

# Call for proposals

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## What is FID ?

**The Fund for Innovation in Development** (Fonds d'Innovation pour le Développement or FID) is a new initiative to support innovations that contribute to reducing global poverty and inequality. Through flexible grant funding, the Fund enables innovators and researchers to test new ideas, build rigorous evidence for effective programs, and scale the highest-impact and most cost-effective solutions<sup>1</sup>.

### Our objectives are:

- To encourage and facilitate innovation, from wherever it might come
- To accelerate global innovation in the fight against poverty and inequality
- To rigorously evaluate new ideas through collaboration with the research community
- To support the scale and widespread deployment of the best solutions

Through this Call for Proposals, we are inviting innovators and researchers from around the world to apply for grant funding to address poverty and inequality more effectively. This document describes what we are interested in funding, who is eligible for funding, core principles guiding our funding decisions, how to apply for funding and what to expect from the application process.

## What we fund

### Open Innovation

FID takes a broad view of innovation, considering **any solution with strong potential to achieve development impact at scale in less costly, faster, or otherwise more feasible ways than existing approaches.**

This can include a wide range of innovations intended to improve the lives of people living in poverty. Our definition of innovation includes, for example, new approaches to improve delivery of essential goods and services, process or managerial innovations, improvements in public services that facilitate access and improve outcomes, as well as new technologies or new applications of existing technologies. New “low-tech” approaches designed to be sustainable and accessible and which can have a significant impact on the lives of the poorest will also be eligible.

### Sectors

**FID accepts applications for innovations in any sector which addresses poverty and inequality**, and specifically encourages applications for innovations in education, health, climate change, and gender equality. Within each sector, FID particularly encourages applications centered on interventions that improve outcomes for marginalized groups, including, for example, women and girls, underrepresented minorities, refugees and displaced people.

### Geographies

**FID funds initiatives in all countries eligible for official development assistance ([list established by the OECD](#)<sup>2</sup>).** Teams can submit their applications regardless of where the applicant and partner organisations are registered. However, applications for preparation grants must be submitted by organisations based in one of the countries eligible for official development assistance.

## Who is eligible for funding

**FID accepts applications from nearly any type of applicant, independently or in partnership with others**, including: research institutes and institutions of higher education; governments or public agencies; non-governmental organizations; and private, for-profit companies.

<sup>1</sup> FID is an independent initiative hosted by The Agence Française de Développement (AFD). Grant funding available to innovators will be provided by AFD as Official Development Assistance (ODA).

<sup>2</sup> List established by the OECD : <https://www.oecd.org/content/dam/oecd/en/topics/policy-sub-issues/oda-eligibility-and-conditions/DAC-List-of-ODA-Recipients-for-reporting-2024-25-flows.pdf>

Individuals applying independently and public international and multilateral institutions are ineligible for funding. FID accepts applications for funding from innovators and researchers of all nationalities living in all geographies, but specifically encourages applications from organizations based in, led by, and significantly staffed by people from all countries eligible for official development assistance according to [the list drawn up by the OECD DAC](#); people who identify as women; and other marginalized populations.

FID accepts applications in **French or English**.

## Core principles and assessment criteria

FID is designed to accelerate the deployment of impactful solutions in the fight against poverty and inequality, support the generation and application of evidence to improve social policy, and foster the exchange of knowledge between research and development actors.

**FID assesses every application against three core criteria:**

- 1 Potential for impact;
- 2 Estimated cost-effectiveness;
- 3 Potential for scale and sustainability

These key criteria are supplemented by three additional criteria: the innovative nature of the project, the relevance of the suggested delivery plan, and the skills of the team behind it.

### Potential for Impact

Evidence of clear, measurable outcomes demonstrates what works in development. FID **relies on rigorous evidence of impact to determine which applications to fund** and also supports **research to generate evidence on development innovations**. FID will evaluate applications against this criterion based on existing evidence and the proposed **theory of change**.

Stage 0 and 1 applications must propose a documented theory of change and a monitoring and evaluation plan to measure the successful implementation and achievement of project outcomes. Stage 2 applicants should strive to present rigorous evidence of impact by the end of the grant period. The impact of the innovation will be measured through an impact evaluation with a valid counterfactual. At Stage 3, FID requires applicants to demonstrate rigorous evidence of a direct causal relationship between the innovation and the impact on the lives of vulnerable people. This evidence must exist prior to the application.

