

FAILURE TO SCALE

Consolidated Recommendations
June 2024

elrha





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About Elrha

We are Elrha. A global organisation that finds solutions to complex humanitarian problems through research and innovation. We are an established actor in the humanitarian community, working in partnership with humanitarian organisations, researchers, innovators, and the private sector to tackle some of the most difficult challenges facing people all over the world.

Through our globally recognised programmes, we have supported more than 200 world-class research studies and innovation projects, championing new ideas and different approaches to evidence what works in humanitarian response.

About the Humanitarian Innovation Fund programme (HIF)

The HIF is a globally-recognised programme leading on the development and testing of innovation in the humanitarian system. Established in 2011, it was the first of its kind: an independent, grant-making programme open to the entire humanitarian community. It now leads the way in funding, supporting, and managing innovation at every stage of the innovation process.

The HIF's portfolio of funded projects has informed a more detailed understanding of what successful innovation looks like, and what it can achieve for the humanitarian community. This work is leading the global conversation on innovation in humanitarian response.



Ministry of Foreign Affairs

GLOSSARY OF TERMS AND ABBREVIATIONS



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ADRRN - Asian Disaster Reduction and Response Network - <https://www.adrrn.net/>

CLIP - Community Led Innovation Programme

DEPP Labs - Disaster and Emergencies Preparedness programme

GCC - Grand Challenges Canada - <https://www.grandchallenges.ca>

Host Agencies - Legally registered and compliant organisations, that provide a range of systems, processes, policies and compliance services to 3rd party projects or initiatives with compatible values and objectives but which lack their own registration and compliance capability

Humanitarian Innovation Support Organisations (HISOs) - Organisations with teams or programmes established to provide support to the innovation process and to innovators, often including the provision of funding as well as technical support – e.g. Elrha, GSMA, DRA Grand Challenges Canada

Humanitarian Innovation Adopters - Humanitarian organisations including UN agencies and NGOs with potential to deploy innovations in their humanitarian programmes and activities at scale.

ICRC - International Committee of the Red Cross

Innovative Finance - A collection of different mechanisms including outcome-based funding, impact bonds and credit facilities that can mobilise funding from non-traditional donors including the private sector and private foundations.

LMIC - Low- and Middle-Income Countries

CMAM - Community-based Management of Acute Malnutrition

CONSOLIDATED RECOMMENDATIONS



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Funding

- 1. **Differentiated Support** – Humanitarian innovation support organisations (HISOs) should aim to develop more consistent and predictable scaling support offerings (both financial and non-financial) that are increasingly differentiated for different stages in the scaling journey which can be more responsive to the unique circumstances and needs of individual innovations.
- 2. **Funding for critical organisational functions** – Funders and HISOs should aim to ensure that funding scope and quantity provided to innovators enables innovators to invest in organisational development, marketing and communications.
- 3. **Reactive Funding** – HISOs should investigate the viability of reactive innovation funding opportunities that are not limited to specific time-bound windows, that can address gaps or opportunities as they emerge.
- 4. **Alternative Funding Instruments** – HISOs and their hosting organisations should develop and deploy alternative funding instruments which have the potential to be less restrictive than typical grants and / or develop innovation specific grant formats, policies and procedures tailored to the agile requirements of innovation.

- 5. **Innovative Finance** – Research and explore the potential of innovative finance to attract new sources for funding for humanitarian innovation. Review the current restrictions to the use of these instruments and explore ways to resolve the barriers to enable non-traditional funders to invest in the future value creation potential of humanitarian innovation.
- 6. **Trust based, flexible approaches** – Continue to build on existing good funding practices in encouraging flexibility, trust-based approaches and delegation of decision making within administration of financial support

Opportunities for Participation and Inclusion

- 1. **Hearing Innovation Signals** – The innovation community should co-design, test and deploy new mechanisms so that the signals of innovation requirements from people affected by crisis can be better heard and responded to. This is likely to include mechanisms that work through local networks and communities of practice.
- 2. **Funding for Local and National Innovators** – HISOs and funders should aim to significantly increase the amount of innovation funding opportunities for local and national innovators and ensure they have funding opportunities for scaling beyond pilots and prototypes.

