



Fund for Innovation
in Development

Call for proposals




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FRANÇAISE**
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**MINISTÈRE
DE L'EUROPE
ET DES AFFAIRES
ÉTRANGÈRES**
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**MINISTÈRE
DE L'ÉCONOMIE,
DES FINANCES
ET DE LA RELANCE**
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 **AFD**
AGENCE FRANÇAISE
DE DÉVELOPPEMENT

What is FID ?	3
What we fund	3
Open Innovation	
Sectors	
Geographies	
Who is eligible for funding	4
Core principles and assessment criteria	4
Rigorous Evidence of Impact	
Cost-Effectiveness	
Potential for Scale and Sustainability	
Stages of funding available	5
Prepare Grants - up to €50,000	
Stage 1: Pilot Grants - up to €200,000	
Stage 2: Test and Position for Scale Grants - €200,000 to €1,500,000	
Stage 3: Transition to Scale Grants - €1,500,000 to €4,000,000	
Transforming Public Policy Grants - up to €150,000	
How to apply for funding	8
How your application will be evaluated	9
Review and Selection Process	
Collaborative Redesign	
Evaluation criteria	
Innovation	
Evidence of Impact	
Cost-Effectiveness	
Scale and Financial Sustainability	
Implementation	
Project Team	
Glossary Terms	11

What is FID ?

The Fund for Innovation in Development (Fonds d'Innovation pour le Développement or FID) is a new initiative to support innovation that contributes to reducing global poverty and inequality. Through flexible grant funding, the Fund enables innovators and researchers to test new ideas, build rigorous evidence of what works, and scale the highest-impact and most cost-effective solutions¹.

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 more effectively or efficiently address poverty and inequality. This document describes what we are interested in funding, who is eligible for funding, core principles guiding our funding decisions and how to apply for funding.

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 the poor. 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. **FID seeks to support any innovation that more effectively or efficiently addresses poverty and inequality around the world, with a specific focus on innovations targeting particularly acute problems of marginalized populations.**

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, and refugees and displaced persons.

Geographies

FID funds initiatives in all low- and middle-income countries, with special emphasis on the countries², primarily in sub-Saharan Africa, that are official priorities for French 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.

¹ FID is an independent initiative hosted by the French Development Agency (AFD). Grant funding available to innovators will be provided by AFD as Official Development Assistance (ODA).

² Benin, Burkina Faso, Burundi, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Djibouti, Ethiopia, Gambia, Guinea, Haiti, Liberia, Madagascar, Mali, Mauritania, Niger, Senegal, and Togo.

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 low- and middle-income countries; 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 France's partners in 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 Rigorous **evidence of impact** on improving the lives of people living in poverty;
- 2 **Cost-effectiveness** of the innovation in improving development outcomes;
- 3 Potential for **scale and sustainability**

Innovations are assessed based on their demonstrated record of and potential for achieving each of these criteria.

1 Rigorous Evidence of Impact

Evidence of clear, measurable outcomes demonstrates what works in development. FID **relies on rigorous evidence of impact in determining 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**.

Applicants for Prepare, Stage 1, or Stage 2 grants should draw on evidence to inform their theory of change, and Stage 2 applicants must aim to have rigorous evidence of causal impact by the end of the grant period. The Fund requires applicants for Stage 3 or Transforming Public Policy grants to show rigorous evidence of causal impact of the innovation on improving the lives of people living in poverty at the time of application, such as from a randomized controlled trial (RCT).

2 Cost-Effectiveness

FID invests in solutions that have the **potential to deliver more impact for every euro than existing solutions**. Taking a **best-in-class approach** to cost-effectiveness, FID seeks innovations that can demonstrate better results at 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 Prepare, Stage 1, or Stage 2 grants should be able to articulate the potential for cost-effectiveness of the innovation, should the evidence demonstrate impact, and 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 or Transforming Public Policy grants to demonstrate a compelling case that their solution is more cost-effective than existing approaches.

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 while being financially sustained** through the public and/or private sector. Innovations must demonstrate a viable pathway to scale - whether through the public sector, the private sector, or a hybrid of the two - and 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 to sustainability.

Recognizing that innovations take many paths to scale, and recognizing the importance of public partnerships, **the Fund does not require that the applicant ultimately be the organization that brings the innovation 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.