For the grant « Innovation and Public Policy », applicants must either provide a plan demonstrating their commitment to evaluate the impact of the solution in a short to medium timeframe, or provide the results of an already conducted impact evaluation.

For the Grant « Evidence and Public Policy », applicants must demonstrate how the proposed activities can influence public policy decision-making based on evidence of impact.

### Cost-Effectiveness

FID invests in solutions that have the **potential to deliver more impact for every euro invested compared to existing solutions**. Taking an enhanced approach to cost-effectiveness, FID seeks innovations that can demonstrate better results at a lower cost or be more effective at addressing the development challenge than alternatives. An innovation can increase its cost-effectiveness either by reducing its cost or by increasing its impact.

Applicants for Stage 1, or Stage 2 grants should be able to articulate the potential for cost-effectiveness of the innovation, i.e. to make a compelling case that the solution has the potential for greater or faster impact than alternative solutions, or at lower cost. Stage 2 applicants should be simultaneously collecting meaningful cost data to be able to conduct a robust cost-effectiveness analysis by the end of the grant period. The Fund requires applicants for Stage 3 to have demonstrated a compelling case that their solution is more cost-effective than existing approaches.

Applications to the Innovation and Public Policy Stage must either include plans to analyze the cost-effectiveness of their innovation, or show that such an analysis already exists.

Applications at the Evidence and Public Policy stage will have to argue for the potential to improve the efficiency of the use of public funds, in comparison with the costs invested in the project.

### 3 Potential for Scale and Sustainability

**The Fund's ultimate goal is to support impactful development solutions that will scale to improve millions of lives.**

Innovations must demonstrate a viable pathway to scale - whether through the public or private sector or a hybrid model including both. Also, they should be able to demonstrate that the innovation will ultimately be able to grow without continued Fund support and be sustained over a period of time that is necessary to achieve development impact. Innovations should feature local ownership, appropriate contextualization, a capable and experienced team, and partnerships essential for sustainability.

**The Fund does not require for the applicant to be the one that ultimately brings the innovation to scale** as it recognizes the importance of public partnerships and that innovations can take many paths to scale. Many promising scale-ups of evidence-based innovations involve non-governmental organizations and/or researchers supporting one or more governments to scale the innovation. For Stage 3, applicants are expected to demonstrate that strong partnerships with scaling partners already exist.

In addition to these three core criteria, the Fund also assesses **the innovative nature of the project; the relevance of the suggested delivery plan** of the proposal (e.g., the applicant's understanding of and grounding in the local context; the applicant's past performance in implementing programs; the applicant's plans for appropriate implementation of science data collection and research); and the **skills of the team behind it**, including, e.g., whether the applicant is bringing to bear the types of expertise and experience that the work appears to require.

## Stages of funding available

The Fund provides **six types of grants**, each described in further detail below. The first five - Prepare, Stage 1, Stage 2 and Stage 3 and Innovation and Public Policy - follow a staged approach that calibrates the level of funding to the strength of the evidence of impact, cost-effectiveness, and scalability of the innovation. The sixth stage, Evidence and Public Policy, aims to respond to the needs of public entities in order to make decisions based on evidence.

Applicants should apply for the type of grant that best reflects the current development of their innovation. The Fund can accept applications from organizations for any type of grant. For example, organizations do not need to start with a Stage 1 Grant in order to be eligible to apply for a Stage 2 Grant. However, applicants applying for Stage 1, 2, or 3 or Innovation and Public Policy will need to have met the conditions of the earlier stage prior to applying, even if their early development phase was supported by another source of funding. FID reserves the right to consider innovations for different types of grants or levels of funding than the applicant has requested<sup>3</sup>.

### Prepare Grants | Up to €50,000

Prepare Grants are small project preparation grants that can be used to **support the development of proposals for Stages 1, 2, or 3 grants** for promising applicants who otherwise may have had less access to or ability to secure funding from a competitive fund such as FID. Although geographic eligibility for the other four types of grants described below will be significantly broader, Prepare Grants will be **available to applicants from countries eligible for official development assistance according to [the list drawn up by the OECD DAC](#)**.

