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INSIGHTS ON Scaling Innovation



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INSIGHTS ON Scaling Innovation

International Development Innovation Alliance (IDIA)



ASSOCIATED PRODUCTS

SCALING INNOVATION Good Practice Guides for Funders

This supporting document explores the eight Good Practices identified in these *Insights on Scaling Innovation* in more detail, and provides funders with further guidance on tools and knowledge products that can help them start to operationalize these Good Practices within the context of their own agencies.



Insights on MEASURING THE IMPACT OF INNOVATION

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

About the International Development Innovation Alliance (IDIA)

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



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

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

About this document

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

Scaling innovation is a long, complex and dynamic process. The insights contained herein will therefore benefit from regular review and iteration to accurately capture continuing advances in knowledge and practice. In its current form, this document provides a broad architecture intended to help funders as they navigate the challenging pathways associated with scaling innovation. The insights collected in this paper are also likely to be valuable in helping innovators and partner organizations develop their own scaling approaches, thereby acting as a potential catalyst for deeper and more efficient partnerships.

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

Acknowledgments

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

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Executive Summary

This paper presents a collection of insights that may be helpful for funders who are interested in supporting the process of scaling development innovation. It is built on the experience of experts from a wide range of bilateral, multilateral, philanthropic and civil society actors who came together in a Working Group on Scaling Innovation facilitated by the Results for Development Institute under the **International Development Innovation Alliance (IDIA)**. IDIA is an informal platform for knowledge exchange and collaboration among the following development innovation funders:

- Australian Aid
- Bill & Melinda Gates Foundation
- Global Affairs Canada
- Global Innovation Fund
- Grand Challenges Canada
- Results for Development
- Sida
- The Rockefeller Foundation
- UKAID – Department for International Development
- Unicef
- USAID
- World Bank Group

When IDIA was created in early 2015, a key objective was for its members to begin building shared understandings around the complex practice of development innovation, and where possible collaboratively develop ‘*common platforms for supporting innovation from idea to scale, shared learning and improved impact measurement*’. The insights on scaling innovation presented here are one of a number of implementable, global public goods resulting from this process, and have been collated from the extensive learning and experience of development agencies both within and beyond IDIA. Together, they provide a broad architecture to help funders in navigating the long and complex process of scaling innovation, while also offering guidance to help innovators and partner organizations develop and enhance their own scaling approaches.

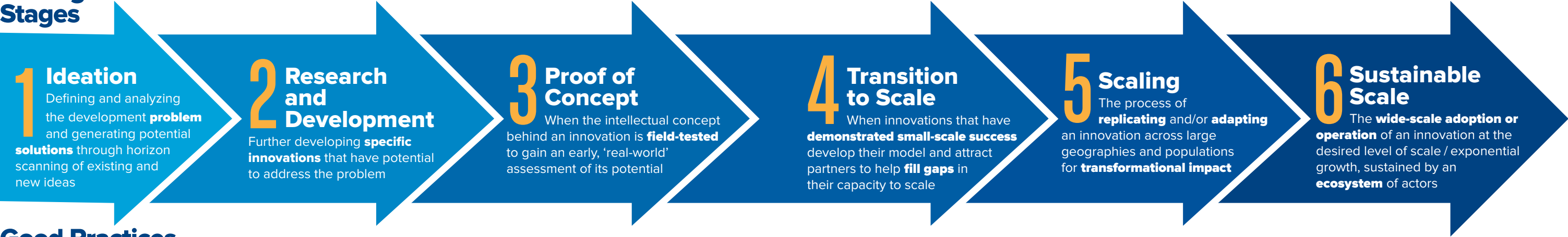
These insights have been organized into three discrete (yet complementary and interdependent) areas: first, dividing the scaling process into six overlapping **Stages**, stretching on a continuum from ideation through to sustainable scale. Second, eight **Good Practices** have been identified across these stages to help funders of development innovation enhance the impact of their support. Finally, a matrix of **Influencing Factors** that will either accelerate or constrain the scaling process has been created, with guidance on how funders can use these to initially assess (and then continually monitor) the scalability of an innovation over time. Together, these scaling stages, good practices, and influencing factors provide funders with an experiential (rather than theoretical) architecture for scaling innovation that may be helpful to inform their own approaches.

Although it is hoped that this high-level architecture will facilitate closer alignment and collaboration among agencies involved in scaling development innovation, it is not designed to suggest that all innovation funders should therefore operate in exactly the same way. Different agencies exhibit significant variation in the capacities, constraints and preferences that shape the kind of support they provide and the approach they take, and attempting to create a single framework is neither feasible nor desirable. Similarly, these insights caution against the notion of particular kinds of innovation needing to follow specific scaling pathways, as the flexibility to test and pivot in different directions is an integral part of any scaling journey. A diversity of approaches is important, not least because the scaling process is highly unpredictable, and heavily influenced by the changing social, political, cultural and economic contexts in which an innovation exists. The collectively articulated scaling architecture that has been created by the IDIA Working Group is therefore one that funders should reflect upon in the context of their own institutional environments and approaches.

