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ADAPTATION AT SCALE: SCALING UP AND OUT CLIMATE CHANGE ADAPTATION INITIATIVES IN NEPAL

FINAL EVALUATION SUMMARY

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ABOUT IDEAS TO IMPACT

Ideas to Impact is an action-research programme funded by UK Aid delivered by the Department for International Development (DFID).

Ideas to Impact designs and runs innovation prizes to incentivise contestants to find solutions to challenges faced by the poor in low-income countries. These include access to clean energy, water and sanitation, transport and climate change adaptation, in Africa and South Asia.

The programme tests the value of prizes as a non-traditional mechanism to spur behaviour change and socioeconomic development. It has been delivered by an IMC Worldwide-led consortium and evaluated by Itad.

ACKNOWLEDGEMENTS

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DISCLAIMER

The views expressed in this report are those of the evaluators. They do not represent those of IMC or of any of the individuals and organisations referred to in the report.

The Adaptation at Scale (A@S) Prize sought to promote innovative approaches to scaling up and out climate change adaptation initiatives by implementing organisations operating in Nepal (see Box 1).

The Prize is one of a number of innovation prizes under Ideas to Impact (I2I), a UK Department for International Development (DFID)-funded programme established to test the value of using innovation prizes for international development, often to encourage people to act differently over months or years. An innovation prize offers a reward to whoever can first and/or most effectively solve or meet a defined challenge.

Two key types of innovation prize are recognition and inducement prizes. Unlike recognition prizes, which reward past achievement, inducement prizes, such as those run by I2I, define award criteria in advance to spur innovation towards a predefined goal. I2I defines its innovation inducement prizes as 'a financial incentive that induces change through competition'.

A@S was delivered by IMC Worldwide, with the Integrated Development Society Nepal (IDS-Nepal)/Centre for Green Economy Development (CGED) Nepal/Southasia Institute of Advanced Studies (SIAS) consortium as the

local implementing agent; and was designed by the programme team consisting of IMC (Prize management), Blue Globe (Prize design) and the Institute of Development Studies (IDS) (adaptation technical lead).

As the programme's evaluator, Itad is supporting I2I to understand if the innovation prizes delivered under the programme worked as intended, and when and where they could be useful as a funding mechanism for international development, compared with other forms of funding, such as grants.

If you just want to find out what happened when I2I tried using prizes in Nepal to incentivise scaling up and out of climate adaptation initiatives, then this summary is for you. If you want to know more about the Prize and specific details of the evaluation, please see the full evaluation report, which is available on the Ideas to Impact website.

BOX 1: HOW A@S UNDERSTANDS CLIMATE CHANGE ADAPTATION AND SCALING¹

Climate change adaptation: Responses to actual or expected risks to livelihoods from climate change and variability, including planning and acting for a more variable and uncertain climate.

Scaling-out: Expansion of activities within the current geographical location or to new geographical location(s).

Scaling-up: Integration of activities into policies, plans or programmes of national, provincial and/or local government actors, and/or other actors such as non-governmental organisations (NGOs).

THE CHALLENGE: TO SCALE CLIMATE ADAPTATION, TO REACH MORE PEOPLE, IN BETTER WAYS

People innovate, experiment and adjust all the time, to cope with and adapt to climate risks: this is what adaptation is about. However, this often comes at a cost. For example, people run down their assets to cope with the impacts of floods and droughts. Adaptation projects aim to provide support to vulnerable people to ensure they are better able to deal with future risks.

Many individual adaptation projects have supported communities to adapt to climate impacts. However, lessons have not been shared or taken up to the extent that they could or should be.

I2I designed A@S to incentivise organisations in Nepal to increase the scale of their climate adaptation activities for the benefit of local communities. The Prize was launched with three key aims:

1. To reward and promote adaptation innovations that link communities with wider networks to bring local adaptation to scale;
2. To contribute to building or strengthening innovation capabilities among participants;
3. To ensure that local communities benefit from adaptation innovations delivered by participants.

While this challenge would be relevant in many countries, Nepal was selected as the focus country for A@S because:

- The country is facing considerable climate risks and increasing adaptation needs and challenges.
- There are numerous ongoing adaptation activities in Nepal, at national as well as sub-national level.
- The Government of Nepal (GoN) is committed to supporting adaptation.

