ACCELERATING INNOVATION FOR DEVELOPMENT IMPACT
What is at stake? What role for development co-operation?
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SUMMARY RECORD

The OECD Development Co-operation Directorate, the International Development Innovation Alliance, 1 and the French Ministry of Europe and Foreign Affairs convened a workshop in Paris on 18 October 2019. More than 80 social innovators and researchers as well as policy makers and innovation leads from DAC members, multilateral and non-governmental organisations (NGO) participated. Participants took stock of progress and challenges in unlocking the potential of innovation for development, exchanged ideas on innovative models and solutions that can deliver results, and identified future areas of collaboration and partnership to move the agenda forward.

KEY MESSAGES FROM THE WORKSHOP

- Innovation has the potential to be transformative and ‘turbo-charge’ efforts towards the Sustainable Development Goals (SDGs) by building on the capacities of individuals, groups and organisations. Strengthening knowledge and practices – from creativity to scaling up – and bringing in novel approaches and stakeholders – such as frugal innovation and southern innovators – will be critical to realising the potential of innovation for development.

- For the innovation agenda to get traction in development organisations, further efforts are needed to challenge the status quo and to change mindsets and business models. Necessary shifts will require changes in terms of strategy, culture, collaboration, generation of new ideas, inclusivity, risk-taking, learning from and ability to scale ideas.

- Changing organisations’ practices will not be enough: the whole innovation ecosystem in OECD and non-OECD countries must be strengthened. Donors need to support innovation capabilities within and across countries and build up collective approaches with a broad range of partners.

UNPACKING INNOVATION FOR DEVELOPMENT

In her opening remarks, Gabriela Ramos, Chief of Staff of the OECD and Sherpa to the G20, underscored the urgency of the need to innovate to accelerate development progress, as the world is not on track to deliver on the SDGs. She reminded participants that while there is tremendous potential coming from a new set of actors, financing sources, instruments and technologies to harness innovation, more rapid and equitable diffusion of these innovations will be needed to achieve sustainable development and reach the most vulnerable. Innovation is not happening in a vacuum: it requires new partnerships as well as locally and culturally sensitive approaches that are driven by development needs and demands, so as to ensure both sustainability and inclusivity. Philippe Lacoste, Director for Sustainable Development in the French Ministry of Europe and Foreign Affairs, emphasised the role and dynamism of citizens and civil society organisations in partner countries. Such actors already reinvent sustainable and inclusive societal models at a local level and have high expectations for the donor community to support, enable and enact innovative efforts. Effectively mobilising innovation for development will require learning from experience – from successes and failures – identifying and working intelligently with the enablers and constraints to innovation.

1 IDIA is collaborative platform with the shared goal of “actively promoting and advancing innovation as a means to help achieve sustainable development”. The platform brings together senior leadership from the innovation teams, labs and departments of bilateral and multilateral donors as well as foundations and innovation funds.

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Delivering innovation at scale to reach the SDGs – opportunities and challenges for frugal innovation

In a keynote address, Jaideep Prabhu, Nehru Professor of Indian Business at Judge Business School, Cambridge University, challenged common assumptions about innovation. He contests that innovation is only in the remit of large companies located in OECD countries to push new technological frontiers. Adapting products that were designed in wealthy countries for wealthy citizens to make them affordable might not respond to the needs of the four billion people living on less than USD 9 a day worldwide and therefore not be appropriate for development co-operation.

Instead, development stakeholders could learn from how innovation already works in developing country contexts. Frugal innovations are innovations that use limited resources, in the face of extreme constraints, and are developed by innovators working directly with and for communities at the bottom of the pyramid. Numerous examples of innovation designed locally – such as clay fridges functioning without electricity, blankets that can serve as newborn incubators – have proven to be commercially sustainable and affordable while responding to needs. Frugal innovation approaches have proven to be flexible and able to adapt to local contexts as well as be more inclusive and environmentally sustainable. While large companies have resources and networks to scale up, they tend to work in silos with a compliance mindset leading to more risk aversion and less agility. There is space in the development sector to identify and match the creative work of local innovators with those donors and implementing organisations who have resources to scale. Such match-making could be an important new direction for innovation in support of the 2030 Agenda.

Unlocking the potential of innovation in development co-operation – moving from rhetoric to reality

As identified in the table below, the potential of innovation can be harnessed in many different ways to reach the SDGs. In a panel moderated by Alex Roberts, Deputy Head of the Observatory of Public Sector Innovation, OECD, Karlee Silver, Co-Chief Executive Officer of Grand Challenges Canada, Rakib Avi from BRAC Social Innovation Lab and Kathy Peach, Head of the Centre for Collective Intelligence Design in Nesta gave concrete insights into different elements set out below, how they are already being used for development purposes, and the potential they have to ‘turbo-charge’ progress towards the SDGs.