Finally, it is important to note that this paper is closely linked (and designed to be read in conjunction with) the accompanying *Insights on Measuring the Impact of Innovation* that has been collated in parallel by an additional IDIA Working Group. Together, these Insights papers represent an exciting opportunity for funders to further enhance their support in using development innovation to accelerate achievement of the 2030 Sustainable Development Goals.

A High-Level Architecture for Scaling Innovation

Scaling Stages



Good Practices



Influencing Factors

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



Context and Objectives

1.1 Formation of the IDIA Scaling Innovation Working Group

When the International Development Innovation Alliance (IDIA) was created in early 2015, a key objective for the group was to develop ‘*common platforms for supporting innovation from idea to scale, shared learning and improved impact measurement*’.¹ In light of this, one of the first actions taken after IDIA’s formation was to convene a dedicated ‘Scaling Innovation’ Working Group to focus and lead collaboration around this issue. At different times over the course of this process, the Working Group has drawn on the scaling / innovation expertise of participants from the agencies in listed here:

- Australian Aid – Department of Foreign Affairs & Trade
- Bill & Melinda Gates Foundation
- Duke University (Center for the Advancement of Social Entrepreneurship)

- Every Woman Every Child - Innovation Marketplace
- Global Affairs Canada
- Global Innovation Fund
- Grand Challenges Canada
- Management Systems International
- Mercy Corps
- Results for Development
- Sida
- The Brookings Institution
- The Lemelson Foundation
- The Rockefeller Foundation
- The Skoll Foundation
- USAID – Department for International Development
- United Nations Children’s Fund
- United Nations Development Programme
- University of Toronto
- USAID
- World Bank Group

1.2 Shared ‘Points of Departure’ Around Scaling Innovation

Any funder interested in supporting the scaling of development innovations needs a range of knowledge and tools to help them navigate, allocate appropriate resources and make evidence-based decisions along the unpredictable journey from innovation to scale — a process that is perhaps best described using Deng Xiaoping’s image of “*crossing the river by feeling the stones*”. However, it was not the intention of this Working Group to create an exhaustive inventory of the potential questions, tools and scaling considerations that may be relevant to individual innovations (as this is neither feasible nor useful). Rather, the purpose was to capture and organize the many emerging good practices and les-

sons learned around scaling that funders would benefit from considering, and to provide greater bridges for collaboration and communication among those engaged in this endeavor.

To inform this process, members of the Scaling Innovation Working Group first identified some ‘**points of departure**’ that were common across their agencies around the practices of scaling innovation in general (see Figure 1).

As per the mandate of the IDIA platform, the Working Group agreed that the primary audience for this *Insights* paper would be development innovation funders, rather than the innovators themselves. In this context, the term “funders” is used to loosely refer to all those leaders and decision-makers from both specialized innovation units within development agencies, as well as their program

FIGURE 1

Working Group ‘Points of Departure’ around Scaling Innovation

- ▶ **The evidence base on scaling innovation is still relatively immature.** This is a consequence both of the small number of innovations that have successfully scaled in the development space, and the fact that most are documented or analyzed from the perspective of the impact they have had rather than the ‘critical success factors’ that actually led to that impact being achieved. As a result, many scaling frameworks currently in existence lack empirical grounding and validation.
- ▶ **Innovation, learning and scaling are closely linked in an iterative (not linear) process of delivering development impact at scale.** As scaling up generally does not happen spontaneously, it needs systematic planning, implementation management and learning, and scaling up should be a focus from the very beginning of any intervention. Funders should therefore focus on identifying a range of **good practices and tools** enhancing scalability that may be appropriate and effective at different stages of the innovation process, from the stimulation and selection of new ideas, through to delivery at scale in partnership with public or private entities.
- ▶ **Scaling is more than only the growth of an organization, which is the dominant model pursued by those in the venture capital world.** Adaptation and replication through other entities (e.g. via franchising, licensing and sometimes just pure imitation) are also valid and important routes to scale. Funders therefore would benefit from greater guidance around the **diversity of pathways, actors and approaches available across the scaling process**, and how to plan for and execute effective partnerships / ‘hand-off’ to these stakeholders at appropriate points.
- ▶ **Sustainability and scaling of innovations are closely related and need to be considered jointly.** While it may be possible to scale up an unsustainable innovation, this would be futile, since the innovation, once scaled, could not be sustained. Equally, if an innovation is scaled up without adequate attention to sustainability, its impact will be undermined. Finally, the various influencing factors that support or limit scalability will also be relevant for sustainability, including financial viability, the policy and political environment, to mention just a few. For these reasons, ‘scaling’ should be viewed holistically as the process of replicating, adapting **and** sustaining an innovation across large geographies and populations for transformational impact.
- ▶ **Scaling up takes time (typically multiple years) and requires long-term engagement in accordance with a well-articulated scaling vision/goal (which can be adapted over time).** To inform this vision, funders need guidance on predicting and responding to the potential enablers and constraints that will emerge along the journey and influence the speed and ultimate impact of innovations they are taking to scale. The type of innovation to be scaled is a key factor in understanding the likely timeframes that will result – for example, social or business innovations that are focused on improved service delivery tend to deliver some impact within five years, compared to ten years for technological innovations and fifteen years for scientific innovations, which take a longer time to move from the lab, to scale up and then to market.