- 3. **Barriers to Funding** – HISOs should identify the barriers in funding application processes that are unnecessarily costly to comply with, especially for those who are locally and contextually based, and revise application processes to addresses those barriers.
- 4. **Local convening and intentional pathways** – The sector should facilitate more convening opportunities for locally based innovators to interact with the humanitarian sector, building the relationships and networks they need on the journey to scale and intentionally creating innovation development pathways that can be realistically followed by those actors.
- 5. **Support through networks** – Look for ways to increasingly channel funding support through networks to support more broad-based adoption of innovations.
- 6. **Targets for inclusion** – Funders or innovators setting targets for their innovation should include targets for reaching the most marginalised
- 7. **Re-design adoption pathways** – Innovation adopters should re-think their role and approach – finding ways to meaningfully support innovators in the background without taking over their independence, control and approach.

CONSOLIDATED RECOMMENDATIONS

Collaboration

1. **Collaboration opportunities and budget** – HISOs to facilitate collaboration and learning opportunities between innovators where appropriate (virtual spaces, learning and exchange visits etc.) and confirm that funding allocations for innovators include adequate provision for time spent on collaboration from early in the innovation cycle
2. **Working through existing networks** – Explore options to engage existing humanitarian networks in crisis locations to have greater involvement in supporting and deploying innovations and providing networks for innovators to tap into
3. **Donor Collaboration** – Create lightweight collaboration structures between innovation donors, to test approaches to collectively address systemic issues such as procurement policies and adoption incentives. Encourage greater donor collaboration in crisis countries to harmonise approaches.
4. **Collaboration between HISOs** – Develop collaboration structures between innovation supporting organisations to align support approaches along the journey to scale and to harmonise administrative, application and due diligence requirements
5. **Internal Alignment** – Humanitarian organisations to develop internal mechanisms to align around internal change priorities across team including teams such as procurement and risk management

Personal Costs

1. **Pathway based funding** – HISOs to collaborate towards increasingly joined up funding mechanisms that cover the greatest extent possible of the scaling pathway so that successful innovators / innovations experience minimal gaps in funding / funding opportunities.
2. **Financial Reward** – HISOs and funders to explore mechanisms for reasonable innovator and team financial rewards when allocating follow-on / scaling funding to an organisation.
3. **Access to critical skills** – Recognise that within scaling processes specialist skills will be required and enable funding duration and certainty so that innovation teams can compete for those skills.
4. **Reduced Administrative Burden** – HISOs and their hosts to create standards for reasonable time durations in processes such as contracting and due diligence and support administrative departments to be able to comply with them.
5. **Innovator wellbeing** – Create innovator well-being support mechanisms within humanitarian innovation support organisations and funding offerings, including peer-to-peer and other support mechanisms, and actively monitor innovator well-being
6. **Culture of Change** – Leaders in humanitarian organisations need to do more to create a culture that is receptive to change within their organisations in which challenge to the status quo is an accepted norm

Evidence

1. **Innovation** – determined evidence – the evidence focus during the innovation process should offer utility to the innovator as well as meeting any external requirements, particularly encouraging and enabling innovators to test strategic choices, including revenue and operational models at the same time as they test the value created by their innovation.
2. **Evidence agility** – Evidence requirements should not be so time consuming or expensive that they cannot be iterated as the product and strategy develop. If experimental-research based evidence such as an RCT, or other in-depth evidence is appropriate and required, consideration should be given about when to do this so that it doesn't lock-in a product before it is known to be strategically viable. The 'bar' for evidential requirements should also be considered relative to the evidence for existing interventions.
3. **Compelling narrative** – Innovation supporters / funders should ensure that adequate funding provision is available for marketing and communications products and skills and is seen as a core component of the offering rather than a later add-on.
4. **Harmonised approach** – Funders / HISOs should aim, as much as possible, to align any minimum evidence requirements or expectations so that they can be 'ported' across different funders to keep innovators additional evidence gathering costs low.

