



THE DEVELOPMENT ASSISTANCE COMMITTEE:
ENABLING EFFECTIVE DEVELOPMENT

THE DAC PRIZE





Cover photos courtesy of Katalyst (top) and Camfed (bottom).

Much of the huge development success seen over the past decades has been achieved thanks to innovative solutions that have been scaled up. Conditional cash transfer programs like Brazil's Bolsa Familia have proved effective in reducing poverty and ensuring children attend school and are vaccinated. Innovative financing mechanisms supported by the Bill & Melinda Gates Foundation and others have contributed to the immunisation of hundreds of millions of children. Unitaid has pioneered financial schemes such as the airlines ticket levy to fund lifesaving medicines.

Extreme poverty has been halved and progress has been made on all Millennium Development Goals. But more innovative solutions will need to be taken to scale if we are to end poverty, green our economies and to make sure that all the children now going to school actually learn something!

This is the objective of the DAC Prize – to support ideas that have been scaled up and that work in the real world. The projects presented in this brochure, finalists for the 2014 prize, demonstrate the value of innovative ideas. They range from the provision of health insurance and payment services in Africa, to social venture capital in India and skills for jobs in Nepal. They focus on the importance of ensuring quality education now that more than 90% of children are enrolled in school. Programmes such as Katalyst, this year's winner, illustrate how very simple ideas can have a big impact on people's lives.

The DAC Prize seeks to mobilise more investment in such scalable solutions, not least from our members.

Congratulations again to the DAC Prize winner Katalyst! And warm thanks to everyone behind these submissions for the great work you do.

Erik Solheim

Chair of the OECD Development Assistance Committee (DAC)

DAC Prize for Taking Development Innovation to Scale

The DAC Prize for Taking Development Innovation to Scale recognises people who have taken an innovative approach, instrument or mechanism beyond the pilot phase to wider application.

Despite the enormous progress made, there are many remaining development gaps. The solutions that will close these gaps will have to come from innovative ideas that can be taken to scale. Many development partners have increased their focus on and support for innovation to confront development challenges and a wealth of innovative ideas have been conceived, developed and tested over the years.



So far, however, there has been limited uptake of such innovations beyond the pilot or trial phase and little discernible systematic effort to take them to scale.

With the DAC Prize, the Development Assistance Committee wishes to acknowledge development actors who take this step: from supporting innovation, to using it systematically and strategically to address development challenges by taking it to scale. We hope that this will motivate the more systematic use of innovative development solutions which have been proven to work.

By helping scalable, innovative solutions to gain broader traction in the development community, we hope to encourage development stakeholders to increase their support. Fundamentally, this is about investing in what works, and encouraging more of it.

DAC Prize Jury

H.E. Lubna Bint Khalid Al Qasimi,

Minister of International Development and Cooperation, United Arab Emirates

K.Y. Amoako,

President, African Center for Economic Transformation

Julius O. Akinyemi,

Resident Entrepreneur at Massachusetts Institute of Technology's Media Lab

Homi Kharas,

Senior Fellow and Deputy Director for the Global Economy and Development, Brookings Institution

Geoff Lamb,

Chief Economic and Policy Advisor to the Co-Chairs and CEO, Bill & Melinda Gates Foundation

Dato Lee Yee Cheong,

Chairman, International Science Technology and Innovation Center for South-South Cooperation (ISTIC), Malaysia

Kuntoro Mangkusubroto,

Head of the President's Delivery Unit for Development Monitoring and Oversight, Republic of Indonesia

Rt Hon Andrew Mitchell,

MP, House of Commons, United Kingdom

Charlotte Petri-Gornitzka,

Director General, Swedish International Development Cooperation Agency, SIDA

Andrew Wyckoff,

Director, Science, Technology and Industry Department, OECD



Katalyst: Winner of the DAC Prize 2014

Katalyst is a simple business proposition that has changed the landscape for small-scale, poor farmers in Bangladesh, where the market traditionally failed to offer quality products that suited their needs. In particular, their limited access to quality seeds resulted in low yields.