#### Application requirements:

To be competitive to receive a Prepare Grant, applicants must identify which Stage award they intend to apply for after the conclusion of the Prepare Grant. The Prepare Grant application must demonstrate the applicant's potential to submit a strong future application for Stage 1, 2, or 3 funding, according to the three FID core principles, **Evidence of Impact, Cost-Effectiveness, and Scale and Sustainability**. For each of these core principles, the proposal must demonstrate the potential to achieve the requirements for the proposed Stage of the future application<sup>4</sup>.

Furthermore, a **Prepare Grant** applicant must demonstrate the **Need for Prepare Grant support**. The applicant must make a compelling case for how the Prepare Grant will be used to support the development of a proposal that is likely to meet the criteria necessary for a subsequent Stage 1, 2, or 3 Grant, and clearly detail the support that is needed to address key gaps or resolve key questions prior to application submission, and how the proposed funding will be used to satisfy those gaps or questions.

Examples of activities that **Prepare Grants** might support include: recruiting partner organizations who will be important to the deployment and scale of the development innovation; funding personnel or other operating expenses to develop a prototype or

explore the potential of a new innovation prior to committing to a full pilot or impact evaluation<sup>3</sup>; capacity development for applicant or partner organizations including implementing relevant training or developing data management systems necessary to implement the anticipated innovation; determining market demand for an innovation through population discovery interviews market studies, or other work and expenses relevant to implement an innovation.

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<sup>3</sup> This may be addressed through amendments and edits to the original proposal, as agreed between the applicant and the FID team or Review Committee following application submission. For more details, please see the section on Collaborative Review and Amendments to Submitted Proposals.

<sup>4</sup> For example, an applicant submitting a proposal for a Prepare Grant for a future Stage 1 Pilot Grant must, when addressing evidence of impact, present a strong theory of change that justifies how and why the activities under a future Stage 1 Pilot Grant are likely to generate a positive development impact. As another example, when addressing scale and sustainability, Prepare Grant applications for a future Stage 3 Transition to Scale Grant must discuss the resources required to scale the innovation over time, which of these resources have been obtained, and their plans and vision for how resources will be obtained in the future.

<sup>5</sup> Please note that all FID awards, including Prepare and Stage 1 Pilot Grants, must be for innovations that have already been prototyped and are ready to be tested in real conditions.

## Stage 1: Pilot Grants | Up to €200,000

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FID funds Stage 1 Pilot Grants to support the **piloting of innovations that are early in development and need real-world testing to refine the basic model and establish the viability of the innovation at small scale**, including testing core assumptions around operational, social, and financial viability. FID supports only innovations that are post-prototype and are ready to be piloted in the real world with real users.

Examples of activities that Stage 1 Pilot Grants may support include: exploring different delivery models for the innovation; conducting further research and development or user testing on an existing prototype; and documenting social outcomes and real-world costs to implement the solution.

### Application requirements:

To be competitive to receive a Stage 1 Grant, applicants must demonstrate the following for each of the three FID core principles:

- 1 Evidence of Impact.** Applicants must demonstrate the potential benefit of their innovation on the lives of those affected by the development challenge. While rigorous evidence of causal impact is not required at this stage, applicants must present a strong theory of change that justifies how and why their innovation is likely to generate a positive development impact. FID values any relevant evidence or research findings that demonstrate why the innovation is needed, such as evidence of population demand for or interest in the innovation. Stronger applications will draw on rigorous and quantified evidence to inform their theory of change. Applicants should include a plan for monitoring and evaluation and data collection during the award period that would test key assumptions in the theory of change and that will illustrate the economic and social outcomes as well as the real-world costs to implement the solution.
- 2 Cost-Effectiveness.** They will present existing solutions to the targeted development challenge and how their scaled-up innovation is likely to be more efficient by explicitly describing the expected costs and impact.
- 3 Scale and Sustainability.** Applicants should be able to demonstrate that their innovation has the potential to sustainably reach a large number of people if delivered at scale. Applicants must describe how they expect their innovation to be financially sustained at scale. Applicants should identify the types of partners they expect to be relevant to scale and fund the innovation, describe the extent to which such relationships have already been built, and make a case for why such partners will pay for the innovation at scale.

