier 2**: The sector does not yet have hands-on capability for supporting or enabling innovation to scale

### BARRIER 1:
### THE SECTOR DOES NOT UNDERSTAND OR USE THE FULL RANGE OF SCALE STRATEGIES AVAILABLE

Elrha's initiative Accelerating the Journey to Scale responded to the challenge of scale in the sector and a clearly identified learning gap. Few case studies of scaled innovations existed that demonstrated the use of different business models or scaling pathways, and there was limited theoretical literature on scaling innovation in the sector. No conceptual framework was in place to outline the full range of business models for scale in a humanitarian context.

Most applicants to our Accelerating the Journey to Scale initiative, including all shortlisted applicants, were looking to scale the innovation through their organisation themselves.

This experience is mirrored by the research Spring Impact conducted across the sector. The research shows that in the humanitarian sector there is a lack of dedicated tools or other forms of support for innovators looking to scale. When interviewed, practitioners commonly associated scale with growing programmes within large international agencies. After this, diffusion is the next most common current strategy in the sector. Diffusion typically involves publishing a research paper or toolkit to share findings or roll-out practice following a successful pilot. The Sphere Handbook, which sets sector-wide standards for quality and accountability in humanitarian response, presents an example of scaling through diffusion. Although a long process (initiated in 1997), the Sphere Standards now enjoy broad acceptance across the sector, and have become one of the most widely known and internationally recognised set of standards for humanitarian response.[36]

36 Sphere, 'The Sphere Handbook and Project', [website], http://www.spherehandbook.org/en/what-is-sphere/, (accessed 18 September 2018).

A reason for this successful diffusion may be that it started as a collective group of humanitarian actors and had the backing of major agencies including the International Red Cross and Red Crescent Movement from the outset.[37]

Both approaches have their advantages and can be appropriate scale strategies in the right circumstances, but they also have drawbacks. Scaling an innovation through a small organisation is hard because growing a small organisation is hard. Scaling through a large organisation may not leverage local knowledge and capacity as effectively as alternative strategies that work with local partners. And no matter how large the organisation, it is very rare that full potential can be reached through one organisation alone. Although diffusion offers an alternative strategy, it does not always lead to adoption or replication of impact (see more on this in Challenge 5).

These routes, or pathways, are not the only options for scale, and other approaches could be tested in the humanitarian sector. The sector has yet to fully understand or explore the range of other scale strategies available and build the evidence for which ones are most appropriate in humanitarian contexts.

It's important to pick the right scale strategy for the type of programme. An example of doing this well is the Healing in Harmony programme. Because this is a complex innovation, it has been necessary to look at a wide range of scaling strategies. In this case a franchise model is planned on being implemented. This aims to support others to successfully run the programme while being able to monitor and to a reasonable extent control the methods being used, so that the impact can be realised in different contexts and environments.

The narrow range of scale strategies being used in the humanitarian sector contrasts quite markedly with what Spring Impact are seeing in the social sector where there is far more support to innovators and shared knowledge on scale. For example, there are tools on scale which describe different scale strategies, such as Spring Impact's Social Replication Toolkit[38] and Nesta's Strategies for Scaling Social Innovations.[39]

Nevertheless, Spring Impact feels there remains a need for more systematic, structured thinking on scale in the development and social sectors as well.

## BARRIER 2:
## THE SECTOR DOES NOT YET HAVE HANDS-ON CAPABILITY FOR SUPPORTING OR ENABLING INNOVATION TO SCALE

Tackling scale hands-on in real time with innovators over the last two years has allowed Elrha to develop a conceptual, grounded and granular understanding of what it takes to scale and to support scale effectively. We understand that specialist resources need to be acquired, operational infrastructure needs to be developed, and management systems need to adapt to match the scale objectives. We have learned and developed strong hands-on expertise on one particular pathway to scale – through direct implementation by the originating organisation.

Through this initiative, Elrha has built a good understanding of the various components that need to be in place to enable scale. We understand that project teams need structured but flexible technical support to allow them to develop specific elements, as well as enabling them to tackle the many challenges and be flexible to pivot when needed. We will continue to build our support package for innovators looking to scale, with greater focus on human resource development for senior leaders engaged in scaling innovation in particular.

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37  Ian Gray, interviewed by Spring Impact, May 2018.

38  Spring Impact, 'The Social Replication Toolkit', [website], https://toolkit.springimpact.org/Home, (accessed 18 September 2018).

39  M. Gabriel, 'Making It Big: Strategies for scaling social innovations', Nesta, July 2014, https://www.nesta.org.uk/report/making-it-big-strategies-for-scaling-social-innovations/, (accessed 18 September 2018)

Mindset is a particularly important component for enabling scale. Through talking to experts from across the sector, Spring Impact perceived that innovations are often driven by people with entrepreneurial personalities. These people can then find it difficult to switch to playing a capacity building or quality control role for others delivering their innovation. The innovation mindset is geared towards reacting to opportunities as they arise and developing new ideas, both of which are vital for the early stages of innovation. But this mindset is not well suited to systematic and strategic approaches that are required for scaling.

Spring Impact have also observed that stepping back from direct implementation to a support function is a key challenge for many innovators in both the development and social impact sectors. They believe transitioning from early stage innovation, where the team has developed and directly delivered the innovation, to scale, which is likely to involve implementation through partners, requires both a cultural and skill shift for the individual.

## HUMANITARIAN SECTOR CURRENT ACTIVITY

Elrha is developing case studies to showcase the innovations it has supported that have scaled, some of which have scaled through less familiar pathways such as social franchise. We will also release a chapter of our Humanitarian Innovation Guide focused on scale, which will provide innovators with frameworks and tools to think through and plan for scale. The DEPP Innovation Labs will be publishing a scaling matrix, which will be a practical guide for community innovators on what they should consider when planning for scale from an early stage.

The Global Alliance for Humanitarian Innovation (GAHI) is currently working with other innovation actors to map the different pathways to scale in the humanitarian sector and plans to publish a white paper setting out a new conceptual framework for scale. This will help to present scale in a more nuanced way and assist understanding of the variety of approaches and routes to scale, their advantages and disadvantages, and where each is most appropriate.

## CALLS TO ACTION

As a sector, we need to build on our understanding and experience of scale and consider a wider variety of approaches to scale. We need to collaboratively 'test out', add to, and amend our conceptual framework, and build on our hands-on experience.

### OPERATIONAL LEVEL

**Innovation hubs/labs/accelerators** should develop and share their expertise in supporting different routes to scale; the Humanitarian Innovation Guide and its forthcoming section on scale provides a natural destination for practical tools and techniques. They should also focus more on developing innovators' skills and capabilities needed to scale using the tools already available. In addition, **innovation hubs/labs/accelerators** could draw more on the resources available in the social innovation sector and add to the humanitarian sector's collective understanding of scale by augmenting the resources already available, where appropriate.

### SYSTEMIC LEVEL

At the system level, **global innovation actors** should assess overall skill and knowledge gaps related to scale, and how these are changing over time. They should also make recommendations for broader support needed across the system.

## QUESTIONS FOR THE SECTOR

- What are the biggest skills and knowledge gaps in the sector in relation to scale and what needs to be done to address them?

- How can we draw more on the experience from adjacent sectors such as the development and social innovation sectors?

- How important is it for the sector to agree on shared definitions for scale and on the potential scaling pathways?

## CHALLENGE 3:
# THERE IS A LACK OF APPROPRIATE AND ADEQUATE FUNDING FOR SCALING INNOVATION IN THE SECTOR

There is no (clear) funding pathway to scale as yet for humanitarian innovators. Scale is still a relatively nascent field in the sector and this affects the availability and coordination of funding streams. This leads to clear disincentives for innovation teams to set and stick to one scaling trajectory; rather, innovators are incentivised to continually reinvent their offer to obtain funding that is available instead of focusing on scaling their core offer.