delivery/operational teams more broadly, recognizing the frequent need for both to work together to achieve scale. At the same time, it was also recognized that any architecture that would be developed through this process could also be helpful to innovators in developing their own scaling approaches, and in understanding what funders might be looking for when submitting proposals.

Finally, the Working Group agreed that the outcome of their collaboration should be built on empirical experience, and designed to respond to the immediate needs and realities of funding agency staff rather than academic theory. Focusing on the multitude of action-oriented tools, processes and decision-making strategies of innovation funders across the scaling process would therefore increase the value of this *Insights* paper in providing concrete and tangible recommendations.

An Architecture for Scaling Innovation



2.1 Aligning Scaling Terminology

One of the underlying challenges to developing common platforms for supporting innovation has been the different terminology used by different agencies when describing their respective innovation approaches, both in terms of using different words to describe the same thing, or understanding the same word in sometimes completely different ways.

For any scaling architecture to be valuable and effective across multiple agencies, a common vocabulary of key terms will therefore be important. At present, funders use a wide range of terminology and demonstrate significant variance in the depth and breadth of the ‘scale’ they are seeking. This give some indication as to why insights and lessons learned around the scaling process have been historically challenging to capture among funders, let alone share as the basis for a common approach.

Yet in spite of this diversity, a number of commonalities were quickly discerned upon which to start building a shared architecture for scaling. For example, although they employ different terminology, innovation funders tend to conceptualise and manage their innovation investments

around three broad stages: ‘Proof of Concept’, ‘Transition to Scale’ and ‘Scaling’, as illustrated in Figure 2 (at right).

These three stages reflect the key *investment phases* of many innovation funders, but are not representative of the entire end-to-end process of scaling innovation. For example, the Working Group identified two stages that directly precede the ‘Proof of Concept’ stage which encompass analysis of the problem and the scanning, sourcing and development of possible solutions. These are referred to as ‘Ideation’ and ‘Research & Development’. Also, when innovations have passed beyond the fifth ‘Scaling’ stage, there are still longer-term questions that arise regarding how to manage the process while it operates at scale, whether it is sustainable (financially, politically, etc.), and whether there is a time when scaling back maybe required, since other newer technologies or processes may replace the old, scaled one.² For this reason, the Working Group added a sixth and final ‘Sustainable Scale’ stage relating to the sustainable operation of an innovation at the desired level of scale / exponential growth. These six scaling stages are displayed in Figure 3 below.

These six stages have been intentionally defined from the perspective of general support rather than financing, in or der to emphasize that scaling typically requires more

FIGURE 2

Common terminology used by innovation funders to define the investment stages of scaling

AGENCY	OBJECTIVE		
	To test the intellectual concept behind an innovation to gain an early, ‘real-world’ assessment of its potential technical, organizational and financial viability by piloting it in a developing country context.	To help innovations that have demonstrated success at a small scale develop their business model and attract partners who can assist in filling gaps (technical, financial) in their capacity to scale.	To support the widespread replication and/or adaptation of an innovation across large geographies and populations for transformational impact
Bill & Melinda Gates Foundation	Proof of Concept	Transition to Development	New Product / Knowledge dissemination
Global Affairs Canada	Testing / Pilots	Implementation and Scale Up	
Global Innovation Fund	Pilot	Test & Transition	Scaling
Grand Challenges Canada	Proof of Concept / Seed	Transition to Scale	Scaling
UNICEF (Product Innovation)	Proof of Concept	Field Trial	Scale
UNICEF (Office for Innovation)	Futures/Ventures	Ventures	Scale
USAID (Development Innovation Ventures)	Proof of Concept	Testing Impact and Delivery	Transitioning to Scale
World Bank Group (Development Marketplace)	Proof of Concept / Seed	Capacity Building	Scale and Replication
SHARED CONCEPT	PROOF OF CONCEPT	TRANSITION TO SCALE	SCALING