## Stage 2: Test and Position for Scale Grants | Up to €1,500,000

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FID funds Stage 2 Test and Position for Scale Grants **to assess the likelihood that the innovations can achieve both impact and viability at a larger scale**. Successful applicants will have already conducted successful pilot testing in a real-world setting, thereby satisfying Stage 1 conditions, and should include plans to track and rigorously assess the cost-effectiveness and operational feasibility of their innovation. Successful Stage 2 applicants must either already have rigorous evidence of causal impact of the proposed innovation, or must plan to conduct a rigorous impact evaluation during the Stage 2 grant period.

Examples of activities that Stage 2 grants may support include: impact evaluations; further market testing and operational expansion of innovations in ways that would position the innovation to transition to scale, such as by testing alternative approaches to implementation.

### Application requirements:

To be competitive to receive a Stage 2 grant, applicants must demonstrate the following for each of the three FID core principles: **1 Evidence of Impact.** Applicants must either demonstrate that there is already rigorous evidence of their innovation's causal impact on a development outcome or provide a plan to conduct a rigorous impact evaluation during the Stage 2 grant period. Prior evi-

dence of impact is not required to have been generated by the applicant. Impact measurement must assess final outcomes (e.g., lives saved, additional income generated) and/or intermediate outcomes for which rigorous evidence already exists (e.g., vaccinations are proven to improve health, and the evaluation proposes to measure increases in vaccination rates). The impact evaluation must have adequate statistical power and must include a credible counterfactual of what would have happened in the absence of the innovation, relying on a control group comparable in every way to the intervention group. Optimally, this evidence would be generated by a randomized controlled trial<sup>6</sup>. If the evidence is or will be generated through another methodology, a strong case must be made for the proposed evaluation methodology.

**Cost-Effectiveness.** Applicants must either include plans to analyze the cost-effectiveness of their innovation or show that such an analysis already exists. This analysis should include a discussion of the current and likely future costs of the innovation, the cost-effectiveness of the innovation relative to alternative solutions (including the status quo), and the major expected cost drivers of the innovation at scale.

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<sup>6</sup> Evaluation methods based on a pre-and-post analysis without a comparison group are not rigorous enough for a Stage 2 grant.

**Scale and Sustainability.** Applicants must make a compelling case that their innovation has the potential to sustainably reach and benefit a large number of people when delivered at scale. Applicants must discuss the resources they expect to be required to scale the innovation over time and their plans and vision for how such resources will be obtained and from whom. Applicants should identify the types of partners that will be relevant to scaling and affording the innovation, and should describe the extent to which such relationships have already been built. FID encourages applications that plan, at this stage, to include the participation of partner organizations necessary to scale the proposed innovation.

### Stage 3: Transition to Scale Grants | €1,500,000 to €4,000,000

FID funds Stage 3 Transition to Scale Grants to support the **transition of rigorously tested and validated solutions to widespread scaling**, such as bringing a tested innovation that has proven its impact to national scale or to new contexts, with the goal of eventually achieving widespread adoption in one or more countries. Stage 3 innovations must have a strong track record, including having already demonstrated rigorous evidence of causal impact through impact evaluation carried out prior to the application, and made a convincing case based on this evidence that the solution would be cost-effective at scale, thereby satisfying Stage 2 grant conditions.

Examples of activities that Stage 3 grants may support include: adapting the innovation to new similar contexts; conducting further testing to determine the extent to which the evidence of an innovation's impact is applicable to new geographies or settings; assessing ways to drive cost-effectiveness at increased scale; addressing operational challenges for scaling up; and starting the scaling process.

#### Application requirements:

To be competitive to receive a Stage 3 grant, applicants must demonstrate the following for each of the three FID core principles:

**1 Evidence of Impact.** Applicants must demonstrate rigorous evidence of the causal impact of their innovation on an outcome of interest. The evidence of impact must exist prior to the funding application, and must derive from a rigorous impact evaluation that assesses outcomes (e.g., lives saved, DALYs, additional income generated) or intermediate outcomes for which rigorous evidence already exists (e.g., vaccinations are proven to improve health outcomes, and the evaluation demonstrates increases in vaccination rates). Underlying impact evaluations must have adequate statistical power and must include a credible counterfactual of what would have happened in the absence of the innovation. Optimally, this evidence would be generated by a randomized controlled trial. If the evidence is or will be generated through another methodology, a strong case must be made for the proposed evaluation methodology. Applications will be stronger if the underlying evidence is peer-reviewed, published, or otherwise widely circulated.