We have identified three barriers preventing the provision of appropriate and adequate funding:

- **Barrier 1**: Supporting an innovation to scale can be expensive and relatively high risk, which deters many donors from long-term financing

- **Barrier 2**: Funding in the humanitarian sector is generally inflexible and short-term

- **Barrier 3**: Core funding, particularly for smaller organisations, is hard to secure, so investment in the organisational capacity to scale is limited

### BARRIER 1:
### SUPPORTING AN INNOVATION TO SCALE CAN BE EXPENSIVE AND RELATIVELY HIGH RISK, WHICH DETERS MANY DONORS FROM LONG-TERM FINANCING

The humanitarian sector is generally risk-averse as the consequences of failure are high. Lives are at stake, and emergencies tend to be high-profile and political. Many donors and agencies have an aversion to untested approaches and activities that do not contribute directly to the immediate response.[40] In relation to innovation, while funding a small-scale pilot tends to have a high likelihood of failure, the impact of failing tends to be low, as the sunk cost at that stage is relatively small. However, when funding scaling activity, the opposite risk profile presents: likelihood of failure is reduced, because by that time there should be some evidence that the innovation works, and there should be a viable scaling strategy in place, including some confidence of the market for the innovation. But the impact of failure is much greater because the scaling activity is much more expensive than early-stage innovation, and there is more sunk cost by that time. This gives scaling activity a much higher overall risk profile as compared to earlier stages of the innovation cycle.[41] The degree to which likelihood of failure is reduced for a particular innovation is highly dependent on the quality and extent of the evidence around impact and the robustness of the business model for scaling.

40  A. Betts and L. Bloom, 'Humanitarian Innovation: The State of the Art', OCHA Policy and Study Series, November 2014, https://www.unocha.org/sites/unocha/files/Humanitarian%20Innovation%20The%20State%20of%20the%20Art_0.pdf, (accessed 18 September 2018).

41  D. McClure and I. Gray, 'Scaling: Innovation's Missing Middle', 2015, https://assets.thoughtworks.com/articles/scaling-innovations-missing-middle-dan-mcclure-ian-gray.pdf, (accessed 18 September 2018)

Elrha's Accelerating the Journey to Scale initiative is designed to prepare innovations to scale, putting in place the necessary building blocks that are needed when it comes to scaling. It has been envisaged that these organisations will also need further support as they scale up. Whilst several sources of funding existed to support earlier stages of the innovation cycle, funding for scaling innovation is relatively scarce, due to the higher associated costs. This means that funding to prepare for scale, or core funding to support innovators as they scale and until they become financially sustainable, is, at best, only available to a very small proportion of innovations that are funded up until that point. Of the 150+ innovations Elrha has supported to date, only 3 have been provided with funding specifically focused on scale-related activities.

Gray and Hoffman argue that typically, humanitarian donors fund four distinct stages of an innovation's journey to scale, whereas five to eight different phases of investment are available in the private sector.[42] The implication of this is that a humanitarian innovation has to dramatically decrease its risk level at each stage of funding, compared with a private sector innovation, which is required to make these decreases according to much smaller increments that are easier to achieve. This has led to many pilots stalling, unable to prove the risk reduction required to progress to the next stage of funding.[43] Gray and Hoffman argue this gap is largest between the stage where innovations require small grants for prototypes and the stage where they need medium-sized grants for pilots. An indicative gauge of the failure rate of projects at each of these stages is around 80% for prototypes and 60% for pilots.[44]

Financing mechanisms with their requirements for proven financial and risk management structures and capabilities tend to favour larger, often Northern, organisations with proven track records and robust policies and procedures at the expense of smaller organisations, or non-traditional actors often from the Global South.

The picture is quite different in the development and social impact sectors. Here, a number of the UK's largest donors have shown their commitment to supporting scale, with the Big Lottery Fund, Esmee Fairbairn, The Rayne Foundation, and the Tudor Trust coming together to fund Spring Impact's Scale Accelerator. The objective of the Accelerator is to provide organisations with the space to develop their strategy and business model for scale, as well as to develop the leadership capabilities within their organisations.

Another example from the development sector is the Global Innovation Fund (GIF), a non-profit innovation fund that invests in the development, rigorous testing, and scaling of innovations targeted at improving the lives of the world's poorest people. It takes a venture capital approach, using a tiered financial model and offering graduated funding to enable its grantees to scale. This staged funding approach allows the Global Innovation Fund to manage risk, taking smaller bets on riskier innovations at the pilot stage while being able to invest larger amounts in innovations that have demonstrated strong evidence of success.

42  I. Gray and K. Hoffman, 'Finance Case Study', 2015, https://assets.publishing.service.gov.uk/media/57a0896ce5274a27b2000097/Finance_Case-study-MIHIS-project-FINAL.pdf, (accessed 18 September 2018).

43  Ibid

44  Ibid

## BARRIER 2:
## FUNDING IN THE HUMANITARIAN SECTOR IS GENERALLY INFLEXIBLE AND SHORT-TERM

Restricted and relatively short-term programme funding forces humanitarian actors to focus on delivering immediate impact. This is well documented, and there have been many calls across the sector for multi-year, flexible funding.[45] Benefits of multi-year flexible (unrestricted) funding include lower operational costs, greater predictability, increased ability for local capacity building and the ability to retain staff for longer (as opposed to staff being on short-term contracts).

Crucially, it also enables investment in more effective programming. This could be the flexibility to invest in new innovative cross-cutting services or, with a multi-year planning horizon, to partner with innovators to pilot new innovations in different contexts.

The sector is beginning to address this need to stabilise funding sources and provide more core funding. The Grand Bargain includes commitments to increase multi-year funding instruments and un-earmarked humanitarian funds.[46] These pledges are positive but have not yet led to widespread change, with un-earmarked funds decreasing to 14% of total aid provided in 2016.[47] Promising action is emerging on this front, beyond pledges. The Start Network is designed to address the fluctuations in humanitarian funding and provide more predictable income streams for NGOs.[48]

The New Way of Working, a recent approach to strengthen the humanitarian-development nexus, may also present an opportunity to shift financing towards the long term. It calls for working over multiple years, based on comparative advantage of a diverse range of actors, towards collective outcomes.[49] Its longer time frame will require a broader range of flexible and predictable multi-year programming and diversified funding tools that tie to collective outcomes.[50]

## BARRIER 3:
## CORE FUNDING, PARTICULARLY FOR SMALLER ORGANISATIONS, IS HARD TO SECURE SO INVESTMENT IN THE ORGANISATIONAL CAPACITY TO SCALE IS LIMITED

Without stable, core funding, practitioners struggle to secure the resources necessary to enable them to focus on the strategic issues needed to support scale; issues such as streamlining operations, investing in key partnerships and developing a clear value proposition for stakeholders.

45  OECD, 'Multi-year Humanitarian Funding', 2017, http://www.oecd.org/development/humanitarian-donors/docs/multiyearfunding.pdf, (accessed 18 September 2018).

46  The Grand Bargain is an agreement between more than 30 of the biggest humanitarian donors and aid providers, which aims to get more means into the hands of people in need. Read more at: Agenda for Humanity, Grand Bargain, 2017, https://www.agendaforhumanity.org/initiatives/3861, (accessed 18 September 2018).

47  Development Initiatives, 'Global Humanitarian Assistance Report 2017', 2017, http://devinit.org/post/global-humanitarian-assistance-2017/, (accessed 18 September 2018).

48  The Start Fund is a multi-donor pooled fund collectively owned and managed by NGO members. It provides rapid financing to underfunded small to medium scale crises, spikes in chronic humanitarian crises, and to act in anticipation of impending crises. Read more at: Start Network, 'Start Fund: Filling a gap in the humanitarian sector', [website], 2018, https://startnetwork.org/start-fund, (accessed 18 September 2018).