<table>
<thead>
<tr>
<th>Type of innovation</th>
<th>Capabilities required</th>
<th>Examples from today</th>
<th>Relevant SDGs</th>
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<tr>
<td>Pre-poor and inclusive innovation</td>
<td>User needs; scaling up; marketing; entrepreneurship</td>
<td>Mitti Cool refrigerator</td>
<td>2: Hunger</td>
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<td></td>
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<td>General Electric low-cost ultrasound</td>
<td>3: Good health &amp; wellbeing</td>
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<td>Unilever Shakti</td>
<td>9: Industry, innovation, infrastructure</td>
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<td>Grass-roots innovation</td>
<td>User needs; empowerment; mobilization; Internet connectivity</td>
<td>Maker movement</td>
<td>3: Good health &amp; wellbeing</td>
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<td>One Million Cisterns Project</td>
<td>9: Industry, innovation, infrastructure, 12: Consumption and production</td>
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<td>Social innovation</td>
<td>Entrepreneurship; non-monetary incentives</td>
<td>Peer-to-peer funding</td>
<td>8: Decent work and economic growth</td>
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<td>Million Lives Project</td>
<td>9: Industry, innovation, infrastructure</td>
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<td>10: Reduced inequalities</td>
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<td>Mission-oriented innovation</td>
<td>Finance; agenda-setting and good governance; coordination</td>
<td>Grand Challenges for Development</td>
<td>3: Good health and well being</td>
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<td>sophisticated research infrastructure</td>
<td>Social impact bonds</td>
<td>9: Industry, innovation, infrastructure</td>
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<td>17: Partnerships for the Goals Potentially all</td>
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<td>Digitally enabled open and collaborative innovation</td>
<td>Basic literacy; Internet connectivity and open access; IP, infrastructure</td>
<td>Nesta Centre for Collective Intelligence</td>
<td>17: Partnerships for the Goals Potentially all</td>
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Source: Adapted from UNCTAD (2017), New Innovation Approaches to Support the Implementation of the Sustainable Development Goals, UNCTAD

Grand Challenges Canada has developed a mission-oriented approach to harness innovation around intent. It has identified critical barriers to development and for each of these barriers calls for innovators to come up with bold and integrated solutions. For instance, Grand Challenges Canada funded more than 100 innovations, and their scale, addressing early childhood development with a focus on nutrition, health, education and stimulation that fed into a community of practice and a series of learning outputs.

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**BRAC** works on building local ownership of innovation, through pro-poor and grassroots approaches, to better understand the social challenges frugal innovations are trying to solve and to identify the small but necessary changes needed to bring such innovations to scale. For instance, in Bangladesh, after launching a home-remedy oral saline solution to cure diarrhoea, BRAC team members realised the uptake of the solution dropped rapidly because of the scepticism of men in the communities it was working with. Working closely with the end beneficiaries, BRAC managed to remove these barriers and the innovation ended up reaching more than 15 million households with the support of the government.

**NESTA’s Centre for Collective Intelligence Design** aims at better combining human and machine intelligence to better understand the dynamics of complex problems with more granular real-time data, connect problems and solution makers, including from marginalised communities, and make better decisions and accelerate learning and knowledge. For instance, the better Jakarta app provides flood data once flooding occurs which help citizens and rescue teams move around the city and identify where to focus efforts. The WeFarm app enables farmers to send an SMS asking specific questions to communities of farmers who can then share their solutions. Being based on individual knowledge, the app can bring positive deviance to light. In the human diagnosis project, medical professionals give and get insight on patient encounters to help medical professionals around the world to support better diagnosis. **Collective intelligence approaches** that tap into the knowledge of a large number of individuals – through better efforts to generate and exchange data, real-time information, and reliable and digestible evidence about what works, when, where, how and why in development - would further support global and national innovation strategies.

**Strengthening innovation pathways – experiences from locally driven and inclusive innovations**

Participants had the opportunity to exchange with seven laureates from the **Millions Lives Club** on the challenges and enablers social innovators face when scaling their innovations. The Million Lives Club is a global initiative aimed at supporting innovators and social entrepreneurs who are seeking to impact more than one million people living on less than USD 5 a day by giving them profile and help them scale their innovations. Recurring challenges faced by innovators were about making sure that products responded to local needs and means, identifying groups of investors that trust each other instead of single investors in order to spread the risk of investments, and crowding in private investments to complement public resources. Participants also discussed the difficulties in recruiting local staff when scaling innovations at local and regional level and questioned whether going to scale in a single market was necessarily the best approach instead of designing a scattered geographic portfolio.