Additionally, applicants must clearly describe what they expect to learn during the course of the proposed scale-up activities. FID does not require that applicants implement an additional rigorous evaluation during a Stage 3 grant, but strong Stage 3 applicants will include key questions remaining to be answered and a plan to address those questions either alone or with partner organizations during the course of the proposed activities.

**2 Cost-Effectiveness.** Applicants must make a compelling case based on the underlying impact measurement that the innovation will be cost-effective at scale relative to alternative solutions. Such evidence is not required to be generated by the applicant, but must exist prior to application. Applicants should include details of expected costs and impacts of the innovation and the major drivers of cost and cost-effectiveness of the innovation at scale.

**3 Scale and Sustainability.** Applicants must demonstrate that their innovation is on track to sustainably reach and benefit a very large number of people. Applicants must discuss the resources required to scale the innovation over time, which of these resources have been obtained, and their plans for how resources will be obtained in the future. Applicants should identify and address operational challenges for scaling and should include plans that allow for refinement and iteration along the path to scale. Applications will be stronger if they include evidence of commitment from the relevant country government(s) and other entities that will be involved in scaling the innovation.

## Innovation and Public Policies Grant up to 500 000 €

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**Innovation and Public Policies Grants fund the adaptation of a specific innovation for implementation at scale by a public entity, based on evidence of impact.**

Innovation and Public Policy grants are dedicated to public entities wishing to integrate an innovation into their public policies, and who are committed to informing its scaling through evidence of impact, for example through the use of an impact evaluation with counterfactual, in the short or medium term, either over the duration of the funding or following it, or through the use of existing evidence.

Public entities may be supported by one or more partners, who must demonstrate in their application their capacities and expertise in the proposed innovation, the theory underlying the innovation, the context and systems in which they operate, and their experience in working with public entities. Applicant teams will need to demonstrate a commitment between the public entity and the partner (MoU, contract, etc.), the quality of their relationship, and provide a convincing explanation showing that the technical support is strategically positioned within the public entity, enabling it to deploy the innovation effectively.

Examples of activities that the Innovation and Public Policy Grant may support include: adaptation of innovations to public systems; contextualization and replication of results from existing evaluations; diagnosis of capacities within the public entity; development of detailed implementation guides and tools; training of public service agents; etc.

To be eligible for an Innovation and Public Policy Grant, a pilot of the innovation in real-world setting must have been successfully conducted, equivalent to a Stage 1 grant. If this pilot has not been carried out by the public entity or a project partner, justification must be provided as to the applicant organizations' capacity to implement it.

### Application requirements

To be competitive to receive an Innovation and Public Policies grant, applicants must demonstrate the following:

- A. **Evidence of Impact** - Applicants may belong to two scenarios:
  1. If the project has been piloted but there is no prior evidence of impact, the public partner must provide a plan demonstrating its commitment to evaluate the impact of the solution in the short or medium term, either during or following the funding period.
  2. If there is already rigorous evidence of the causal link of the innovation on the outcome of interest, it must derive from a rigorous impact evaluation that assesses outcomes (e.g. lives saved, additional income generated) or intermediate outcomes for which rigorous evidence already exists (e.g. vaccinations are proven to improve health outcomes, and the evaluation demonstrates increases in vaccination rates). Underlying impact evaluations must have sufficient statistical power and must include a credible counterfactual of what would have happened in the absence of the innovation. Optimally, this evidence has been generated by a randomized controlled trial. If the evidence has been generated through another methodology, the evaluation method used must be justified.
- B. **Cost-effectiveness.** Applicant teams should either include plans for a cost-effectiveness analysis of their innovation, or show that such an analysis already exists. This analysis should include a discussion of the current and likely future costs of the innovation, the cost-effectiveness of the innovation relative to alternative solutions (including the status quo), and the key cost and efficiency drivers expected from scaling up of the innovation by the public entity, including costs per beneficiary, marginal adoption costs, and financial barriers to adoption. In cases where the cost-effectiveness of the innovation has not yet been analyzed, the application should include plans for how costs will be measured during the grant period
- C. **Institutional support, potential for large-scale deployment, and sustainability.** Applicant teams must describe the plan for long-term transformation of systems, capacities, human resources, financial resources, and processes required for adoption and implementation at scale of the innovation by the public entity. Applicant teams must convincingly demonstrate that their innovation has the potential to reach and sustainably benefit a large number of people when implemented at scale by the public partner. They must present the resources they expect to have to devote to scaling the innovation over time, as well as their plans and vision for how and from whom these resources will be obtained.