FIGURE 3

Six Stages of Scaling Innovation

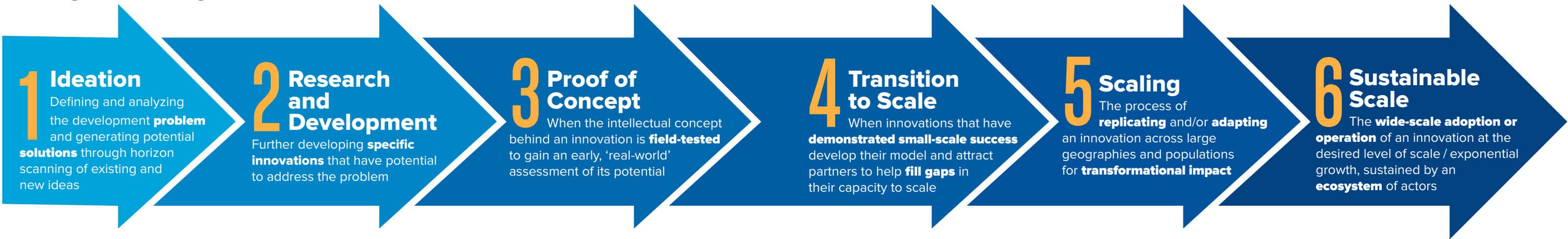


FIGURE 4

Good Practices for Funders in Supporting the Scaling Process



than the injection of capital alone. Funders should be encouraged to consider a range of advisory, influencing, convening and/or brokering roles that they and other stakeholders can play to accelerate the scaling process. Together, these six stages provide the first component of the high-level scaling architecture and a common reference point to help funders categorize, compare and align their investments across the scaling process. However, it is important to recognize that distinguishing between these phases does not mean that they always clearly follow one another in a linear fashion, as (for example) modifications that may occur during the 'Transition to Scale' phase may require further 'Proof of Concept' testing before the innovation progresses to 'Scaling' and beyond. Similarly, the boundaries between these stages are porous will often overlap in practice.

2.2 Good Practices for Funders in Supporting the Scaling Process

There is no 'silver bullet' framework for successfully scaling development innovation. However, in working through the various approaches their agencies take to supporting the scale up innovation across these six stages, members of the Working Group were able to identify and plot **eight areas of good practice** that experience suggested helped funders enhance their contribution to the scaling process. These 'Good Practices' form the second component of the scaling architecture, as shown in Figure 4 above.³

These eight Good Practices are intentionally not numbered or rigidly mapped to a particular Scaling Stage, as the complexity and longevity of the scaling process requires many of these to operate in parallel, interdependently or repeatedly across multiple stages. In short, funders will likely need to revisit most of these Good Practices on a regular basis, and to consider the implications of any significant change in the innovation's progress across all of the Good Practices, rather than just those that appear important at the stage where that change has occurred. One of the Good Practices has been specially highlighted because it relates to the various contextual influencing factors that exert a powerful influence over the scaling process, and which are identified in the third component of the scaling architecture (see Section 2.3).

Each of these Good Practices is explored in more detail below. To help funders begin to put these into action, a set of accompanying **Good Practice Guides** has also been developed by the IDIA Secretariat, each of which provides the funder with practical tools, empirical insights and case studies relevant to that Good Practice.

► **Understand the development problem and alternative options for delivering impact.** A key starting point for funders is a well-founded understanding of the development problem that needs a solution at scale. Once funders have defined the problem they wish to address, alternative options for addressing the problem need to be systematically explored and tested and then an appropriate innovation (or innovations) selected for scaling up. These steps relate principally to the first three Scaling Stages shown in Figure 3.

Funders can choose from a wide range of methods and approaches at their disposal for scanning and developing potential innovations and for selecting those innovations that they wish to support. The specifics of the process will depend on the sectors or thematic areas relevant to the problem being addressed, and on the level of information a funder has around the potential range of intervention pathways or 'entry points' that may impact that problem, including the relative success or failure of previous efforts. Funders should ensure that the innovators they support provide this information as far as they are able, but should also themselves attempt to validate / explore the alternatives to make an informed decision on why the innovation they select represents the 'best bet'.

► **Co-create a vision of scale for the development problem with the innovator.** Clearly defining a vision for the scope and type of scale expected from an innovation is vital for funders to understand and measure the impact of their support. However, any realistic vision of scale will necessarily be influenced by a range of factors, including the level and kind of support the funder is able to provide, the goals and capacity of the innovator and any other partners that may be attracted to contribute to the process, and perhaps most importantly, understanding of the development problem to be addressed. Some funders see scale as relative in terms of when the scope of the solution begins to match the scope of the problem, others define it by a minimum threshold (e.g. 1 million beneficiaries). Regardless of the definition adopted, these are dynamic and shifting influences, so funders

need to be able to develop an appropriate vision of scale that may flex and change over time, and be sure that the expectations of all stakeholders in the scaling process are all aligned.