49  OCHA, 'The New Way of Working', 2017, https://www.unocha.org/sites/unocha/files/NWOW%20Booklet%20low%20res.002_0.pdf, (accessed 18 September 2018)

50  Ibid.

The trend towards funding 'projects' with clearly defined outcomes has many advantages; however, when it comes to funding innovation, and particularly scaling innovation, it also has a number of drawbacks. It works well in terms of funding specific, clearly-defined and well-anticipated activities, such as evaluation, but it works poorly in terms of funding core operational needs, such as senior management time, specialist advice around market positioning or communications. Organisations looking to scale their innovation need greater levels of working capital than organisations that are simply carrying on 'business as usual' – they need to spend greater proportions of their overall budget on developmental activities than other types of organisations. While restricted project-style funding often contains some provision for core costs, this is often insufficient for the higher levels of core funding required for organisations that are scaling.

A related issue is that organisations looking to scale need significant flexibility to pivot. Project-style funding doesn't have this flexibility built in – flexibility often has to be requested through a change-control process. Without funding having this adaptiveness built in, the easiest way to address this issue is for core funding to be allocated.

Through Elrha's Accelerating the Journey to Scale initiative grants, we have been able to provide this essential core funding to support organisational capacity development. This has enabled senior management to focus on building the strategic components needed to scale. Field Ready, for example, have been able to develop their strategic branding and improve their finance systems. Translators without Borders, who offer specialised translation services to other humanitarian organisations, have spent more time on defining their core offer.

Our research from across both the humanitarian and development sectors indicated that the lack of core funding was a significant issue. One practitioner in particular expressed the difficulty of finding the time to codify their innovation while responding to crises day-to-day.

Similar to Elrha's Accelerating the Journey to Scale funding, there are exceptions in the development sector where core funding is made available. The CEO of SMASH, a non-profit committed to ensuring safe water for children and families worldwide, shared a thought piece on risk in the Stanford Social Innovation Review.[51] He reflected on the crucial support from SMASH's progressive donors. Their acceptance of a minimum level of risk associated with scale meant that they provided SMASH with un-earmarked funding, along with support and guidance throughout its scale journey.

## HUMANITARIAN SECTOR CURRENT ACTIVITY

Investment in, and focus on, innovation has been steadily rising over the last five years, including specifically for scaling innovation. Nevertheless, investment in humanitarian innovation remains very low relative to other sectors (see the Executive Summary for further details).

The number of innovators who benefit from Scale funding remains particularly low as scaling grants tend to be larger than grants for the earlier stages of the innovation cycle. The HIF's Accelerating the Journey to Scale initiative has provided the HIF's largest innovation grants to date but this funding and its two-year time-frame has not proved sufficient to get the small cohort of 3 innovations fully ready to scale. In future, the HIF will be providing more grant-funding and over a longer period of time. Grand Challenges Canada are offering similar levels of funding for scale; it will be interesting to see if their conclusions are the same.

51  E. Stowe, 'Case Study: Managing Risk to Scale Impact', Stanford Social Innovation Review, Summer 2017, https://ssir.org/articles/entry/case_study_managing_risk_to_scale_impact, (accessed 18 September 2018).

The Start Network and the New Way of Working initiative are starting to tackle the issue of short-term inflexible funding in the sector. The New Way of Working initiative is looking to create financing modalities to support collective outcomes.

## CALLS TO ACTION

When total investment in a single innovation can top tens of millions, robust steps need to be in place at each stage of funding to ensure the investment is de-risked as much as possible.

### OPERATIONAL LEVEL

**Innovators** must take risk management seriously and ensure they are pro-actively mitigating risks throughout the innovation cycle. **Innovation hubs/labs/accelerators** and **global innovation actors** should also take responsibility for ensuring that innovators are managing risks effectively, and **donors** should hold those they fund to account.

### SYSTEMIC LEVEL

Most **innovation hubs/labs/accelerators** will take steps to de-risk an investment in an innovation through in-depth pre-screening checks and due diligence. However, this approach does not allow for easy comparison of one innovation against another from a risk perspective. A consistent approach, with components such as high-quality challenge briefs, increasingly robust impact assessments, and solid, detailed scaling and sustainability plans, would enhance the ability of **innovation hubs/labs/accelerators** and **global innovation actors** to more accurately assess risk before follow-on funding is granted. This in turn would provide greater assurance to **donors**. **Innovators** would also be clear what needs to be completed at each stage of the innovation cycle and could use the same documents to seek funding from multiple sources.

Dividing the funding stages for innovation into a greater number of separate but coherent pots would support the de-risking of investments for **donors**. In other words, if the amount of funding received by the Innovator at each stage was smaller, the risk is automatically reduced for the Donor. If this were combined with clear stage-gates before follow-on funding could be secured it would de-risk the investment even further. **Global innovation actors** could work to achieve an enabling funding environment for innovation where the support provided by **innovation hubs/labs/accelerators** was mutually exclusive and collectively exhaustive (MECE). In other words, **innovators** would be able to apply for funding for each stage of their innovation cycle, and wouldn't be faced, for example, with the problem of being able to apply to five organisations for pilot testing, but none for scaling. Currently there is no central data source that lists which **innovation hubs/labs/accelerators** and **global innovation actors** support which stages of innovation. If this information were more transparently available, it would help **innovators** navigate access to funding as they move through the innovation cycle. This is particularly important as more actors begin to think about scale.

**Global innovation actors** could also advise **donors** on the right balance of funding between early-stage innovation and scale. If funding is finite, then it is important to ensure there is sufficient funding to achieve the right number of promising scalable innovations, to match the amount of funding available to support these innovations to scale. This is not straightforward, as some innovations will achieve scale with little investment, and failure has to be factored in. Furthermore, the data isn't currently available to support this type of analysis. Nevertheless, this type of thinking should be factored into the system-wide analysis of how finances are channelled towards humanitarian innovation.

Once appropriate risk-mitigation strategies are in place, **donors** should look at how they can provide longer-term funding, ideally on timescales of more than five years. **Donors** should also make core support for organisational development more widely available, especially for organisations that are developing an innovation that could potentially have a significant impact at scale.

## QUESTIONS FOR THE SECTOR

- How can we find the right balance between funding early stage innovations and funding scale to ensure the sector is most effective with the funds that are available?

- What other mechanisms can be put in place to de-risk investment?

- How can we achieve a coordinated approach across the sector, both in terms of risk-mitigation and funding stages?

- How can donors make longer-term funding available for innovation?

- What would instil sufficient trust and confidence in innovations for decision-makers to switch funding modalities?

- What evidence needs to be gathered now, and what mechanisms need to be in place at different levels to enable this?

- At which point(s) in the scaling process do innovators find it hardest to obtain adequate funding? How can we ensure all innovation stages are funded proportionately to each other?

- What needs to happen for donors to make more core support available for organisational development?

# CHALLENGE 4:
# THERE IS INSUFFICIENT EVIDENCE OF THE IMPACT OF HUMANITARIAN INNOVATIONS

Evidence of the impact of individual innovations tends to be sporadic, while evidence of the impact of innovation in general across the sector is completely lacking. Without solid evidence of the impact of an innovation, innovators are unable to ascertain if or how their innovation should be further developed and enhanced, or whether it in fact causes harm. Others in the sector cannot make an informed decision on whether to fund or adopt the innovation. At the system level, we cannot tell whether investment in innovation in general is truly worthwhile. We also have no way of understanding how investment in innovation compares to direct investment in life-saving activities in terms of lives saved or suffering alleviated.

We have identified three barriers that prevent sufficient evidence of impact being generated:

- **Barrier 1**: Evaluation of an innovation's impact is sporadic

- **Barrier 2**: There is a lack of baseline data demonstrating the effectiveness of current practice

- **Barrier 3**: The sector lacks both in-depth and sector-wide evaluations of humanitarian innovation

## BARRIER 1:
## EVALUATION OF AN INNOVATION'S IMPACT IS SPORADIC

At Elrha, we have long been aware that robust evaluation is a challenge for innovators, and more often than not consideration of monitoring and evaluation is missing entirely from the early stages of an innovation's life cycle. Despite providing additional tailored support to innovation teams in this area, getting robust, useful data on outcomes and longer-term impact remains a critical challenge. Such data is crucial for an innovation to scale.