CONSOLIDATED RECOMMENDATIONS

Incentives

1. **Alternative Procurement Pathways** – Humanitarian organisations should create new procurement pathways through which they can adopt innovations relatively quickly and which have transparent, achievable requirements for innovators participation. The creation of such pathways could be a standard donor requirement as with other due diligence requirements.
2. **Donor led adoption incentives** – Donor organisations should collaborate to identify and test mechanisms to incentivise humanitarian agencies to support and adopt innovations that improve impact and value for money.
3. **Agreed investment targets** – Humanitarian innovation support organisations should collaborate to set (or co-design with donors) coherent targets for increasing donor investment levels in innovation over time and for the relative spend in different stages of scaling support, monitoring progress to make the gap clear. This could potentially include targets for funding diversification.
4. **Greater direct involvement of crisis affected people** – Increasing innovation funding should be available through contextually based networks and organisations, for the deployment of innovations that centre the needs of crisis affected people and in a way which puts greater emphasis on the direct involvement and feedback of people affected by crisis.

5. **Innovation support for sector changes** – The innovation support sub-sector should more actively support processes for the development and testing of new models for the governance, regulation of facilitation of humanitarian service provision locally that much more substantially centres crisis affected people.

Complexity Readiness

1. **Adequate time frames** – Maximise timelines in funding for innovators to engage with elements of complexity from early in the innovation cycle.
2. **Evidence Agility** – Evidence requirements should be flexible and broad enough in the early stages of an innovation cycle to encourage innovators not to lock in on a narrow product focus.
3. **Thin slicing** – Innovators, and innovation supporters should consistently look for opportunities at pilot level to find ways to engage with as much wider system complexity as is possible – even if this means delaying some elements of the solution development until later. This could include, for example, engaging more deeply with networks regulators and authorities.
4. **Multi-stakeholder approaches** – Consider assembling multi-stakeholder groups of locally based actors, around problem spaces with consideration to power dynamics and prioritising the equitable participation and leadership of crisis affected people.

Risk Appetite and Risk Management

1. **Innovation adapted procedures** – HISOs and funders should invest in developing policies, procedures, and tool kits including grant contracts and due diligence processes that are specifically designed for innovation contexts rather than adopting existing standard NGO procedures.
2. **Culture of openness about failure** – HISOs, host organisations and donors to explore how to take a more differentiated approach to different risks and to review how their contracts and practices can encourage an openness to sharing about failure, including their own failures.
3. **Use of portfolio approaches** – HISOs should investigate how other organisations within and outside the humanitarian and development sectors use and manage portfolios to increase overall success and manage critical risks.
4. **Co-creation of pooled funds** – Investigate the use of pooled fund mechanisms and consider inviting new funders to help co-design specific pooled funding or innovative financing mechanisms that could be attractive to them.

CONSOLIDATED RECOMMENDATIONS

Pathways to Scale

1. **Journey based support** – Innovation supporting organisations should explore options and incentives, including financial incentives, to partner with innovators through their journey to scale rather than providing timebound and projectized support.
2. **Adoption alternatives** – Innovators and HISOs should be open to considering strategic alternatives to adoption which may allow them more control over the scaling pathway and a greater ability to safeguard the integrity of the innovation.
3. **Funding for adoption cycles** – Funding that is provided for adoption needs long enough duration for complete cycles of planning – context specific adaption – implementation – learning – sharing and needs to be flexible to changes in the context.
4. **Network based scaling** – Networks including communities of practice, local, national, regional and global networks should increasingly become the focus of the process of adopting innovations. Creating partnerships and scaling pathways with networks can be combined with an increasing support for contextually based innovators.
5. **Adopting agencies as investors** – International and established humanitarian agencies should increasingly see themselves as investors and enablers of innovators – providing support where needed but allowing innovators to maintain their independence and identity where desired.

Support Services

1. **Longer term scaling partnerships** – HISOs should aspire to develop longer term accompanying partnerships with innovators, with an incentive structure that rewards both the successful innovator and the HISO.
2. **Building support networks** – HISOs should continue to build greater networks of co-funders and investors so that funding can be provided over the longer term and in amounts that correspond more closely to the specific needs of innovators at different stages of the scaling journey.
3. **Disaggregated scaling support services** – Innovator support offerings should increasingly respond to innovators different needs at different times throughout the scaling journey, with the ability to operate outside of specific funding windows.
4. **Contextually based support** – Increase levels of support to innovators who are contextually based in crisis contexts.

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