The Katalyst concept is based on providing high-quality seeds in mini-packets to poor farmers as a means of helping to increase their income. In 2008, Katalyst began by partnering with a seed company to include “mobile seed vendors” in their distribution channels, thereby targeting small farmers. The breakthrough came in 2011 when this partnership was extended to two leading seed companies; they introduced smaller mini-packets of quality vegetable seeds – roughly one-tenth the size of the previous packets – at affordable prices but with enough seed to cover up to .03-.04 acres of land.

Scaling and measures of success

Sales hit 558 000 packs in the first year against a target of 100 000; over the next ten months they rose to 1.3 million packs. The population of mini-packet users, 80% of whom were living below the USD 2.50/day poverty line, spread across 55 of the 64 districts of Bangladesh.

Over three seasons, the number of households benefiting from the scheme grew from 236 000 to 458 000 (2010-2012). USD 14 million worth of additional vegetables were produced, both for sale and for consumption by these households.

This success has encouraged other producers to introduce mini-packets and Katalyst aims to continue to scale up the project by working with more seed companies and distributors. To date, Katalyst’s programmes have benefitted 2.4 million farmers and small businesses, increasing income overall by USD 295 million.



Through this simple yet novel innovation, *Katalyst* has successfully dealt with the complexity of identifying real hindrances for rural farmers and creating a win-win situation for all stakeholders.

Kuntoro Mangkusubroto,

Head of the President's Delivery Unit for Development Monitoring and Oversight, Indonesia

[*Katalyst* is an example of] innovation at the simplest and basic level yet its impact on the human condition in rural areas of the developing world is vast.

Lee Yee Cheong,

ISTIC Chairman, Malaysia





Photo: © Katalyst

Support

Katalyst is supported by the Swiss Agency for Development and Co-operation, the UK Department for International Development and the Danish International Development Agency, and implemented by Swisscontact and the German Federal Enterprise for International Cooperation (GIZ) under the umbrella of the Bangladesh Ministry of Commerce.

[These are] impressive results from a scalable, low-tech innovation that has opened a new market segment and at the same time addresses several important development challenges.

Charlotte Petri-Gornitzka,

Director General, Swedish International Development Cooperation Agency (SIDA)

www.katalyst.com.bd/

Aavishkaar II

Aavishkaar II is a social venture fund that provides risk financing and management support to social entrepreneurs, helping them to bring their ideas to the market and achieve critical scale. It invests in ventures that provide social benefits through innovative, affordable products and services for the poor in underserved regions of India. Aavishkaar II focuses on health, water supply and sanitation, education, agricultural production and renewable energy supply.

Scaling and measures of success

100% of Aavishkaar II companies were started by first generation entrepreneurs. Based on the success of the initial phase, funding has been scaled up substantially, from USD 14 million to USD 96 million. In addition, Aavishkaar II has helped to demonstrate the existence of a market for social venture funds in India. Aavishkaar II is now working with Germany's Kreditanstalt für Wiederaufbau (KfW) to explore entering new markets in Bangladesh, Indonesia and Sri Lanka.

Support

Aavishkaar has a broad investor base including banks and other commercial investors, pension funds, development finance institutions, as well as social venture funds, and development foundations.

There are strong indications that Aavishkaar II's pioneering role in India has led to other funds starting to replicate its model, thus spawning an entire market segment. This is truly innovative and entrepreneurial and the long-term impact is far more than they currently realise.

Julius O. Akinyemi,

Resident Entrepreneur at MIT Media Lab

<http://www.aavishkaar.in/funds/>



ASER Annual Status of Education Report

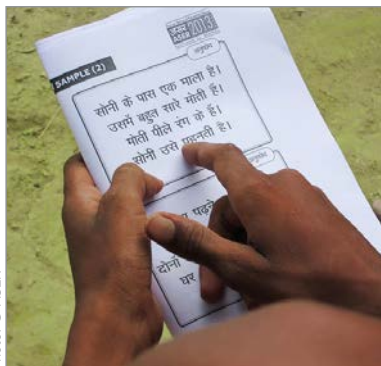


Photo: © ASER

The Annual Status of Education Report, ASER, is an innovative, citizen-led annual household survey of basic learning. The ASER survey provides the only annual survey of basic reading and arithmetic skills available in India. With over 500 district partners and close to 25 000 volunteers participating each year, ASER is designed to enable large-scale participation. Covering every rural district in India and carried out by local institutions, the entire process – from data collection to reporting – takes 100 days.