One major challenge is the humanitarian context. Innovators looking to collect impact data are often operating in volatile humanitarian situations. We have supported several projects that have been delayed due to security concerns. One example is the partnership between the University of Laval and Oxfam to carry out testing of a new type of water filter – the Inclined Plate Settler – in Juba, South Sudan. Unfortunately, due to the deteriorating security situation staff had to be evacuated from the area, resulting in a 6-month delay to the project. Fortunately, the project was able to continue as planned thereafter.

Elrha's Accelerating the Journey to Scale initiative includes a significant focus on monitoring and evaluation in its support package for grantees. We place emphasis on the need for evidence, and work with the project teams to ensure sufficient and appropriate resource is in place to facilitate this.

Despite this support, tough challenges remained for the grantees from our Accelerating the Journey to Scale initiative. One example comes from Translators Without Borders, who offer specialised translation services to other humanitarian organisations. They were faced with the problem of how to measure the counterfactual i.e. the impact of an absence of language translation. In order to

understand the benefit of their language translation services, they first needed to understand the baseline. However, when the baseline is an absence of something, it is extremely difficult to measure in any generalisable way. Specific scenarios can be measured (the impact of translation on a particular information campaign, for example), but this can't then be easily extrapolated to the variety of situations that would be helpful to understand.

The second issue that faced Translators Without Borders was collecting the necessary data. Because their services are delivered through front-line humanitarian organisations, they needed to collaborate with the organisations that purchased their services. They tackled this in stages. First of all, they collected data up front when partners requested translations (eg, number of people intended to reach, specific vulnerable populations being targeted). The key challenge here was to format data collection in a way that was specific, but not overly burdensome on the partners paying for a translation service. They then followed up with a subset of partners, their 'impact partners', to collect initial fairly basic information. Finally, they conducted a second round of data collection with their 'impact partners' to obtain more details and specific metrics (e.g., comprehension, behaviour change). Although some quantitative data was obtained through this approach, most of the data remained anecdotal, and they struggled to get beyond very basic information. Furthermore, most organisations purchasing their services didn't engage in this activity – of the 30 partners from which they requested information, only two supplied detailed data. A few others provided some information that they collected as a matter of routine, but this was not to the level of detail required to be useful to Translators without Borders. In the absence of a direct incentive, and due to the urgency of humanitarian crises and a lack of organisational capacity, organisations using humanitarian innovations often de-prioritise data collection that is not central to their own purposes.

For more information about Translators without Borders, see their project profile at elrha.org/map-location/twb-scale/

The limitations and lack of impact evaluation in the humanitarian sector is something widely accepted and previously documented, notably in the 2017 HIF/ALNAP working paper on evaluating humanitarian innovation.[52] Despite donors' and practitioners' good intentions, practitioners interviewed said there was a focus on output rather than outcome measurement. Short-term funding was commonly cited as preventing organisations from following up with affected populations in the longer-term, and as leading to output rather than outcome reporting. A number of practitioners also shared their frustration that this issue is exacerbated by the lack of coherence on the type of impact data requested across donors.

The importance of good impact evaluation is shown by one of the most significant innovations in the response to humanitarian crises in recent years: the use of cash. Across the humanitarian sector there is growing recognition that cash transfers can support people affected by crises in ways that maintain human dignity, provide access to basic needs and help rebuild or protect livelihoods. However, humanitarians have long debated whether cash is an appropriate way to meet the needs of people affected by crisis. The Cash Learning Partnership (CaLP) spent many years building the evidence base for cash transfer programming. While this was expensive and time-consuming, it was a vital prerequisite to scale in terms of helping to overcome the barriers to adoption faced by many in the sector.

52  Obrecht, A., A. Warner and N. Dillon, 'Working Paper: Evaluating Humanitarian Innovation', HIF/ALNAP Working Paper, London: ODI/ALNAP, 2017, https://www.alnap.org/system/files/content/resource/files/main/alnap-hif-evaluating-humanitarian-innovation-2017.pdf (accessed 18 September 2018)

## BARRIER 2:
## THERE IS A LACK OF BASELINE DATA DEMONSTRATING THE EFFECTIVENESS OF CURRENT PRACTICE

Elrha's review of the Sphere Standards in 2017, conducted in collaboration with the London School of Hygiene and Tropical Medicine and the Sphere Project, found that less than 30% of the Standards were based on evidence.[53] When innovators come to assess the impact of their innovation as compared to standard practice they often need to evaluate standard practice as well. This can be complicated – they may need to partner with organisations who are using standard practice, and there are few incentives for potential partner organisations to want to support such an effort. It makes the process of evaluation a far bigger, lengthier and costlier exercise.

For example, Field Ready's key impact evaluation challenge on its journey to scale has been the absence of baseline data against which to measure the improvement as a result of the innovation. There is no reliable, detailed data on cost, time or resources associated with the different supply chains in humanitarian responses. As a result, Field Ready are carrying out the incredibly difficult task of quantifying the status quo in humanitarian logistics before they can begin to measure their own comparative performance in relation to mass production of aid items. Similarly, there is, for obvious reasons, no data on all the items not delivered to emergency-affected people. And so, when Field Ready produce high-value, customised medical items for people trapped in a conflict zone, they are not just more effective than other agencies – they are delivering impact that would not have existed without them. This is the case for many of our funded innovations; it's harder for them to demonstrate the value of innovations that break new ground than for innovations that marginally improve existing interventions.

Another facet of this problem has surfaced across several of our funded WASH projects. Two separate projects, both working to make latrine areas in camps safer and better for users, have found that very little quantitative data is available on emergency-affected people's experiences and their usage rates of emergency sanitation. In their Lighting for Safer Sanitation project, Oxfam GB and the Water, Engineering and Development Centre (WEDC) at Loughborough University discovered that disturbingly high numbers of women and girls across several emergency settings felt too unsafe to use latrines at night.[54] While the project's initial objectives had been to explore and provide guidance on the most effective types of lighting to reduce risks of GBV in emergency camps, the team quickly realised that their first task would be to just understand base levels of GBV and perceived risk in latrine areas. Any lighting innovation to reduce GBV could not be sufficiently evidenced without first understanding the current situation in camps through quantitative and qualitative metrics.

The Healing in Harmony project in the DRC has to some extent overcome the ethical challenges around baseline studies and the use of control groups that would deny services or products provided within a humanitarian context. They are using a 'step wedge' design, which is a recognised scientific research method for evaluating this type of service delivery.[55] Panzi Foundation DRC's International Center for Advanced Research and Training (ICART) are building a baseline of pre-therapy stress and trauma levels that they are then comparing with the same cohorts after they have undergone the music therapy. The findings are not yet in the public domain, but this method is proving useful for comparing pre- and post-therapy groups. It has demonstrated that the post-therapy stress levels are statistically significantly reduced. These results, along with the threefold increase in enrolment since the programme was embedded into the Panzi Holistic Healing model in 2015 are evidence of successful proof of concept.