THE PRIZE: A TWO-STAGE INNOVATION INDUCEMENT PRIZE

A@S was a two-stage prize run over three years, from 2016 to 2019 (see Box 2). This evaluation focuses on Stage 2 of the Prize.

BOX 2: THE PRIZE TYPES USED IN A@S

A@S ran as a two-stage prize over three years, between 2016 and 2019.

Stage 1 (Protsahan Puraskar) was a 'hybrid' recognition and ideation inducement prize. It aimed to recognise best existing climate change adaptation practice in Nepal and encourage participants to develop ideas on scaling their existing practice up or out beyond their current capabilities and geographic scope. Participants were required to think through the practicalities of scaling up and out their approach, and present this through a project plan.

Stage 2 (Karyanwayan Puraskar) was the main innovation prize aimed at inducing implementation of the scaling plans produced in Stage 1. This stage was not confined to Stage 1 participants but was also opened up to new entrants. The Prize was to be awarded to participants who could successfully demonstrate that they had met the challenge of scaling their adaptation initiative and achieved meaningful impact at scale at a community or government level. It intended to award eight prizes to a total of £500,000 to those who scored highest against a set of judging criteria based on adaptation (25%), scaling (25%), innovation (25%) and sustainability (25%).



WHAT DID THE PRIZE ACHIEVE?

Overall, the Prize was successful, with 10 prizes awarded celebrating success among participants

The Prize engaged a set of 38 organisations, including international, national and local NGOs, community-based organisations (CBOs) and a couple of private sector organisations from around Nepal. Of these, 27 made final submissions, 18 were shortlisted as finalists and 10 were awarded cash prizes (see below).

Participants delivered diverse activities, though clearly determining Prize influence is challenging

The 27 final submissions represented a diversity of adaptation activities, from capacity building and awareness raising to hard technology construction, and from insurance schemes to income generation activities, all designed to enable communities to adapt to observed or foreseen climate impacts.

While many of these activities were being implemented ahead of the Prize, participants explained that the Prize had stimulated them to do new things, including integrating new activities into existing projects, expanding to new areas to reach more beneficiaries and, in some cases, implementing entirely new projects.

However, it was a challenge to identify what had been done specifically as a result of the Prize, as compared with what would have been done anyway, as the majority of participating organisations were already involved in climate adaptation activities ahead of the Prize being launched.

Participants worked through partnerships to bring local adaptation to scale

Our evaluation identified increased collaboration to deliver climate adaptation activities, particularly with local government:

- **Twenty participants reported collaborating with local government to deliver their projects.** They engaged local government agencies in funding, implementing and learning from their projects.
- **Participants worked closely with communities to deliver their projects.** Five participants also reported linking the communities with other communities, local organisations and local government.
- **Participants worked with local partners.** Participants collaborated with existing community institutions, CBOs and NGOs, and some established new community groups.

Participants leveraged funding from a range of sources to deliver their projects

Of 27 participants, 23 reported a cumulative total spend of £1,331,781 in their final reportⁱⁱ. This figure represents almost three times the total in cash prizes awarded for Stage 2. However, the financial data reported lacks clarity, and in some cases it is unclear what was specifically leveraged for and spent on A@S activities versus other projects.

Participants and communities invested significantly to deliver benefits for local communities

Participant projects offered communities a range of benefits: income generation, resource access, livelihood improvement, better health, technology access, knowledge, improved land management and vegetable production.

However, the model of the Prize required personal or organisational investment from resource-constrained organisations and from the communities with which they were working.

Based on the evidence available, it appears that, by stimulating increased climate change adaptation activity, the Prize benefits outweighed the potentially negative impact of the investment made by participants and communities. However, a deeper understanding of outcomes and impacts at ground level is required to understand the individual and specific community-level benefits in the context of the unintended consequences.

The Prize Team promoted the concepts of adaptation and scaling among participants through orientation and training workshops, 'Learning and Encouragement' visits and ongoing communications. This was beneficial in engaging, encouraging and motivating participation; and building participants' understanding of the Prize problem.

Ongoing motivation of participants was necessary to ensure some remained involved until the end of the Prize – the long implementation period being a challenge for some participants. This raises ethical concerns for participants who did not win but who continued to invest in their projects as a result of the ongoing encouragement provided.