In addition to these three core criteria, the Fund also assesses the **implementation strength** 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 science data collection and research); and the **core applicant team**, 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 will provide **five types of grants**, each described in further detail below. The first four types of grants - Prepare, Stage 1, Stage 2 and Stage 3 Grants - 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 fifth - Transforming Public Policy Grants - is reserved for innovations that have reached a mature stage, and the relatively smaller funding level is intended to be highly catalytic.

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 grant type. For example, organizations do not need to start with a Stage 1 Grant from the Fund in order to be eligible to apply for a Stage 2 Grant. However, applicants applying at Stage 1, 2, or 3 or Transforming Public Policy Grants will need to have met the conditions of the earlier stage prior to applying, even if with another source of funding. FID reserves the right to consider innovations for different types of grants or levels of funding than the applicant has requested³.

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 all of the other types of grants described below will be significantly broader, Prepare Grants will be primarily available to applicants from the countries that are priorities for French aid.

Application requirements :

To be competitive to receive a Prepare Grant, applicants must identify which Stage award they intend to apply for after the Prepare Grant concludes. 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 application⁴.

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 explore the potential of a new innovation prior to committing to a full pilot test or evaluation⁵, 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 customer discovery interviews, or other work and expenses relevant to preparing an innovation for submission to FID.

³ 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 Redesign and Amendments to Submitted Proposals.

⁴ 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.

⁵ Please note that all FID awards, including Prepare and Stage 1 Pilot Grants, must be for innovations that are post-prototype and ready for real-world testing.

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

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 those 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: assessment of demand for the innovation; exploration of different delivery models for the innovation; conducting further research and development or user testing on an existing prototype; and documenting social outcomes of 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 make a credible case of 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 customer demand for or interest in the innovation. Stronger applications will draw on rigorous evidence to inform their theory of change. Applicants should include plans to collect data during the award period that would test key assumptions in the theory of change and that will illustrate the social outcomes of and real-world costs to implement the solution.
- 2 Cost-Effectiveness.** Applicants should clearly articulate why their innovation has the potential to be cost-effective at scale. Applicants should include a discussion of the likely costs of their innovation relative to alternative solutions, and the major expected cost drivers of the innovation at scale.
- 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 will be financially sustained at scale. Applicants should identify the types of partners it expects will be relevant to scaling and funding 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 | €200,000 to €1,500,000

FID funds Stage 2 Test and Position for Scale Grants to support the **further testing and continued growth of innovations to assess the likelihood that they 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 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 or by finding ways to satisfy requirements for scaling that are likely to be imposed by long-term funders, such as governments.

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 already is 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 evidence of impact is not required to have been generated by the applicant. Impact measurement must assess 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, and the proposed evaluation measures 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. 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.
- 2 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. For applicants that have not yet analyzed the cost-effectiveness of the innovation, the application should include plans for how costs will be measured during the grant period.

⁵ Please note that all FID awards, including Prepare and Stage 1 Pilot Grants, must be for innovations that are post-prototype and ready for real-world testing.

3 Scale and Sustainability. Applicants must make a compelling case that their innovation has the potential to sustainably reach and benefit large numbers 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 which include participation by 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 to national scale or to new contexts, with the goal of eventually achieving widespread adoption in one or more countries. Stage 3 innovations will have a strong track record, including having already demonstrated rigorous evidence of causal impact 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 contexts; conducting further testing of the extent to which the evidence of an innovation's impact is applicable in 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 their innovation's causal impact on an outcome of interest. Such evidence is not required to be generated by the applicant, but must exist prior to 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 the current and likely future costs 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 very large numbers of people, and that the applicant and its partners will reach at least hundreds of thousands 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.

Transforming Public Policy Grants | Up to €150,000

FID funds Transforming Public Policy (TPP) Grants to support two types of projects:

- 1** those focused on **the institutionalization of specific evidence-based innovations** with demonstrated cost-effectiveness and scalability **into public policies at large scale;**
- 2** those focused on strengthening the capacity of low- and middle-income governments to design, test, pilot, and scale evidence-based innovations (e.g., the establishment of an evidence-based innovation lab in government or support for a government effort to collect and process data to evaluate the impact of social policies).

