Closing Remarks at IFAD Innovation Talks No. 3 on Lessons from Designing and Implementing Innovation Challenges

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As Prepared for Delivery

Many thanks Johanna,

Usually people dread closing remarks after a long meeting. Luckily, this one was shorter, so I hope that you can bear with me for a while. I think that this was an extraordinary meeting. Very fruitful, very dense and excellent time management.

I would like to thank our partners and speakers in today’s session: Irene Arias, CEO of the Inter-American Development Bank Innovation Lab, Phil Weilerstein President and CEO of VentureWell, Hila Cohen of the WFP Innovation Accelerator, Marc Lepage of the Asian Development Bank, and Edward Gallagher and Gladys Morales of IFAD. As well as you Johanna Jochim, Manager of the UN Innovation Network for keeping us engaged and focused on the main messages of today’s IFAD Innovation Talk.

I think we have contributed to advance our thinking and learning on how we can design and implement innovation challenges to deliver better and more impactful results. One common lesson that we have heard from our
speakers today is that innovation must bring value and transformation to the work that our development agencies do. We also heard from our speakers on the importance of measuring results in innovation and measuring them in a different way to how we traditionally evaluate and measure progress and results.

One way to measure progress and mitigate risks is by running multiple projects at the same time and develop tools to compare them and discern winning ideas from failing ideas. We just heard a lot from Gladys the adage “fail fast” but also about how it is commonly recognised that prioritising funding for some ideas while abandoning others is not only challenging but can lead to “killing” ideas that would have been a “hit” if given a chance to further develop. There is a certain danger that by failing to kill fast enough ideas that do not deliver results, we subtract resources and opportunities to potentially winning ideas. We need to think more about how to make decisions about what ideas to support and what ideas to sunset.

We heard today about how some of our agencies are using evaluation tools to assess progress and results and about the use of frequent stage-gate assessments or checkpoints to continue funding ideas that promise return on investment and when to pull the plug from those that don’t.

We also heard about having a discovery-driven and user-centric approach that helps developers and funders to see to it that products really respond to the needs of the end-users and that they are effectively delivering a solution to the problem that they set up to solve in the first place and not just a nice answer to a problem that nobody has.

Pulling the plug, I think that rarely people want to do it. It is seldom easy. So designing a systematic model that focuses on evidence-based decision making and the opportunity costs of not failing fast enough is key if we want to ensure that we learn from failure and disseminate that knowledge for the benefit of our organisations and beneficiaries, because you can learn not
only from best practices but also from worst practices; if you learn what hasn’t worked it can also help you not to make the same mistakes that others have made already.

I think that today’s session also contributed to address questions related to how our development agencies can help strengthening innovation ecosystems and enhancing partnerships for innovation. Sharing a vision that innovation needs to add value, all the organisations represented at today’s session share one additional common factor, they all agree that the most important factor is to create a space for innovation to take place and that space can take different forms and shapes. I fondly remember the innovation lab that I once saw in the Australian Development Cooperation Administration, which was an absolutely fantastic safe space for innovation, and things like that we can copy for other organizations as well. The important thing is to provide the space and make it accessible in the most inclusive and diverse ways. I want to summarise some of the lessons learned:

- Development agencies should focus on providing support to the demand side of innovation. We need to focus on finding solutions to problems based not on our assumptions of what the best solution could be but on evidence and on the feedback that we receive from end-users and beneficiaries for whom we are undertaking efforts.
- We need to plan for all stages of innovation. Too many efforts are focused until now on idea origination, and we are failing to bundle innovations and to scale them up afterwards. We are just facing that problem at IFAD where we had a fantastic innovation challenge and now we are struggling to find the funding to scale up the ideas that came up during the challenge.
- Our agencies should also endeavour to deliver public good innovations that allow for replication and the optimisation of resources.
• Our agencies must also aim to understand the local context and the priorities of our partnering Governments to ensure that innovations address not what maybe an international agency perceives to be the local needs, but also taking into consideration what the local capacities are in a sustainable, accessible and affordable manner.

• Providing access to funding is not enough. When thinking of supporting innovation, we also need to address the need for capacity building and for technical assistance to support the teams in the whole innovation pathway.

• Development agencies also need to be aware of the legal and financial framework within country governments to design interventions that allow innovations to be scaled-up through blended finance, public-private partnerships, through strategic co-funding - just to quote a few examples.

• Our agencies play a key role analysing, collecting and disseminating good practices for the benefit of the innovation ecosystem. That’s something we can really built upon.

• We also heard today about the importance of diversity and inclusivity to have higher chances of success at innovating. Our teams should have not only the technical skills and ability to think creatively and analytically. Research by leading academia has shown that diversity of thought and background, equity and inclusivity lead to healthy debates that result in real solutions to challenging problems.

• Teams should also have the ability to focus on their innovation projects with clear objectives and clear milestones. When teams are distracted by too many other responsibilities, innovation might suffocate and the likelihood of failure, even of great ideas, might increase.

• Innovation teams should not be expected to succeed or deliver results in traditional ways. We must endeavour to create spaces where there is also freedom to fail.
• Beyond the proof of concept and prototyping, we must provide ample funding for the execution of ideas, which is costly. Teams that struggle to obtain funding or to receive funding in a timely manner for the execution of their ideas will fail to produce much and organisations might risk wasting precious resources invested in the early stages of innovation.

• Last and most importantly, our agencies play a fundamental role to advocate, so that the needs of the most vulnerable groups are addressed through the innovations that we are funding and supporting. That is something we also need to keep in mind.

We look forward to continuing this dialogue on innovation and partnerships to support the development of solutions and transformational change. A systematic and user-centric approach to innovation and strategic planning during all stages of innovation can effectively contribute to mitigate risks and to increase the effectiveness of innovation, and therefore, in the end – and this is most important for us in IFAD – also our impact on SDGs 1 and 2; we committed to double our impact and without innovation, I think we will not be able to achieve this.

Many thanks to all of you again. It was a pleasure to attend this meeting and I hope that we will meet again in another innovation talk not too far in the future.