53  For the full report, see ELRHA and the London School of Hygiene and Tropical Medicine, 'Review of Evidence Supporting Sphere Standards', 2017, http://www.elrha.org/r2hc/research/other-research/9567-2/, (accessed 18 September 2018)

54  Oxfam and WEDC, 'Lighting, WASH and Gender-Based Violence in Camp Settings', 2018, https://gbvguidelines.org/wp/wp-content/uploads/2018/05/Lighting-WASH-and-GBV-in-camp-settings.pdf, (accessed 18 September 2018)

55  K. Hemming et al., 'The stepped wedge cluster randomised trial: rationale, design, analysis, and reporting, BMJ, vol. 350, no. 391', 2015, https://doi.org/10.1136/bmj.h391, (accessed 18 September 2018)

## BARRIER 3:
## THE SECTOR LACKS BOTH IN-DEPTH AND SECTOR-WIDE EVALUATIONS OF HUMANITARIAN INNOVATION

There are relatively few in-depth studies of individual humanitarian innovations that assess the impact they have achieved over time and the factors that contributed to their success. Analysis of this nature would provide insights for sector-wide learning on innovation.

There are a few case studies, such as those examined in the More than Just Luck report,[56] published by Elrha in collaboration with ALNAP. But these have tended to examine the innovation process and have been restricted in terms of timeframe to the period funded.

Evaluations of humanitarian innovations are typically focused on understanding their impact in a small-scale setting, through pilot testing. Very few studies look at the impact of an innovation years later, to determine whether the innovation has been widely adopted, and if so whether this usage is generating the impact anticipated at pilot testing stage.

At the sector level, we have no evidence of the collective impact of innovation, and lack even basic metrics that could help us to gauge this, although work in this area is progressing. It is anticipated that a better evidence base at the sector level would make a clear case for greater and longer-term investment in innovation alongside funding for life-saving humanitarian response. Without this, we can only argue that funding innovation will improve the effectiveness of the humanitarian system through comparators from other sectors, deducing that the humanitarian sector will behave in the same way.

## HUMANITARIAN SECTOR CURRENT ACTIVITY

Elrha places significant weight on monitoring and evaluation of innovation and provides support to innovation teams in its own portfolio where this is needed.

In 2017, through collaboration with ALNAP, we published two working papers – one on monitoring[57] and one on evaluating[58] humanitarian innovation – aimed at supporting innovators with these activities. This topic is also covered in the Humanitarian Innovation Guide.

Elrha is currently conducting a retrospective portfolio analysis on the 60 innovation projects that have been closed for two or more years. While this won't go so far as to assess the impact of each of the innovations, it will assess uptake and usage of the innovation in the sector and will examine contributors to success or failure. Elrha will publish the resulting insights and useful case studies.

56  A. Obrecht and A. T. Warner, 'More than just luck: Innovation in humanitarian action', London, ALNAP/ODI, 2016, https://www.alnap.org/system/files/content/resource/files/main/hif-alnap-2016-innovation-more-than-luck.pdf, (accessed 18 September 2018)

57  A.T. Warner, 'Working paper: Monitoring humanitarian innovation', HIF/ALNAP Working Paper, London: ODI/ALNAP, 2017, https://www.alnap.org/system/files/content/resource/files/main/alnap-hif-innovation-monitoring-2017.pdf (accessed 18 September 2018)

58  A. Obrecht, A. Warner and N. Dillon, 'Working Paper: Evaluating Humanitarian Innovation', HIF/ALNAP Working Paper, London: ODI/ALNAP, 2017, https://www.alnap.org/system/files/content/resource/files/main/alnap-hif-evaluating-humanitarian-innovation-2017.pdf (accessed 18 September 2018)

## CALLS TO ACTION

### OPERATIONAL LEVEL

**Innovators** should ensure they plan and budget appropriately for monitoring and evaluation activities, with the knowledge that the challenges associated with these activities are likely to be considerable.

### SYSTEMIC LEVEL

At system level, **donors** need to consider how they can fund an impact assessment once funding for the development of an innovation has ceased. Perhaps funding can be set aside for this purpose. **Donors** also need to consider funding more evaluations of current practice (the baseline), not least to ensure that humanitarian action is based on sound evidence of 'what works'. In doing so, innovators will benefit from having more evidence against which to benchmark their innovation.

**Global innovation actors** and **innovation hubs/labs/accelerators** need to conduct more cross-portfolio impact evaluations, particularly looking at the impact of innovations over time. Useful findings should be published.

In time, it would be helpful for a **global innovation actor** to conduct a sector-wide assessment of the collective impact of innovation.

## QUESTIONS FOR THE SECTOR

- How can **donors** release funding for impact evaluations of innovations after funding for the innovation's development has ceased?

- How can **donors** release more funding for impact evaluations of current practice?

- Who would be able to carry out a sector-wide assessment of the collective impact of innovation and how might this be funded?

- What other support might be useful for **innovators** seeking to carry out impact assessments?

## CHALLENGE 5:
# THE HUMANITARIAN ECOSYSTEM SIGNIFICANTLY FRUSTRATES EFFORTS TO SCALE HUMANITARIAN INNOVATION

There are a few facets of the innovation ecosystem that significantly frustrate efforts to scale humanitarian innovation. These include the lack of normal markets in humanitarian contexts, the lack of an investment infrastructure for innovation, and the lack of incentives for humanitarian organisations to adopt innovations. These issues conspire to make scaling innovation in the humanitarian sector extremely difficult. This often results in innovations taking longer to scale, delaying the point at which impact can be achieved and leading to the need for greater levels of investment than would otherwise be required.

We have identified three barriers that contribute to a sub-optimal innovation ecosystem:

- **Barrier 1**: Uptake of innovation in the sector can often be stifled due to the underlying incentive structure

- **Barrier 2**: A lack of markets that would exist in other contexts

- **Barrier 3**: A fully functioning ecosystem for humanitarian innovation is missing

### BARRIER 1:
### UPTAKE OF INNOVATION IN THE SECTOR CAN OFTEN BE STIFLED DUE TO THE UNDERLYING INCENTIVE STRUCTURE

Many promising innovations end up failing because they are not adopted by others in the sector. Incentive structures that are core to the sector's architecture prevent or significantly delay innovations being adopted.

Multiple incentives conspire against humanitarian organisations adopting new innovations. These include:

1. When applying for government funding, humanitarian organisations will articulate their suitability based on a range of positives and their ability to manage risks. However, because of the dearth of evidence on 'what works' in general in the sector (see Challenge 4), they will often not be able to use evidence to argue why they are using a certain solution – precedent will often be deemed sufficient. With this backdrop, using a new solution is likely to be seen as a risk and not a competitive advantage, especially if the organisation is an early adopter. A lack of robust evidence in support of the innovation exacerbates this issue.

2. Similarly, the humanitarian organisation itself will prioritise risk aversion ahead of greater impact. The 'do no harm' imperative rightly drives organisations to minimise risk. But this risk aversion is deeply embedded in organisations, leading them to prefer the position of follower rather than first adopter.

3.   The adoption of a solution originating from another organisation is an endorsement of that solution, and by extension, praise for the originating organisation. Humanitarian organisations may rightly or wrongly see themselves as competing with each other for funding and are therefore dis-incentivised from commending each other's achievements.

4.   Embedding a new innovation necessitates doing things differently. The organisation will need to invest time and energy in learning how to do something differently. They will need to train staff, change procedures, adapt monitoring and evaluation procedures and so on. This often goes against the short-term priorities of saving lives and alleviating suffering, priorities against which the organisation will be held to account.

Organisational structures are geared around this incentive structure, (this is particularly the case for those where the majority of operational funding is secured through grants from donor organisations rather than those organisations like MSF where individual donors supported by substantial charitable reserves provide the core financial resources). Gatekeepers are embedded into procurement processes and accepting any new product as a routine part of the response of any large international humanitarian organisation is extremely difficult. Approval procedures for new processes are arduous, with risk assessments featuring as a powerful tool in decision-making processes.

Our Accelerating the Journey to Scale grantees have consistently struggled when pushing for the adoption of their innovations. As an example, Field Ready have experienced increased risk-aversion in innovation funding in the humanitarian sector. Increasing use of outsourcing appears to have led to more inexperienced people involved in funding mechanisms. As a result, they have observed the growing belief that small organisations and transformative innovations such as theirs were too risky.