FID expects that relatively small amounts of funding can be highly catalytic. Examples of activities that Transforming Public Policy Grants may support include: supporting data collection about the nature and extent of a problem or to determine whether evidence about potential solutions from prior evaluations is relevant to context; improving monitoring and evaluation systems for scaling or scaled-up programs; and providing technical assistance, including through, for example, embedded staff and the development of detailed implementation guides and tools, to a partner government to bring evidence-based solutions into large-scale practice.

Application requirements :

To be competitive to receive a Transforming Public Policy (TPP) Grant, applicants must demonstrate the following:

- 1 Applicants proposing projects that are focused on **institutionalizing specific evidence- based innovations in public policy (type 1)** should generally have satisfied the [conditions of a Stage 3 grant](#), or be in progress of satisfying them, before applying for a TPP grant.
- 2 Applicants proposing projects focused on **strengthening capacity of low- and middle- income countries to implement evidence-based innovations (type 2)** must demonstrate the following for each of the three FID core principles:
 - a **Evidence of Impact.** Although Transforming Public Policy Grants (type 2) are not required to focus on the implementation of a specific development innovation, applicants must present a strong theory of change that makes a clear case that the work proposed would generate real, substantive improvements in the lives of poor and/or marginalized people by supporting the government to adapt, pilot, and scale evidence-informed public policy and service delivery innovations that have been previously evaluated with a randomized evaluation. The application must include a clear description of the potential reach of the proposed work and the anticipated outcomes. Strong applications build on lessons learned from previous attempts to address similar development challenges and demonstrate the transformational potential of the activities proposed.
 - b **Cost-Effectiveness.** Applicants must make a compelling case that the activities under a proposed Transforming Public Policy Grant will lead to the implementation of public policy innovations that will be cost-effective at scale, relative to alternative solutions. Applicants must outline the anticipated drivers of implementation costs and make a clear case for the anticipated development outcomes as a result of the work proposed.
 - c **Scale and Sustainability.** Applicants must demonstrate the potential for long- term sustainability of the activities proposed, including the potential to continue delivering services beyond the proposed award period. The application must include strong support from domestic, host country partner(s) and constituencies, and a clear commitment from the proposed partner institution to support the implementation or scale of the proposed activities.

The applicant organization and proposed project team must also have a demonstrated track record of testing, introducing, implementing, and/or scaling evidence-supported development innovations in low and middle-income countries.

Only projects with a specific and committed government partner(s) will be eligible for a TPP Grant. Successful applicants for either type of TPP award must demonstrate a deep understanding of the theory underlying the evidence-based innovation(s) they intend to implement, as well as of the local context and systems. Applications seeking to apply evidence in a new context should include evidence that they have undertaken a scoping process with the government partner to diagnose the problem(s) and determine that the evidence is relevant, as well as a process for adapting and piloting the program model(s) in this new context before scaling.

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 website, in either English or French. Fund staff will reviews these applications, according to the evaluation criteria detailed in this Call for Proposals. The Fund will aim to review, make a decision on, and notify the applicant of the decision on the initial application within **approximately 2 months** of receipt of 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; speak with partners on the proposal; and speak with external experts with relevant sector, local context, or technical expertise** to receive input on the application. During this process, **Fund staff may provide input** to the applicant on their proposal, or request edits to the submitted application. This stage of the process, which may take **approximately 1-4 months**, culminates in either 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 of and recommendations by the Review Committee : Final recommendations for funding decisions on applications will be made by a "Review Committee" consisting 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, FID staff will coordinate with AFD to prepare the necessary documents to finalize the grant agreement between the successful applicant and FID. Applicants will be required to answer questions related to anti-money laundering, anti-terrorism and other necessary compliance requirements. The final grant agreement will be active and funding will be disbursed according to the terms outlined in the agreement signed by both the applicant and FID's Executive Director.

Collaborative redesign 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 criteria below 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 for the degree 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 / customers of the innovation, including general information regarding

2 Evidence of Impact

FID will assess each application for the degree 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 Costs and Potential for Cost-Effectiveness

FID will assess each application for the degree to which it demonstrates the following:

- Credible and stage-appropriate justification that the innovation can achieve better results at a lower cost or 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 for the degree 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 for the degree 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 for the degree 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 experimental trial (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, customer 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 the poor).
- **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 customers. 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.