ASER combines rigorous methodology and uniform procedures with simple assessment tools that are easy to administer and understand; and problem-solving tasks are tailored to the local context.

Scaling and measures of success

Each year, ASER reaches 300 000 households and between 600 000 to 700 000 children from 5-16 years in India. The ASER model has expanded to Pakistan, Kenya, Tanzania, Uganda, Mali and Senegal, and is being piloted in Mexico.

Support

ASER is supported by the William and Flora Hewlett Foundation.

This has become an effective national standard for districts, states, and national estimates of children's enrolment and learning levels in rural India. ASER provides the only annual estimate of basic reading and arithmetic skills available in India.

Julius O. Akinyemi,

Resident Entrepreneur, MIT Media Lab



Photo: © ASER

ASER provides an evidence base on the outcomes of learning (proficiency in key subjects) versus inputs (attendance) which both improves accountability and impact. By moving from one to seven countries, it has demonstrated the ability to scale.

Andrew Wyckoff,

*Science, Technology and Industry
Department, Director, OECD*

[ASER's] emphasis on actual learning is great and it is very smart to make ASER seriously household-based, not school-based. The adoption as a timely and authoritative assessment of Indian basic educational attainment is impressive and take-up of the model by other countries is encouraging.

Geoff Lamb,

*Chief Economic and Policy Advisor to the Co-Chairs and CEO,
Bill & Melinda Gates Foundation*

Bridge International Academies

Bridge International Academies provides quality, affordable education to low-income families. The more than 2.5 billion people living below the international poverty line often receive substandard education because of a lack of quality teachers and teaching materials.

Bridge International Academies use technology to standardise high-quality education and scale up operations. In Kenya, where it is based, Bridge operates 259 academies educating 90 000 children. The monthly fee of USD 6 per month is affordable for 90% of families below the poverty line. It is also enough to cover all operational costs, teacher salaries and text books.

Scaling and measures of success

Students score 35% higher on reading and 19% on math tests. Bridge is now expanding to Uganda, Nigeria and India.

Support

Bridge International Academies is funded by student fees, donations and by investors.

Bridge deals with a major development challenge – delivering quality learning to low-income households. It has a field-tested business model that is scalable because it generates a commercial profit. This, as well as capital market access, can scale operations. Bridge has successfully scaled within Kenya and is now trying to scale internationally.

Homi Kharas,

Senior Fellow, Brookings Institution

[Bridge offers an] innovative, effective, and evidently scalable way to bring quality education to the poor.

K.Y. Amoako,

President, African Center for Economic Transformation

Camfed International

Camfed International supports girls in completing their secondary education and transitioning to making their own livelihoods. Through its innovative *Governance* model, it has managed to reconcile going to scale with the need for a community-based approach, which is important to ensure that the most marginalised communities and girls are reached.

Camfed's programme extends across five African countries, 116 districts and 5 000 schools.



Photo: © Camfed

Scaling and measures of success

Camfed's programme benefitted 1.7 million children in 2013. Secondary school retention and progression rates among Camfed students are consistently above 90%, while pass-rates are consistently higher than national averages.

Support

Camfed has received grant support from the UK Department for International Development, Irish Aid, and the European Commission, and also raises funds through public campaigns and donations.

The Governance approach has shown that a rigorous governance model emphasising individual tracking and data collection from the “front line” can boost local ownership and contribution, which results in not only keeping our girls in school, but also letting them thrive. Its ability to replicate success in several countries shows promising prospects for further scalability and for advancing gender equality.