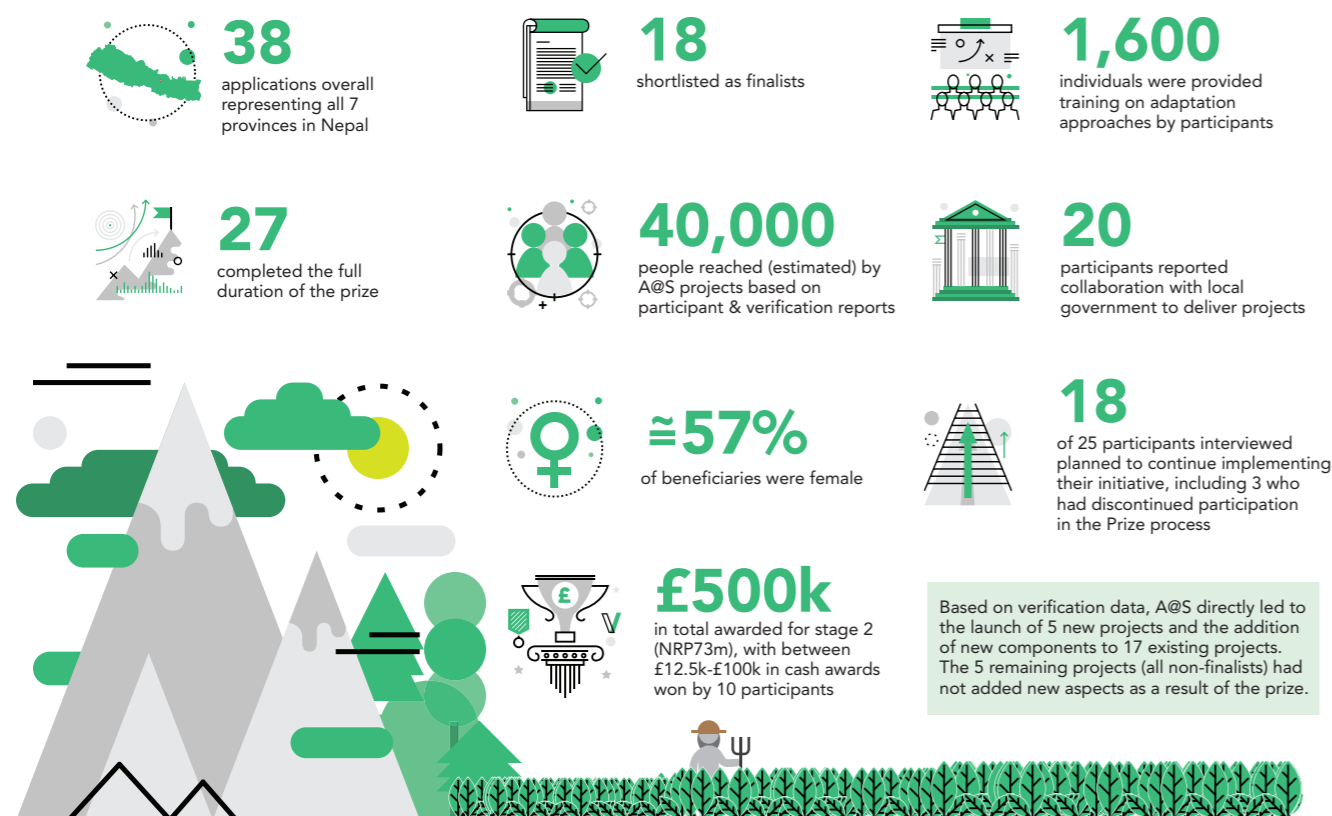
However, the Prize posed barriers for participants, which were not addressed by solver support

There were barriers related to the Prize design and process, including funding, staffing and time constraints, intensive reporting needs and disparate capacity among participants. Some of these could be addressed in future prizes, for example by reducing the reporting requirements and the necessary time commitment for participants. The lack of funding provision until after the Prize closes, however, is inherent to the design.

The Prize Team made efforts to level the playing field, including through additional training for participants not involved in Stage 1 and categorising participants into two different groups for judging. Nevertheless, issues remained with regard to the differing organisational capacities among participants, some being able to, for example, hire in additional support to fulfil Prize requirements.