► **Support the innovator in assessing appropriate pathways for scaling and sustaining the innovation.** This is not simply a matter of selecting public (government) and/or commercial (private sector) partners for the scaling process – there are many different pathways within these channels that also need consideration, e.g. deciding between horizontal scaling (expanding impact through replication), vertical scaling (changing the policy / institutional environment through higher level influencing) and functional scaling (expanding the functional scope of an innovation, e.g. adding TB and Malaria interventions to an innovation focusing on HIV/AIDS). Different types of pathway – including hybrid combinations of the above – will be relevant for different development problems and innovation types, with different enablers and constraints then applying depending the pathway.

► **Assess the scalability and sustainability of an innovation both before support and then throughout the scaling journey by analyzing the likely influencing factors that will enable or constrain the scaling process.** A wide range of influencing factors – both internal and external, and relating to the funder, innovator and the external environment – will come into play at different times to act as either enablers or constraints to the scaling process. The strength of these factors should be initially assessed when assessing the potential scalability of an

innovation and planning a scaling pathway, but also regularly monitored and reviewed throughout the scaling journey as their positive or negative influence may fluctuate as circumstances change (see Section 2.3 for more on this).

► **Consider which funder instruments and potential roles may be appropriate at different stages.**

Successful scaling depends on the timely application of different tools to meet different objectives and needs. The range of instruments available to funders in supporting the scaling process is increasing, including financial instruments (e.g. loans, equity, guarantees, impact bonds, etc.), process instruments (competitions/challenges, etc.) and technical instruments (technical assistance, knowledge dissemination platforms, etc.). However, funders also increasingly need to consider their capacity to play additional — *non-financial* — roles to support the scaling process, e.g. using their brand / position to convene and influence key players or unlock bottlenecks. Sometimes, their role may also change from a funder to a consumer of the innovation (in the sense of procuring and absorbing it as part of their larger, ‘normal’ operations).

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

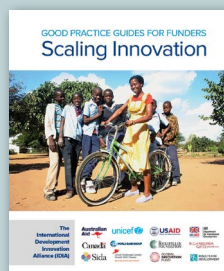
Both funders and innovators will need to enter into different partnerships along the scaling pathway. For example, many funders outsource their innovation activities through a third-party, or co-fund an innovation platform in partnership with others. They may also need to partner internally with other technical / operational teams within their broader agency. Equally, innovators will need to think about which partners (e.g. governments and/or private businesses) they need to engage to fill gaps in their capacity to scale at different stages, and what partnership arrangements might be appropriate and feasible for them to manage. Initiatives such as the ‘Every Woman Every Child Innovation Marketplace’²⁴ represent an interesting new model for making the brokering and implementation of these partnerships more systematic, while also recognizing the importance of building the capacity of the innovators themselves in attracting and sustaining partnerships after the funder exits.

► **Plan for the most impactful sequencing of support along the scaling pathway.** This is perhaps the most challenging area of good practice, and will require in-depth analysis by both the funder and the innovator to determine the different modes and

levels of funder engagement that may be appropriate at different stages. Sequencing is important in helping funders know when to move between horizontal, vertical and functional scaling, or when it is most opportune to ‘hand off’ the innovation to another partner. Innovation funders tend to be more involved and hands-on in the early stages of the pathway to scale (e.g. ‘Ideation’, ‘Proof of Concept’ and ‘Transition to Scale’), but gradually pull back as initiatives mature. Given the importance of the post-deal execution phase, funders should also be seeking more opportunities to expand their contributions across later stages, not just in terms of providing greater resourcing but through (for example) sitting on the Boards of Directors to provide advice for companies that are undergoing the scaling process.

► **Measure the progress and impact of the scaling process, and apply the learning.**

This good practice underpins all of the others, and relates to the different kinds of data, indicators and metrics that funders need to draw on in order to be able to track and adapt their support in an agile way as the innovation navigates the many twists and turns of the scaling journey. It is closely linked to the other Good Practice areas identified above, because the more these have been fulfilled the easier it will be to capture not only what impact was / is being achieved but also why (e.g. with reference to the influencing factors). To make the process of measurement easier, the Measuring Impact Working Group has been working in tandem to collate insights around impact measurement that will directly complement and intersect with those relating to scaling. *The Insights on Measuring the Impact of Innovation* paper is organized around the key domains of impact, scale and sustainability, and defines core sets of ‘leading’ and ‘outcome’ indicators that can be used both to help select, monitor and evaluate innovations as they progress through the scaling stages.