Consultations with the wider sector uphold this perspective. Those interviewed indicated many organisations are unwilling to adopt others' solutions – described as a 'not invented here' culture. Many agreed that organisations were not incentivised to adopt others' solutions.

The growth of Cash Transfer Programmes (CTP) has been hampered by the perverse incentives outlined above. But in addition to these, and perhaps more significantly, a challenge faced by CTP has been the risk it poses to the value and very essence of traditional humanitarian response, and by extension to humanitarian organisations themselves. CTP is predicated on the basis that it is more effective and efficient than the structures humanitarian organisations have put in place to deliver emergency supplies in a humanitarian crisis. In other words, it is, in and of itself, a damning critique of the core value of humanitarian organisations. In a material sense, it renders unnecessary many of the structures and staff needed for conventional humanitarian delivery. These factors explain largely why, despite the growing body of evidence showing its effectiveness, and the millions invested in developing and promoting the innovation by CaLP,[59] it has been strongly resisted by many humanitarians, and its adoption has taken decades. It still has a way to go to reach its full potential. Until the evidence was too strong to dispute, humanitarians cited fears of cash being misused[60] and defaulted to familiar forms of in-kind assistance.[61]

59  Cash Learning Partnership, 'A Review of Cash Transfer Programming and the Cash Learning Partnership (CaLP): 2005 – 2015 and Beyond', April 2014, http://www.cashlearning.org/downloads/calp-review-web.pdf, (accessed 18 September 2018).

60  P. Harvey, 'Cash transfers: only 6% of humanitarian spending – what's the hold up?', The Guardian, 22 January 2016, https://www.theguardian.com/global-development-professionals-network/2016/jan/22/cash-transfers-only-6-of-humanitarian-spending-whats-the-hold-up, (accessed 18 September 2018).

61  Ibid

What also came through strongly in the consultations with humanitarian sector representatives was a negative bias towards knowledge derived from an external source.[62] The bias against external ideas exacerbates the presumption that an innovation can only be successful if it is designed bespoke for that context, even if that is a costlier process. Two experts shared their experience with the sector's cultural attitude of idealism. Actors can be unwilling to scale an innovation that is not 'perfect,' that does not work in every possible context or solve a problem for 100% of users. This approach may be admirable in principle, but in practice it creates a barrier towards any programme being scaled, limiting the potential impact of these innovations.

Many potential partners understandably do not want to adopt approaches and activities that haven't undergone robust testing, such as being trialled in the range of settings to which they may be applied (see Challenge 4).

While Spring Impact regularly hears concerns from practitioners on the difficulties of convincing a partner organisation to adopt their innovation in the social impact sector, they feel these perceptions seem more pronounced in the humanitarian sector. They believe one way to overcome this is to consider the value proposition of the partnership for both parties – shifting the mindset to the additional value and benefits, rather than focusing on just the risks and drawbacks. For example, RNW Media recently entered into a social franchise relationship with a Mexican NGO, Mexico Vivo, to deliver its Love Matters programme. The partnership enables Mexico Vivo to add digital competencies and channels that are helping to deliver its mission; it enables RNW to harness Mexico Vivo's existing reputation, network and offline reach, resulting in strong numbers for online engagement. In addition, the organisations have extended their funding base by learning from each other's fundraising strategies and experience with different donors and partners.

## BARRIER 2:
## A LACK OF MARKETS THAT WOULD EXIST IN OTHER CONTEXTS

While some innovations will be made freely available – and in a few cases, a partnership between two to three large humanitarian organisations can provide almost complete coverage in that domain – many innovations need to be supported by viable and sustainable businesses, and as such innovators need access to the market(s) in which they will operate.

The humanitarian sector is characterised by a lack of typical markets that are available in other sectors, even in comparison to the development sector. The development sector has a 'base of the pyramid' market, providing goods and services for people who live on less than $2 a day. The global uptake of mobile phones proved that this is a viable market if the product or service is attractive enough and the price is low enough, though it undoubtedly remains an extremely challenging market.

The development sector also tends to have functioning governments who provide a potential market for some innovations through their ability to procure goods and services. Often the worst humanitarian contexts, particularly conflict settings, lack a functioning state; when central governments or local authorities are unable to provide a budgeting horizon or procure goods or services, innovators are unable to anticipate or access this route to market. Of course, what constitutes a humanitarian context as opposed to a development context can be unclear as protracted crises become more frequent and we see some refugee camps, for example, persisting for decades. In these cases, market opportunities open to the development sector can start to be accessed.

62  Shared by many experts and also highlighted here: Humanitarian Innovation Fund, '3 Things Faecal Sludge Can Teach Us About Humanitarian Innovation', [webpage], 2018, http://www.elrha.org/news/3-things-faecal-sludge-can-teach-us-humanitarian-innovation/, (accessed 18 September 2018)

A significant market for innovators in the humanitarian sector is other humanitarian organisations (often called the humanitarian-to-humanitarian or H2H market). However, this market has several challenges for innovators. Three key challenges are described here:

Firstly, the market is typified by a small number of large international humanitarian organisations that manage the majority of humanitarian relief efforts.

58% of all relief efforts (measured by spend) are provided by a small number of multilateral organisations, primarily seven UN agencies, along with the International Red Cross and Red Crescent Movement. The ten largest INGO recipients account for 44% of assistance channelled through INGOs.[63] This is positive because in order to achieve significant impact, an innovation only needs to be used by a few large organisations. Conversely, if the few large humanitarian organisations most active in the particular setting do not use the innovation, then impact will always be limited, and scale will not be achieved.

At Elrha, we ensure that key decision makers from these large humanitarian organisations are involved from an innovation's beginning. We may consult them when researching which problems are the most critical for us to tackle. We may employ them as technical reviewers, or as representatives on our governance bodies. We may ask them to provide feedback to innovation teams during the innovation. Our hypothesis is that early engagement, and involvement throughout, will lead to these key decisionmakers becoming advocates when the time comes to adopt the innovation. However, the perverse incentives to uptake, outlined above, still constrain the impact of this approach.

A second difficulty is the thematic nature of budgets in large humanitarian organisations. Much of the funding for these types of organisations is aligned to the Cluster Approach, and so is vertical in nature. For example, funding may be focused on addressing humanitarian needs in the WASH sector, or in shelter. This presents problems for purchasing cross-cutting or horizontal services such as translation services.

Translators without Borders have been facing exactly this issue. This is a horizontal service offer, designed to meet translation needs that straddle an entire humanitarian response. Humanitarian agencies do not have funding dedicated to this kind of technical translation service, and therefore this particular business model is extremely challenging, despite solid evidence of impact.

Thirdly, in some cases, the market is missing in that humanitarian organisations don't currently address a particular issue. Again, Translators without Borders provides a good example. Generally, there has been an absence of translation services in humanitarian contexts. People who don't speak or understand the dominant language used by the humanitarian community in a particular context are disadvantaged, and humanitarian operations are less effective. However, there is no explicit cost to the humanitarian organisations in not providing this service. Translators without Borders had to create a market for translation services, not only demonstrating the value of such a service, but also getting humanitarian organisations to budget for it.

Innovators usually raise relatively discrete issues and they struggle to be heard by the small number of big agencies that provide most humanitarian response. Small organisations with a new innovation have to be on the ground in the early stages of a new or escalating emergency to ensure 'their' issue is taken into account. Translators without Borders managed to overcome this issue when, in Bangladesh in 2017, the Accelerating the Journey to Scale grant made it possible to deploy staff early in the Rohingya refugee crisis to gather initial evidence of language barriers and start offering services before funding decisions were made.

63  Development Initiatives, 'Global Humanitarian Assistance Report', 2018, [webpage], 2018, http://devinit.org/wp-content/uploads/2018/06/GHA-Report-2018.pdf, (accessed 25 September 2018)

This enabled them to persuade the large agencies to factor translation into their funding proposals, which in turn, enabled them to sell these services to the agencies during the crisis.