Interviewees also raised questions around the approach and communications with regard to categorising participants for the final judging.

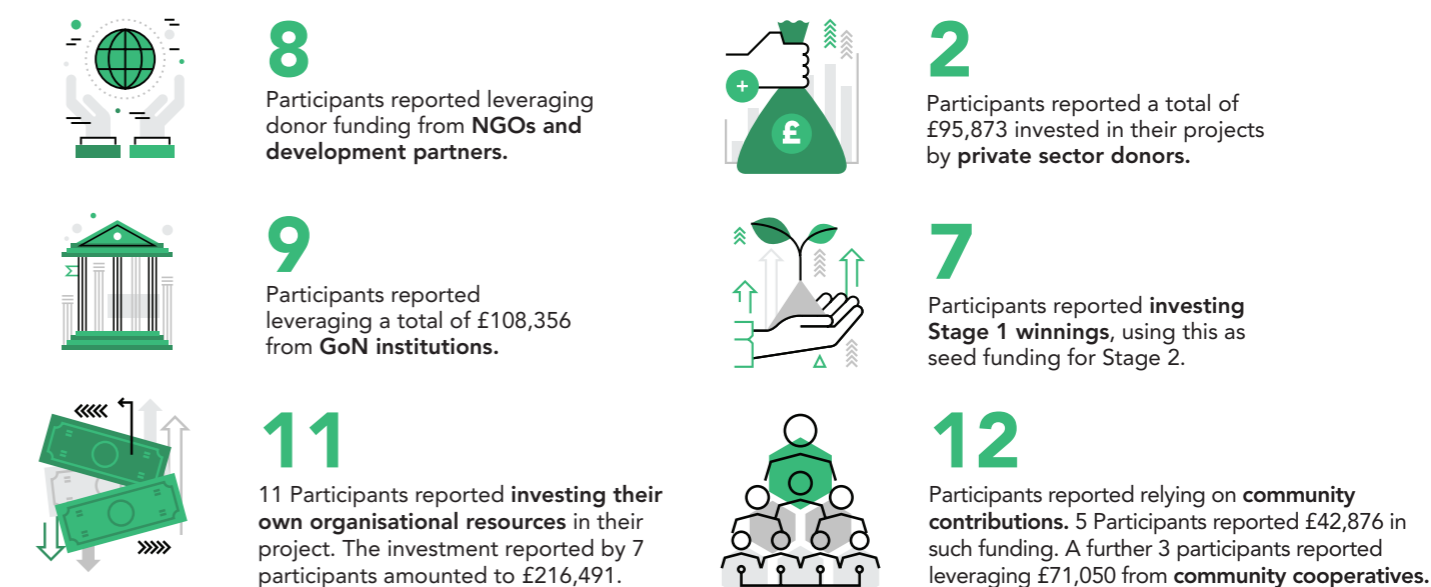
WHAT HAPPENED, WHO BENEFITTED?



Prize support to participants contributed to their capability to participate in the Prize

The Prize aimed to strengthen the adaptive capacity of participants by focusing on the capabilities needed to problem solve, create and apply adaptation innovations effectively.

FUNDING SOURCED BY PARTICIPANTS



DID THE PRIZE TRIGGER THE INTENDED PRIZE EFFECTS?

At the start of the programme, I2I identified a set of effects that can be triggered by prizes (see Fbelow). A@S was expected to promote best practice adaptation innovations to key stakeholders in Nepal, raise awareness of the concepts of climate change adaptation and scaling, stimulate network building, encourage community action and influence policy at a local level.

We found that A@S was successful in each of these areas. It also achieved some effects that this Prize did not specifically target, including open innovation and maximising participation towards the sponsor's aims.

- Adaptation activities were promoted through Prize- and project-level activities among local and national stakeholders.
- Awareness of climate change adaptation approaches was raised at project level among local government, project partners and communities, including through the training of 1,600 beneficiaries.

- Participants reported 48 partnerships and collaborations. These included both formal partnerships (e.g. with private sector businesses) and less formal collaborations (e.g. with local government and communities).
- Communities actively participated in project activities, primarily in implementation, as well as in coordination, decision-making, funding and lobbying for support.
- Participants engaged government to influence plans and policy at local level. Prize-level activities built political capital by engaging national government representatives, including significant representation of the Ministry of Population and Environment (MOPE) at the Stage 2 awards ceremony.