For a detailed guide to each of these Good Practices, including tips, tricks, tools and recommended resources to help operationalize them within a funding agency, refer to the accompanying document: ‘Scaling Innovation – Good Practice Guides for Funders’.

2.3 Factors Influencing Scaling and Sustainability

In a dynamic development context, being able to identify, anticipate and monitor the factors that are likely to influence the scaling process over time is critical, not just so

that funders can continue to make their own judgement around scaling potential, but to also help them assess the impact of these factors on the sustainability of the innovation. To this end, the Working Group began by identifying what they saw as the three most important factors influencing the scaling process that related to themselves as funders (see Figure 5 below).

FIGURE 5

Three Key Influencing Factors for Innovation Funders

► **Risk Appetite and tolerance.** It is widely acknowledged that the pathways to scale are heavily influenced by a range of challenges in the wider environment, e.g. political, social and cultural behaviours as well as finding appropriate human resources to support delivery at scale. However, it has been argued by some that there are also many ways that funding agencies themselves make it systematically difficult to do innovation (however unintentional these may be), with a funder's risk appetite being a core influencing factor. Although taking risks is an essential part of innovation and scaling, a highly risk-averse culture such as that often found within government bureaucracies can often work to hinder or even prevent successful scaling processes in different ways, including (a) never getting started; (b) stopping too early; (c) stopping too late; (d) innovating again too soon; (e) pursuing too many bad ideas; and (f) scaling too little. While these pathologies evolve for different reasons (which may include cultural or leadership issues for example), it is important that funders recognize and anticipate where they may come into play in order to mitigate their impact as far as possible.

► **Financial support.** There are two significant challenges here — first, with regard to the form(s) of capital applied to support the scaling process. Traditionally, grants have been the tool of choice for many funders, particularly in sourcing and support Proof of Concept innovations, but there is now a growing recognition that a more diverse set of financing instruments may be required to progress solutions to scale and beyond. Some of these financial tools have already proven effective in supporting innovation across a range of sectors, including Conditionally Repayable Contributions (CRCs), debt

with or without interest, convertible debt, equity and others. Given the complexity and longevity of the scaling journey, funders therefore need to have the flexibility to themselves innovate in how they finance projects to maximize the impact of different innovations in different contexts. The second challenge relates to how and when these financial instruments are deployed. Many innovation funders allocate the majority of their resources and attention to the early stages of sourcing and testing Proof of Concept innovations, and underestimate the much greater level of support required during the post-deal execution phase. In addition, funders are aware that their typically rigid funding cycles and disbursement mechanisms are not well aligned with the flexibility and agility required to support iterative scaling pathways, while leveraging additional (follow-on) financing from other investors and governments has also proven difficult.

► **Institutional Learning.** Most of the (few) case studies of scaling that exist today focus their attention more on the product or service being scaled, rather than the process and learning that enabled that scale. As a result, the evidence base on scaling innovation is still relatively immature, and many of the frameworks in existence lack empirical grounding and validation. This is in part a consequence of organizations taking a highly individualistic approach to the scaling process, and applying their own criteria and tools at each stage, with very few instances of joint assessment of the scaling process using agreed upon methods. The 'Every Woman Every Child Innovation Marketplace' model offers a potential solution to this by incorporating in a systematic way shared processes and approaches across agencies.

The Working Group then expanded on these to create a more comprehensive matrix organizing the **influencing factors** according to whether they related to (1) the *funder* themselves, (2) the *innovator / implementer* they are working with, or (3) the *external environment* more broadly (see Figure 6 below).

NOTE: Influencing factors highlighted in red are those denoted by the Working Group as being particularly important for funders

FIGURE 6

Matrix of Factors Influencing Scaling and Sustainability

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

As shown in Figure 6 interrelated factors are also organized horizontally to help funders consider these in relation to each other, rather than trying to assess and make a decision about each one in isolation. For example, when considering a funder's risk appetite for making an investment, it will also be important to look at the strength of the social / economic incentives that are in turn driving the innovator to want to scale their product, as well as the level of demand for the innovation in the target market or community. Similarly, if a funder has put in place strong feedback loops and learning mechanisms with their innovators, this is likely to be an enabler for scaling — but it in turn will depend on the monitoring and evaluation capacity of the innovator in collecting the right data to disseminate through those channels, as well as the availability of that data in the environment more broadly. Recognizing the close linkages between how the influencing factors play out across the funder, innovator and external environment in this way will help funders create a more dynamic assessment of an innovation's scalability and sustainability.