Kuntoro Mangkusubroto,

*Head of the President's Delivery Unit for
Development Monitoring and Oversight, Indonesia*

This brilliant organisation, which is right at the cutting edge of the British effort to get girls into school in some of the most difficult parts of the world, has grown hugely in stature and effectiveness. Camfed is also making good use of the Girls Education Challenge Fund, a British initiative aimed at getting a million girls into school who today do not have that chance or opportunity.

Rt Hon Andrew Mitchell,
MP, UK



Photo: © Camfed

www.camfed.org

Employment Fund Programme in Nepal

Photo: © Employment Fund Programme in Nepal



Less than 10% of those joining the labour market in Nepal have an opportunity to gain vocational skills and many of the rest struggle to find jobs.

The Employment Fund Programme in Nepal provides skills training to around 15 000 young people. The programme's innovative approach ensures marked demand for training interventions, only pays

for training that demonstrates results, and incentivises training to vulnerable groups by paying higher fees to providers training women or other vulnerable groups.

Scaling and measures of success

In 2013 a study conducted on the employment status of 2011 graduates found that 72% of the Fund's graduates were employed and earning 9 177 Rupees, compared to an average of 1 968 Rupees before training.

From 2008-2013, the number of people trained through the Fund quadrupled (from 4 000 to over 16 000). The programme's success has encouraged replication, with the World Bank now training 15 000 young people yearly using the same innovative approach; the Asian Development Bank also plans to provide skills training for 8 000 young people annually.

Support

Supported by the UK Department for International Development, the Swiss Agency for Development and Cooperation, and the World Bank. The programme is implemented by Helvetas Swiss Intercooperation in close collaboration with the Government of Nepal.

[The Employment Fund Programme] addresses the moral hazards associated with socially oriented programs. [It is] replicable in other regions, such as Africa, where it is much needed.

K.Y. Amoako, President,
African Center for Economic Transformation

DFID Nepal has provided invaluable support to the Nepalese since the civil war ended in 2006, helping them to make huge strides towards the Government's target of reaching middle income status by 2022. DFID Nepal's four-year country plan has made a significant difference to large numbers of people living in poverty in Nepal, and should be upheld as a fine example of what targeted development aid can achieve.

Rt Hon Andrew Mitchell,
MP, UK

Photos: © Employment Fund Programme in Nepal



www.employmentfund.org.np

Evidence Action

Evidence Action uses chlorination – which is cheap, kills 99.99% of pathogens – to make drinking water safe. This simple technology has been shown to have good local acceptance and use. Based on this proven success, Evidence Action developed the Dispensers for Safe Water programme to scale up chlorine dispensers and provide access to safe water for 1.5 million people. Evidence Action has focused on large scale use of a simple technology that is locally accepted and used on a regular basis.

Scaling and measures of success

The cost of the programme when taken to scale is less than USD 0.50 per person per year. Evidence Action plans to reach 4 million people by the end of 2014 and 25 million people by 2018.

Support

United States Agency for International Development is supporting the scaling up of the programme.

Providing safe water to hundreds of millions of people is a key development goal with well-recognised health benefits. The challenge has been to do this at low cost. Evidence Action has brought down the cost curve and linked its technology with community programmes to raise adoption rates.

Homi Kharas,

Senior Fellow, Brookings Institution

[Evidence Action is] an innovative holistic community-based approach in the successful implementation of a simple and effective proven technology in addressing safe water in Africa.

Lee Yee Cheong,

ISTIC Chairman, Malaysia

Kwara State Community Health Insurance Programme

By improving health services and facilities, the Kwara State Community Health Insurance Programme increased trust in a previously dysfunctional healthcare system. Once this was achieved, people were willing to prepay for health services. It was then possible to introduce subsidised community insurance, covering 80 000 farmers and families in rural Kwara, one of Nigeria's poorest states.

The reduced risk and lower transaction costs resulting from the programme have paved the way for private and public investments in medical, financial and administrative capacities.



Photo: © Kwara State Community Health Insurance Programme

Scaling and measures of success

USD 45 million have been allocated by local authorities over the next five years to subsidise the insurance premiums, improve 50 clinics per year and scale the programme to give 600 000 rural, low-income Nigerians access to quality healthcare.