The other market is the donor market. Donors can use their money and position to influence innovation. This happens both directly through investment in the innovation itself, and indirectly by influencing the humanitarian-to-humanitarian market.

## BARRIER 3:
## A FULLY FUNCTIONING ECOSYSTEM FOR HUMANITARIAN INNOVATION IS MISSING

The not-for-profit sector is fundamentally different to the for-profit sector when it comes to the way organisations embed innovation into their operations. The for-profit sector often acquires businesses when they want to enhance their core offer. This is particularly true of the high-tech sectors where startups may be created specifically so they can be bought-out by the tech giants. The same pattern usually does not apply to the not-for-profit sector.

In the case of the for-profit sector, incentives are aligned to ensure acquisition (and therefore uptake) happens: innovators make a lot of money from selling their company, and larger companies are able to maintain their innovative reputation and their competitive advantage. Smaller startups can be more nimble and dynamic and therefore better at the ideation and development stage of an innovation cycle. Larger organisations are better at scaling an innovation – they generally have stronger management systems, specialist resources and the operational infrastructure needed.

These incentives are missing in the not-for-profit sector and as a result acquisitions rarely happen. The financial incentive for acquisitions is absent for small humanitarian startups. For larger organisations, the competitive advantage of being innovative is far weaker when set against the strong competitive advantage that comes from being able to minimise risk. The general paucity of evidence of impact in the humanitarian space also undermines any possible competitive advantage – if no one is able to compare organisations on an equal basis or understand which approaches have the greatest impact, then there is less drive to excel in these ways. What does exist in the humanitarian sector is a strong moral pull to be as effective as possible and to help as many people who are suffering as we can. This pull goes some way to cutting through competitive pressures, but the two are often in tension.

As a result, larger organisations tend to look inward for innovation, setting up their own teams and seeking new ideas within their existing networks, such as UNICEF's Global Innovation Centre. Alternatively, innovation hubs and accelerators look to support small organisations with good ideas to develop those innovations. But few small humanitarian organisations are set up with the sole purpose of developing an innovative idea (Field Ready being a notable exception). Innovation expertise is therefore concentrated in pockets of large organisations or brought into small organisations through external support, while expertise specifically related to scale is very scarce. We have rarely seen partnerships between large and small humanitarian organisations expressly aimed at supporting an innovation that has originated in a small organisation to scale.

In response, the sector is looking to develop the capacity of smaller, local organisations to equip them with the skills needed to develop an innovative idea. For example, Elrha's Humanitarian Innovation Fund works with a diverse set of organisations including smaller organisations and foster partnerships between organisations where necessary.

Another example is Mercy Corps' Social Venture Fund which supports a portfolio of entrepreneurs with funding, on-the-ground insight into local customs and markets and business expertise.[64]

In comparison with the social sector, Spring Impact have observed there is a 'missing middle' of medium-sized organisations in the humanitarian sector which makes the need to connect the smaller and larger organisations more profound than in other sectors. Jarvis and Marvel argue that a successful scaling system relies on all actors understanding their roles and acting accordingly.[65]

A second key dynamic to note – the humanitarian innovation ecosystem is small and lacks diversity and many of the intermediaries and support structures that are common in the for-profit sector. In terms of innovation scaling, it is at a very early stage of development. The types of support that are found in the for-profit sector but missing in this sector include financial support in the form of angel investors, patient capital investors, or loans targeted specifically at innovation activity; a wide range of specialist advisers; and brokers and deal-makers to link innovators to these various actors and support services that are available.

The for-profit sector also has a history of strong links between universities and industry driving research and innovation activities. In the humanitarian sector, Elrha has been fostering partnerships between academia and the humanitarian sector – primarily through our research portfolio, but also, to a lesser extent, through our innovation portfolio. Although these partnerships have delivered some fantastic results, they are still fairly rare across the sector as a whole.

## HUMANITARIAN SECTOR CURRENT ACTIVITY

Elrha is working to build strategic partnerships with key large humanitarian organisations, looking at how innovations can have a direct route into their environment to support rapid adoption. In this way we could support high-impact innovations, particularly those supported by small organisations, with 'market entry' points.

Elrha is also looking to broker relationships with financial backers for investment-ready innovations in its portfolio. For example, at our Scale Sprint event in May, the three Accelerating the Journey to Scale teams were mentored through creating a 'pitch deck'. At the end of the Sprint, they then had the opportunity to pitch to a panel of innovation experts and investors. We are looking to do more of this type of work across our portfolio.

64  Mercy Corps, 'Social Venture Fund', [webpage], 2018, https://www.mercycorps.org.uk/innovations/social-venture-fund, (accessed 18 September 2018).

65  O. Jarvis and R. Marvel, 'When Bees meet Trees: How large social sector organisations can help to scale social innovation', London, Clore Social Leadership, 2012

## CALLS TO ACTION

### SYSTEMIC LEVEL

**Global innovation actors** need to collaborate with large humanitarian organisations to encourage or even broker a route to market for innovators. They should foster better relationships with the gatekeepers in particular – the product buyers or decision makers involved in adopting new innovations, to facilitate uptake of new innovations.

**Donors** should fund humanitarian response that is supported by evidence where possible and give preference to funding proposals that seek to use innovative approaches. One mechanism for doing this could be to look at effectiveness and cost-effectiveness over a longer time frame. This would incentivise investment in long-term effectiveness and efficiency, in turn incentivising the adoption of innovation. It would be particularly useful if donors were able to incentivise large humanitarian organisations to adopt and scale innovations from outside their organisation.

## QUESTIONS FOR THE SECTOR

- What would it take for humanitarians to mainstream the adoption of innovations into their programmes?

- What can we learn or adopt/adapt from the for-profit innovation architecture?

- How do donors move toward more investment-style behaviours?

- What are the roles of donors and global innovation actors in brokering between each other for investing and co-investing?