This matrix of influencing factors makes up the third and final part of the high level scaling architecture presented in this paper. Intentionally, the Working Group refrained from trying to further divide these influencing factors into positive enablers or negative constraints, because each factor can actually act in both ways, and can also change

from one to another along the course of the scaling journey (e.g. when a funder's risk appetite decreases over time due to changes in leadership or capacity). Rather than allocate a one-time 'score' to different factors, it therefore becomes more important for the funder to use their judgement in assessing where along a continuum of enabling / constraining influence each factor sits, and how this position might then shift over time (see example below).

Using the matrix of Influencing Factors to identify potential constraints and enablers to the scalability and sustainability of an innovation is valuable, but funders should also be aware that their ability to anticipate and potentially mitigate some of the likely constraints to scaling will vary significantly depending on the influencing factor in question. For example, a funder may have considerable power to improve their own risk appetite, or to build the monitoring and evaluation capacity of the innovator, but very little influence over an inhibiting policy framework or political regime in the external environment. Assessing their own capacity to impact the different factors in the matrix is therefore a useful exercise for each funder to do as part of understanding the different roles they might play along the scaling pathway, and the extent to which their own institutional characteristics as the funder may enable / constrain the scaling process.

INFLUENCING FACTOR: Internal policies, cultures, systems and ways of working



Related Initiatives

Synthesizing insights to inform a shared high level architecture for scaling development innovation is one of a number of initiatives that the IDIA group and its individual members are pursuing to help funders working in this space. They include:

 A set of six **Principles to Facilitate Innovation in International Development**.⁵ These were agreed by the IDIA group in mid-2015, and represent high-level areas of consensus around the way funders should approach the practice of sourcing and scaling innovation.

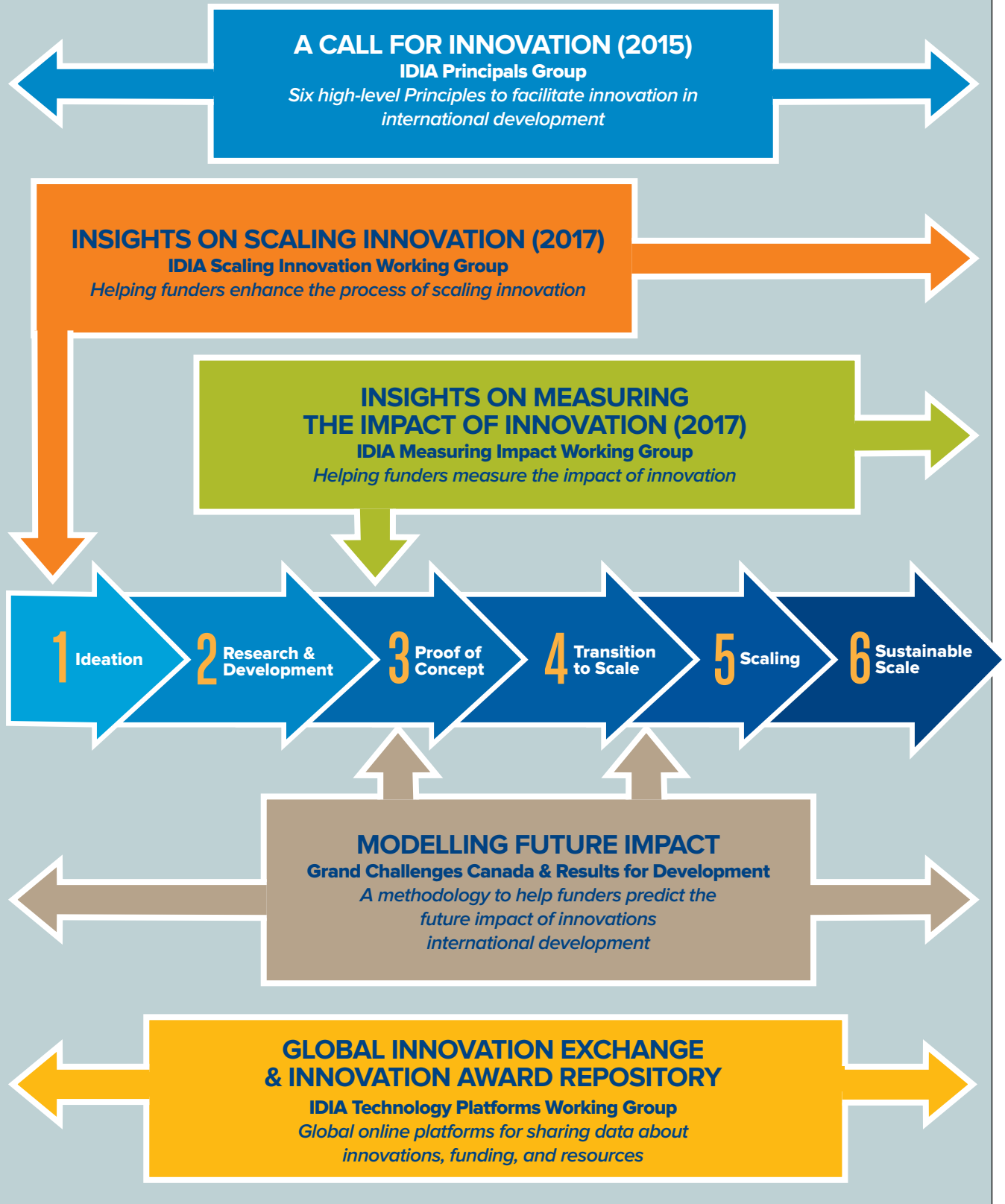
 **Insights on Measuring the Impact of Innovation.** This companion piece to the *Insights on Scaling Innovation* has been led by the IDIA Measuring Impact Working Group, and seeks to equip funders with some common ‘core’ indicators and metrics through which they can measure the impact of development innovation at both an individual and portfolio level. Particular attention is paid to the importance of enhancing the decision-making capacity of funders through ‘Leading’ indicator sets (used to predict the **expected** and **projected** impact of innovations that have completed the initial ‘Proof of concept’ stage), and ‘Outcome’ indicator sets (used to measure the **actual** and **projected** impact of an innovation during ‘Transition to Scale’, ‘Scaling’ and ‘Sustainable Scale’ stages).⁶