Support

The programme is a result of collaboration between the Health Insurance Fund, the Kwara State Government, Hygeia Community Health Care and the PharmAccess Foundation. Originally set up with support from the Dutch government, the state government in Kwara has now taken over funding and plans to scale it up across the state. Other states are also interested in adopting the model.

[The Kwara State Community Health Insurance Programme] is a good example of government-industry partnership engaging international, national and local stakeholders.

Lee Yee Cheong,
ISTIC Chairman, Malaysia



Photo: © Kwara State Community Health Insurance Programme

[This is an] innovative governance model that engages Ministries, tracks progress publicly and hence forces accountability, thereby circumventing bureaucracy to achieve results.

Andrew Wyckoff, Science,
Technology and Industry Department, Director, OECD

[The Kwara State Community Health Insurance Programme] is a promising insurance model to reduce out-of-pocket burden, and assure access to primary care when the traditional public health system is clearly dysfunctional.

Geoff Lamb,
Chief Economic and Policy Advisor to the Co-Chairs and CEO, Bill and Melinda Gates Foundation

Nomanini

Cash-based micro-payments and prepaid mobile services are the most widely traded virtual commodity in Africa. They are typically sold as scratch cards from national service providers.

Nomanini allows local enterprises to be more efficient by distributing prepaid vouchers for these services providing a direct conduit from providers and prepaid distributors to remote points of sale. This in turn dramatically improves the distribution of and access to these services while circumventing an inefficient supply chain that frequently “marks up” the voucher price. In this way, Nomanini ensures a higher margin for grassroots entrepreneurs at a better price to the end-user, particularly in remote, under-served areas.

Scaling and measures of success

Nomanini's strong growth has generated millions of transactions since its South African launch in 2012. Expansion to Kenya, Mozambique and Nigeria is underway, with deals signed to enter into Namibia, Ghana and Guinea.

Support

Nomanini has successfully raised a total of 20 million South African Rand from commercial investors.



Photo: © Nomanini

[Nomanini] is easily one of the most innovative solutions among the submissions, as it is a tool to alleviate the price-gauging that affects the poor in Africa, through the practice of mark-ups on cash-based vouchers. This tool allows for increased transparency for micro-payments for poor who are not able to keep their money in a bank.

H.E. Lubna Bint Khalid Al Qasimi,

Minister of International Development and Cooperation, United Arab Emirates

Using modern IT technology to expand and upgrade the business for sell points of mobile scratch cards – to include basic banking services for citizens without a formal banking contact – is innovative and has opportunities to be scaled fast.

Charlotte Petri-Gornitzka,

Director General, Swedish International Development Cooperation Agency



Polio Eradication Project in Pakistan

The Polio Eradication project works through on an innovative, results-based, financing mechanism. Japan provides Pakistan with loans for a vaccination campaign to eradicate polio in the country. If Pakistan achieves the agreed polio eradication targets – in particular wider immunisation coverage – the loan debt is repaid by the Bill & Melinda Gates Foundation. The approach incentivises success while facilitating Pakistan's efforts to fight polio on a large scale with reduced financial burden.

Scaling and measures of success

The reported cases of polio in Pakistan have dropped from 198 in 2011 to 58 in 2012. The polio eradication project will expand to Nigeria in 2014. The innovative loan-conversion mechanism will also be used for other development programmes.

Support

Japan International Cooperation Agency and the Bill & Melinda Gates Foundation.

Polio eradication is one of the most compelling challenges facing the development sphere as the disease remains in only three countries.

H.E. Lubna Bint Khalid Al Qasimi,
Minister of International Development and Cooperation, United Arab Emirates

In line with Output Based Aid models, the BMG-Foundation and the states of Japan and Pakistan have addressed a marginalised problem in a way that all parties meet their objectives; the approach could be used in many other areas.

Charlotte Petri-Gornitzka,
Director General, Swedish International Development Cooperation Agency

www.mofa.go.jp www.jica.go.jp/english/
www.gatesfoundation.org