## Evidence and Public Policies Grant up to 500 000 €

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**The Evidence and Public Policies Grant funds projects dedicated to meeting the needs of public sector entities to make decisions based on evidence of impact.**

The Evidence and Public Policies Grant are dedicated to public entities that are committed to including impact evidence in their public policy decision-making processes, enabling them to put in place the necessary systems, capabilities, resources and processes to do so. Applicant public entities will need to demonstrate their commitment to public policy experimentation, for example through the use of existing impact evidence to inform their policy decisions, or through the more systematic use of impact evaluations, in the short to medium term, either during or following the funding period.

Public entities may be accompanied by one or more technical partners, who must demonstrate in their application their capacity and expertise in meeting the needs of the public partner, and their experience in working with public entities. Applicant teams must demonstrate a commitment between the public entity and the technical partner (MoU, contract, etc.), the quality and history of their relationship, and provide a convincing explanation showing that the technical support is strategically positioned within the public entity.

Examples of activities that Evidence and Public Policy grants may include : strengthening of data systems; capacity building on impact evaluation methodologies and their implementation; use of existing evidence of impact; development of research agendas, setting up research partnerships; etc..

### **Applications requirements:**

To be competitive to receive an Evidence and Public Policy grant, applicants must demonstrate the following:

- **Decision-making based on evidence of impact:** Applicant teams must demonstrate how the proposed activities can influence public policy decision-making based on evidence of impact and cost-effectiveness, and aimed at improving the lives of the most vulnerable people on a large scale. Applicant teams must present a theory of change clearly demonstrating that the proposed activities have the potential to generate real and substantial improvements in the lives of poor and/or marginalized people by supporting the adaptation, piloting, evaluation or scaling up Public Policies based on evidence of impact and cost-effectiveness.
- **Efficiency:** FID expects that relatively small amounts of funding can be highly catalytic. Applicant teams must demonstrate the potential for improving the efficiency of the use of public funds, in comparison with the costs invested in the project. They must describe the expected cost drivers of implementation, and clearly justify the number of beneficiaries reachable, the budget envelope affected and the expected development results.
- **Institutional support and sustainability:** Applications should describe the long-term transformation plan for the systems, capabilities, human resources, financial resources and processes required to make decisions based on evidence of impact by the public entity. They must also demonstrate the potential for long-term sustainability of the proposed activities, including continuity beyond the proposed funding period. Successful applicants must demonstrate a thorough understanding of the relevant political dynamics, the context and systems in which they are embedded, and the windows of opportunity that support project implementation over the funding period and beyond.

## How to apply for funding

FID will accept applications under this Call for Proposals at any point throughout the year. In order to be considered for funding, applications must be submitted through the online portal available at:

Send an application → <https://fundinnovation.dev/>

## How your application will be evaluated

### Review and Selection Process

The application review process includes three core steps:

- 1 Initial online application:** Applicants will submit a short initial application through an online portal on FID's web-site, through an application form in French or in English. Fund staff will review these applications, according to the evaluation criteria detailed in this Call for Proposals. The Fund will aim to review, make a decision, and notify the applicant of the decision on the initial application within **approximately 3 months** of receipt of the application.
- 2. Additional information gathering:** Applicants whose applications pass the initial screen will be invited to the next stage of application review, during which Fund staff may, for example, **ask follow-up questions; request additional documentation on specific issues. FID may contact partners about the proposal as well as one or more external experts on the sector of the proposed solution.** During this process, Fund staff may provide input on the applicant's proposal, or request edits to the submitted application. This stage of the process, which may take **approximately 1-4 months**, culminates in either a submission of **a package of investment materials** to the Review Committee or with FID's decision not to proceed to the final step of the review process.
- 3 Convening and recommendations by the Review Committee:** Final recommendations for funding decisions on applications will be made by a "Review Committee" composed of qualified experts.