 Development of a **Methodology for Modelling Future Impact** (through a collaborative project between Results for Development and Grand Challenges Canada) that can be used as a specific tool to help funders model the expected and projected impact of an innovation, as proposed by the ‘Leading’ and ‘Outcome’ indicators presented in the *Insights on Measuring the Impact of Innovation* paper.

 Development of an **Innovation Award Repository** by the Bill & Melinda Gates Foundation, USAID and Grand Challenges Canada. This repository supports the intake, storage, and basic reporting functionality for commonly collected award metadata across Grand Challenge partner organizations. The Repository is not intended to be a public-facing application or website for users besides funders and innovators themselves, but rather an enabling tool for other applications that would be powered by the information provided in the repository. It is also integrated with the **Global Innovation Exchange**, a public information clearinghouse and proactive engine on development related innovation that provides resources, assistance and access to information to progress innovations through the innovation ecosystem.

For reference, the relative contribution of these different projects is mapped on the following page according to where they focus across the various stages of scaling innovation.⁷

Related Initiatives



Glossary of Key Terms

FUNCTIONAL SCALING

Expanding the functional scope of an innovation, e.g. adding TB and Malaria interventions to an innovation focusing on HIV/AIDS

FUNDERS

Leaders and decision-makers from both innovation units and more general program delivery/operational teams within development agencies, who seek to support the scale up of solutions to development problems.

HORIZONTAL SCALING

The process of expanding impact through replication

IDEATION (Scaling Stage 1)

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

PROOF OF CONCEPT (Scaling Stage 3)

When the intellectual concept behind an innovation is field-tested to gain an early, ‘real-world’ assessment of its potential

R&D (Scaling Stage 2)

Further developing specific innovations that have potential to address the problem

SCALING (Scaling Stage 5)

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

SUSTAINABLE SCALE (Scaling Stage 6)

The sustainable wide-scale adoption or operation of an innovation at the desired level of scale / exponential growth

TRANSITION TO SCALE (Scaling Stage 4)

When innovations that have demonstrated small-scale success develop their model and attract partners to assist in filling gaps (technical, financial) in their capacity to scale

VERTICAL SCALING

Changing the policy / institutional environment through higher level influencing

Footnotes

¹ ‘IDIA Mission & Purpose’ paper, adopted by IDIA members in September 2015.

² An example of this is malaria eradication – if the malaria control effort is not maintained, malaria may return.

³ The analytical underpinnings for these Good Practices is also supported by N. Agapitova and J. Linn, “Scaling Up Social Enterprise Innovations: Approaches and Lessons.” Global Economy and Development Working Paper #95, June 2016, Brookings Institution, Washington, D.C. <https://www.brookings.edu/research/scaling-up-social-enterprise-innovations-approaches-and-lessons/>

⁴ The ‘Every Woman Every Child Innovation Marketplace’ is a strategic alliance of development innovation organizations with a shared goal to transition to scale 20 Women’s,

Children’s and Adolescents’ Health (WCAH) investments by 2020, by pooling their capabilities across four key functions: pipeline, curation, brokering, and investment. For more, visit <https://www.everywomaneverychild.org/2016/07/22/every-woman-every-child-innovation-marketplace/>

⁵ For the full list of six Principles, see IDIA (2015) *A Call for Innovation in International Development*.

⁶ See section 2.1 for more on the stages of scaling innovation.

⁷ See section 2.1 for more on the stages of scaling innovation.

**The
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INSIGHTS ON
Scaling Innovation