**Jane Haycock**, Director of Innovation Xchange, DFAT Australia and **Alexis Bonnell**, Chief Innovation Officer at USAID introduced IDIA and presented the **Global Innovation Exchange**, a global database that provides reliable fundraising resources for social entrepreneurs in low-and-middle-income countries, as well as a source of credible innovation data for the international development community including funders, scaling partners and other ecosystem players. In 2019, more than 13,000 innovations across 12 sectors and 137 low-and-middle-income countries were reported on the exchange.

**RISING TO THE CHALLENGE – WORKING TOGETHER TO ACCELERATE INNOVATION FOR DEVELOPMENT IMPACT**

Participants discussed what supporting innovation means in their organisations, the necessary capabilities and key constraints they were facing, and what collective actions could be taken to tackle these constraints. World Café style discussions were structured around the G7 **Whistler Principles to Accelerate Innovation for Development Impact**, the eight **IDIA principles**, and the six innovation capabilities identified in the on-going OECD DAC peer learning exercise on innovation for development. **Nitika Agarwal**, Chief Operating Officer of **Apolitical** - a platform to support learning and innovation in the public sector - launched an online **field guide** with practical insights on how to put the IDIA principles into practice.

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2 Nesta collective intelligence playbook is available at: [https://www.nesta.org.uk/toolkit/collective-intelligence-design-playbook/](https://www.nesta.org.uk/toolkit/collective-intelligence-design-playbook/)

3 Healthy Entrepreneurs, Bright Products AS, SimPrints, Sure Chill, CABI, Ignitia, Aflatoun International.

4 The **IDIA boot-camp** can send you a daily email for 8 days taking no more than 10 minutes with bite-sized activities or articles.
Through group work, participants identified the following priorities for collective action:

- **Strategy**: shifting the paradigm of development co-operation to reveal the need for innovation at a global level, direct innovative actions through shared visions, inspire take-up and changes in practices and using this to transform efforts through diverse scaling pathways. Such a paradigm shift should better enable and value individuals and entrepreneurs, cross-governmental collaborations, and public-private partnerships for innovation.

- **Culture and capacity**: holding development institutions and their staff accountable to the principle that innovating - in the sense of experimenting and learning from experiments - is part of “business as usual”. Development institutions should also commit to creating a constructive, public and political narrative on risk to move from control to management.

- **Organisation**: agreeing on a minimum share of official development assistance allocated to innovation with a sub-share dedicated to exploratory and ground breaking portfolios. Such an approach will imply strengthening portfolio management to ensure both bottom-up adaptive innovations and top-down anticipatory innovations. Introducing new risk categories in risk management - risks of stagnation and incrementalism from not innovating - will also be critical.

- **Collaboration**: designing participatory funding models and new collaboration mechanisms to support brokering of innovation with a particular emphasis on local, grass-root innovators, communities and national governments (as per the entrepreneurial state). Among other things, it will entail making sure that innovation networks gather collective intelligence; development effectiveness structures discuss innovation potential with key stakeholders; and, the various innovation hubs and labs are connected to each other.

- **Evidence-based learning**: reshaping results-based management to better fit innovation by:
  - evaluating not only outcomes and impacts but also processes and intermediate effects when developing, testing and scaling-up
  - establishing a collaborative learning process at the heart of all innovation efforts, tightening feedback loops and building trust between innovators and funders
  - defining baselines for what is considered good in existing interventions which can serve as a minimum target / benchmark for innovations to meet and surpass.

- **Diffusion and scaling**: moving away from thinking in terms of projects and sectors by funding partnerships and consortia to build innovation ecosystems. Such an approach will entail better aligning funding windows and modalities, standardising application and reporting processes, as well as empowering innovators and funders to better support co-creation and adaptive learning.

**CONCLUDING REMARKS**

Jarmo Sareva, Ambassador for Innovation at the Ministry for Foreign Affairs of Finland, concluded the workshop by identifying key priorities where the Development Assistance Committee (DAC) of the OECD could add value in supporting innovation for development:

- Pursue efforts to engage the unusual suspects to challenge thinking and approaches and support open, evidence-based learning across organisations, including by organising regular events on innovation for development

- Cultivate a focus on capabilities for innovation within and across organisations, building on the DAC peer learning on innovation and its self-assessment tool

- Advocate for ambition on innovation at a policy level through continued research and analysis

- Support collaborative action for innovation for development through the DAC.

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