Based on the recommendation of the Review Committee, an application may be accepted for funding, rejected, or edits may be requested from the applicant.

Following the review process (the submission is simplified for Preparation Grant applications), the FID team ensures that the application meets compliance requirements, particularly in regard to anti-money laundering and counter terrorist financing. The decision to award funds is made by FID's Executive Director or its Board of Directors based on the recommendation of the Review Committee and the conclusions of the compliance review. The FID team and the applicant team finalize and sign the funding agreement. The funding agreement will be executed and the funding disbursed according to the terms and conditions in the agreement signed by both the applicant and FID's Executive Director.

### Collaborative review and amendments to submitted proposals

As part of the application review process, FID may collaborate with applicants to make edits and amendments to submitted proposals for funding. Such edits and amendments may occur during the application review stage, when the FID team is collecting additional information, or as a result of the deliberation and recommendations of the Review Committee. Possible amendments suggested by the FID team or Review Committee may include: funding at a different stage than originally proposed (e.g., the proposed activities of a Stage 2 application may be of interest to the FID team, but are determined to have not yet met piloting requirements, so the proposal is recommended for consideration as a Stage 1 Grant); adjusting the overall funding amount requested in order to add or remove activities; revising evaluation questions or methodologies; developing committed partnerships with key individuals or organizations necessary to project success but not included in the original application; or other substantive technical edits that are determined to be essential to project success. Edits and amendments suggested by the FID team and Review Committee are voluntary, but may be considered a necessary precondition for funding the proposed activities.

### Evaluation criteria

FID uses the six following criteria to assess and rate applications throughout the selection process, with ratings assigned according to an application's responsiveness to each criterion and sections weighted equally.

## 1 Innovation

**FID will assess each application based on the extent to which it demonstrates the following:**

- Compelling problem statement, including a credible explanation of how the problem impacts people's lives and how solving this problem would alleviate poverty or inequality.
- Clear explanation of the innovation and how it addresses the problem, including how it compares to alternative solutions.
- Realistic explanation and clear articulation of the number of people impacted by the problem both locally (in the area of implementation) and globally.
- Realistic explanation and clear articulation of the number of people impacted by the proposed innovation, as well as the potential scope for impact over time.
- Clear identification of target beneficiaries of the innovation, including general information regarding socio-economic situation (e.g. gender, income etc.) and any differentiated effect of the innovation on these groups.

## 2 Evidence of Impact

**FID will assess each application based on the extent to which it demonstrates the following:**

- Credible theory of change that draws upon existing evidence (when applicable or available), either from peer-reviewed, published or otherwise widely circulated sources or previous implementation experience. Clear explanation of the key questions that the proposed activities are designed to answer and plans for how the activities will find answers to these questions.
- Stage- and question-appropriate choice of evaluation methodology to assess cost-effectiveness and development impacts of the innovation. Methodologies generating rigorous evidence of causal impact (i.e., impact evaluations) include descriptions of statistical power and corresponding assumptions.
- Well-defined and meaningful metrics to judge the success of the project (e.g., operational viability, full costs, causal impact, cost-effectiveness, reach, social impact).
- Clear explanation of how the metrics would be collected.

## 3 Cost-Effectiveness analysis

**FID will assess each application based on the extent to which it demonstrates the following:**

- Credible and stage-appropriate justification that the innovation can achieve better results at a lower cost and be more effective at solving the problem than the status quo or alternatives.
- Clear explanation of the costs of the innovation per beneficiary served or unit treated, including both fixed and variable costs.
- Analysis of how costs and cost-effectiveness are expected to evolve in the future and at scale.