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PART THREE

# CONCLUSIONS AND CALLS TO ACTION
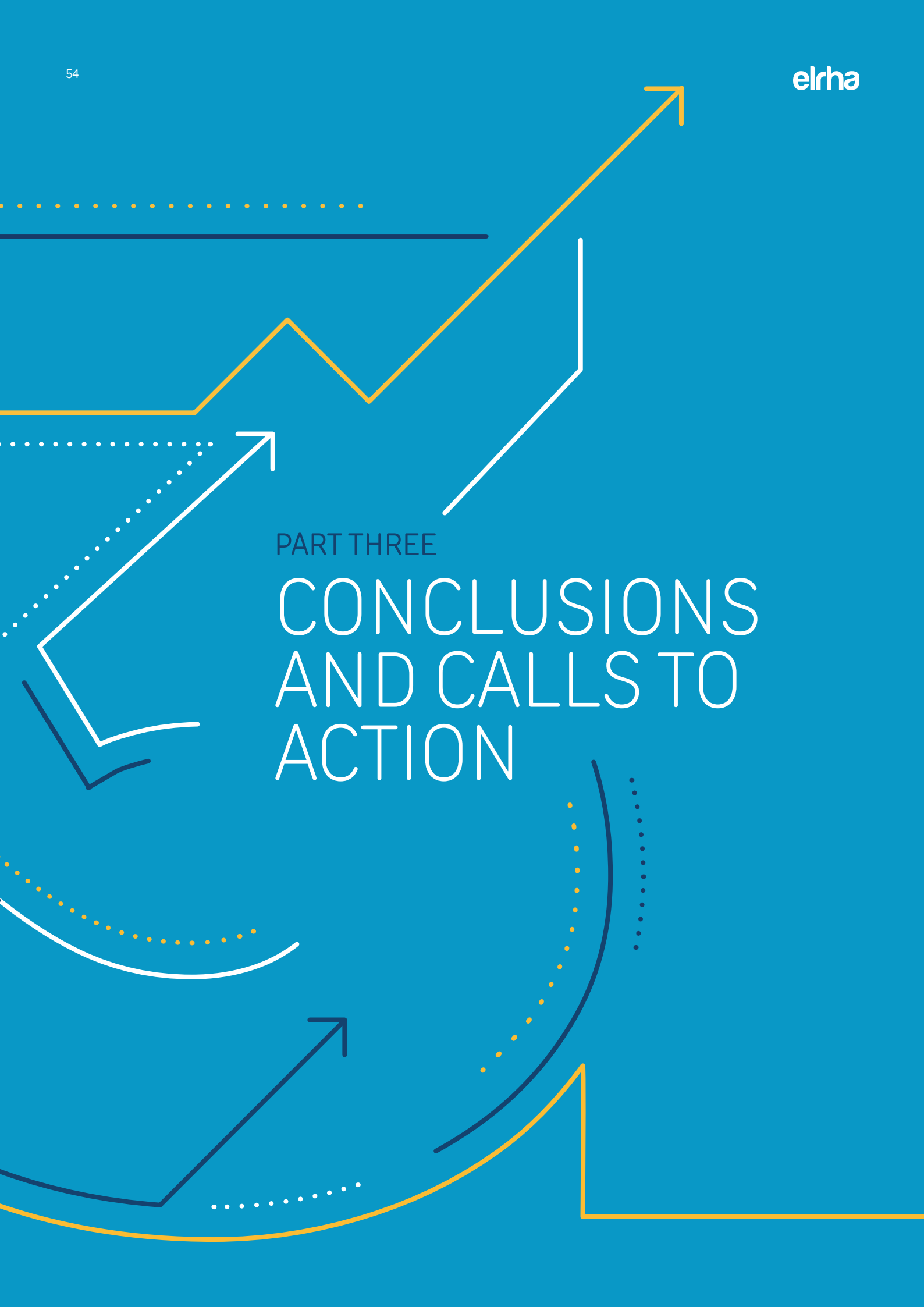
# CONCLUSIONS AND CALLS TO ACTION

We have identified five key challenges for the sector around scaling humanitarian innovation. These represent a complex set of barriers and constraints at operational and systemic levels.

There has been significant progress in overcoming operational barriers to scale, but very little action is being taken to address the more complex, systemic barriers.

At an operational level, **innovation hubs/labs/accelerators** are sharing tools and best practice through guides, case studies, and convenings. Although hands-on experience is still fairly limited, it is building, and as it does, the capabilities of the whole sector will start to rise.

Many **innovation hubs/labs/accelerators** are already focusing on engaging with people affected by crisis in the problem recognition stage to develop innovations that are problem-centred. User-centred design techniques are being tested, and hands-on guidance on problem recognition is now available through the Humanitarian Innovation Guide. These efforts should raise the quality of innovations and the number that are ready to receive scale investment.

**Innovators** need to focus more on scale and sustainability at an early stage in the innovation cycle, and more tools need to be developed to support them to do this. However, experience is building and there is commitment (including Elrha's own) to focus more effort in this area and share tools and guidance as they emerge.

These efforts, at an operational level, will go a long way to supporting more innovations to scale. However, we would like the sector as a whole to deeply integrate innovation into their work so that innovation routinely drives best practice. We want the sector to be highly efficient and effective at reducing the suffering of people in crisis. To achieve such transformative change we need to address key systemic barriers.

These systemic barriers remain significant and intractable. To date there has been little or no action to tackle these. Moreover, they can only be addressed through collective action and collaboration. Elrha cannot tackle these systemic barriers alone, and we call on others to support these efforts. The most pressing areas to focus on are:

1. Funding structures to support innovation. We are calling on **donors** to:

   a. Make every effort to increase the level of core or unrestricted funding available in the sector, particularly for smaller organisations

   b. Ensure funding can be made available for evaluations – both for evaluations of current best practice approaches to provide a baseline, and for post-innovation funding assessment of an innovation's impact

   c. Provide more longer-term funding to support innovations

2. Structural adjustments to the humanitarian architecture. We are calling on donors and **global innovation actors** to collectively define:

   a. Pathways and incentives to enable humanitarians to mainstream the adoption of innovations into their programmes

   b. What we can adopt/adapt from the for-profit innovation architecture

   c. How we move toward more investment-style behaviours

   d. What individual roles are required to sustain an environment for investing and co-investing?

3. Enhanced knowledge and insight. We are calling on **innovation hubs/labs/accelerators** and **global innovation actors** to:

   a. 'Test out' as yet untested pathways to scale and share case studies and insights thereby building on our hands-on experience

   b. Research and publish how many innovations that receive funding and technical support at an early stage progress to achieve scale

   c. Conduct more cross-portfolio impact evaluations, particularly looking at the impact of innovations over time

## ELRHA'S COMMITMENT

We see huge potential for us to continue as a thought leader on enabling scale in the humanitarian sector, building on the pioneering efforts of our Accelerating the Journey to Scale initiative and leveraging our unique experience and set of expertise. As our experience grows, we will continue to tackle more complex challenges, pushing the boundaries of our understanding and experience. We will continue to share best practices on how to scale. We will also work with our portfolio of innovation teams to ensure that, at the appropriate time, teams produce high quality challenge briefs, increasingly robust impact assessments, and solid, detailed scaling and sustainability plans. These efforts will go a long way to addressing the barriers at the operational level.

In addition to this, we will work with others in the sector to start to tackle some of the tough systemic barriers that need to be overcome if innovation is to achieve truly transformative change. We will work with key donors to develop a consistent and coherent approach to funding stages and risk management across the sector. We will also collaborate with the largest humanitarian organisations, and particularly gatekeepers or key decision makers within these, to better support this route to market for innovators.

# APPENDIX: EXPERTS CONSULTED

Table 3 details the full list of experts consulted. Their inclusion in this report does not indicate an edorsementof the findings or recommendations presented here.

Table 3 – List of experts consulted

## INNOVATORS

Eric James – *Field Ready*

Andrew Lamb – *Field Ready*

Dan Butler – *Field Ready*

Ben Britton – *Field Ready*

Ellie Kemp – *Translators without Borders*

Eric DeLuca – *Translators without Borders*

Alyssa Boulares – *Translators without Borders*

Darcy Ataman – *Make Music Matter/ Healing in Harmony*

Justin Cikuru – *Make Music Matter/ Healing in Harmony*

Emery Mutunzi – *Make Music Matter/ Healing in Harmony*

## IOS / (I)NGOS

Gareth Owen – *Save the Children*

Jane Cocking – *MAG International*

Nigel Trix – *Norwegian Refugee Council*

Kate Radford – *War Child Holland*

Ben Kumpf – *UNDP*

## DONORS

Rhodé Jannsen – *Dutch Ministry of Foreign Affairs*

## INNOVATION HUBS/LABS/ ACCELERATORS

Josh Harvey and Deepti Tanuku – *Care International (Scale X Design Challenge team)*

Katherine Crisp – *UNICEF (Global Innovation Centre)*

Glen Mehn – *Nesta*

## RESEARCHERS

Ian Gray – *Gray Dot Catalyst and adviser to Humanitarian Innovation Fund*

Dan McClure – *Practical Clarity and Chair of Elrha's Humanitarian Innovation Fund*

Saurabh Lall – *University of Oregon*

Alice Obrecht – *ALNAP*

## GLOBAL INNOVATION ACTORS

Rahul Chandran and Laura Walker MacDonald – *Global Alliance for Humanitarian Innovation*

Neil Townsend and Scarlett Sturridge – *Start Network and DEPP labs*

Howard Rush – *CENTRIM*

## EXPERTS WHO REVIEWED AN EARLY DRAFT OF THE REPORT

Jane Cocking

Benjamin Kumpf

Dan McClure

Glen Mehn

Howard Rush

Laura Walker MacDonald

Alice Obrecht

Neil Townsend

Ian Gray

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