## 4 Scale and Financial Sustainability

**FID will assess each application based on the extent to which it demonstrates the following:**

- Likelihood of sustainably reaching and meaningfully benefiting large numbers of people's lives at scale.
- Realistic assessment of present and anticipated challenges and risks, as well as practical mitigation plan to address them.
- Stage-appropriate understanding of both the amount and source(s) of the financial resources expected to be required to scale the innovation over time.
- Stage-appropriate partnerships or resource commitments from implementation and funding partners.
- Evidence that the applicant and/or its partners brings additional, stage-appropriate resources to the activity (e.g., funding, in-kind contributions, etc.)
- Clear and realistic plans to sustain long-term financial viability of the innovation at scale by way of growth in revenue, increased beneficiaries or customers, greater adoption, etc., and a stage-appropriate strategy and track record of securing financial support and of stakeholder engagement.

## 5 Implementation

**FID will assess each application based on the extent to which it demonstrates the following:**

- Stage-appropriate record of achievement of the organization.
- Stage-appropriate plans to build operational capacity, systems and partnerships to support the innovation's path to scale.
- Ability of the applicant to successfully implement and execute the project as designed.
- Reasonable, stage-appropriate tests of technical and operational viability in real-world settings that can inform future implementation.
- Clear justification for the funding amount requested, including a reasonable project budget.

- Compelling case that the activities for which the application requests funding will substantially strengthen or test the innovation's impact and potential for scale.

## 6 Project Team

**FID will assess each application based on the extent to which it demonstrates the following:**

- Clear articulation of required expertise and demonstration of relevant experience among the key personnel to execute the proposed plans.
- Strong understanding of local context(s), current implementation challenges and barriers to success.
- Clear and appropriate assignment of key roles and level of effort across the team.
- Clear commitment of any necessary partner organizations, including roles and responsibilities of participating organization(s).

## Glossary of terms

- **Cost-Effectiveness:** The ability of a development innovation to demonstrate more impact per euro than the status quo or alternatives.
- **Impact:** Measurable demonstration of value created to society of an innovation or intervention which is causal and attributable to that intervention, generally tested through an impact evaluation (with a counterfactual) and that can be positive or negative and intended or unintended.
- **Impact Evaluations:** Impact evaluations measure the change in outcomes that are directly attributable to a particular intervention. Impact evaluations use experimental methods (randomized controlled trials or RCTs) or quasi-experimental designs to construct a counterfactual that controls for other factors that might have affected outcomes in addition to the program.
- **Innovation:** Any solution with strong potential to make it easier, less costly, faster, or otherwise more feasible to achieve development impact, at scale, than existing approaches to addressing that development problem.
- **Pathways to Scale:** Innovations can generally scale along one of three pathways:
  - a Public scaling: an innovation designed to scale with the financial support of developing country governments, donors, or philanthropists.
  - b Commercial scaling: an innovation that is designed to scale as a business, financed with, for example, population payments, and earned revenue, investments, or commercial capital.
  - c Hybrid scaling: an innovation designed to scale through a combination of commercial and public pathways (e.g. partially through donor or philanthropic grant funding and partially through earned revenue; a government paying for or subsidizing the cost of a commercially-available product or service that improves the lives of vulnerable populations).
- **Pilot:** A proof-of-concept test of a new product, service, or process innovation implemented in a real-world context with intended users, beneficiaries, or populations. Pilots should include a clear hypothesis for testing, collect performance data, and derive conclusions from pilot activities.
- **Prototype:** An early or preliminary model of something, such as a design, model or machine, that defines how an innovation would work, and from which more refined forms will be developed or copied. Often has not yet been significantly 'field-tested' in real-world conditions.
- **Randomized Controlled Trial (RCT):** A type of impact evaluation method in which study participants are randomly assigned to one or more groups that receive an intervention, known as the "treatment group" or groups, and a comparison group that does not receive any intervention. Researchers can then measure the outcomes of interest in the treatment and comparison groups to obtain a rigorous and unbiased estimate of the causal impact of an intervention.
- **Rigorous Evidence:** Refers to methodologically sound evidence, whose degree of rigor can be determined by the strength of the claim that the only difference in outcomes between those that did and did not receive the intervention is the application of the intervention. Among impact evaluation methodologies, randomized controlled trials (RCTs) are considered most rigorous, followed by quasi-experimental methodologies.
- **Theory of Change:** Describes a strategy or blueprint for achieving a given long-term goal. The theory of change identifies the preconditions, pathways, and interventions necessary for success.