SUMMARY OF IDEAS TO IMPACT PRIZE EFFECTS

<p>RAISE AWARENESS</p> <p>Bring awareness and knowledge of an issue to people's attention.</p> 	<p>PROMOTE BEST PRACTICE</p> <p>Identify best practice in a certain field and encourage adoption.</p> 	<p>FACILITATE PARTNERSHIPS AND NETWORKS</p> <p>Raise visibility and bring together people working towards a common goal.</p> 
<p>OPEN INNOVATION</p> <p>Enable new solvers to enter the field of endeavour.</p> 	<p>COMMUNITY ACTION</p> <p>Incentivise communities to take action towards a problem and solution.</p> 	<p>POINT SOLUTION</p> <p>Find a solution to a highly specified problem.</p> 
<p>MAXIMISE PARTICIPATION TOWARDS SPONSOR'S AIMS</p> <p>Benefits are provided by all effective participants, not only winners.</p> 	<p>MARKET STIMULATION</p> <p>Increase or start new economic activity for a particular good or service.</p> 	<p>ALTER THE POLICY ENVIRONMENT</p> <p>Influence policy change in reaction to the other prize effects.</p> 

Expected evidence found in A@S

Unexpected evidence found in A@S

No evidence

Source: Adapted from Ward, J. and Dixon, C. 2015. Innovation prizes: a guide for use in a developing country context. Ideas to Impact.

WAS ADAPTATION AT SCALE BETTER THAN USING A GRANT?

Demonstrating where prizes can help solve development problems is only half of the story for I2I. When a funder is choosing from the funding modalities available to them, they will need to know if and how prizes offer value over a grant or payment-by-results contract, for example.

We explored this by investigating the Value for Money (VFM) of the Prize. We first conducted an 'internal' assessment, measuring the VFM of A@S against the original expectations for the Prize. We then carried out an 'external' assessment, comparing it with a grant-funded project that aimed to identify scaling pathways for climate-smart agriculture initiatives: the Climate Development Knowledge Network (CDKN)-funded Scaling-up Climate Smart Agriculture in Nepal (CSA) project. We found the following.

A@S moderately exceeded the Prize Team's expectations overall

A@S met economy expectations. Although the Prize was closed and awarded a month later than originally intended, it was implemented and awarded to budget. Based on the numbers of applications accepted for Stage 2, prizes awarded and partnerships established, A@S significantly exceeded efficiency expectations. The Prize Team anticipated reaching 15,000 beneficiaries, whereas we estimate that A@S reached close to 40,000.

Based on this and the results of activities aimed at promoting best practice, we find that A@S moderately exceeded effectiveness expectations. Finally, we found evidence that the Prize moderately exceeded equity expectations, at participant and beneficiary level – reaching a higher proportion of female than male beneficiaries, and supporting marginalised groups – although it did better on gender equity among beneficiaries reached than in attracting women-led organisations to participate.

A@S and CSA achieved fairly similar levels of VFM

Though A@S had higher input costs than CSA, it went further in terms of implementation and beneficiary reach. We found that A@S involved more potential innovation than CSA: CSA focused on existing practices, trialling them with a small group of new users, whereas A@S provided the space for new project activities, technologies and partnerships (imitative innovation).

However, delivery of desired results was higher for CSA, which had simpler aims, all of which were achieved. A@S was very ambitious and questions were raised by key stakeholders on the additionality offered by the Prize and the extent to which scaling happened as a result of it. This points to greater control over achieving desired outcomes with a grant-based approach, but less room for innovation, autonomy and flexibility for implementing entities, as when using a Prize process, each of which provides the potential for added value.

WHAT NEXT FOR ADAPTATION AT SCALE?

There are signs of sustainability among participants, which could support further scaling

Participants plan to continue implementing their initiatives beyond the Prize award. They reported plans to ensure institutional and financial sustainability, and to focus on how their initiative displays the potential for social and environmental sustainability. Most promising are the instances where participants have secured local government support, aligned with government plans and collaborated with and leveraged funding from government.

Prize Team members felt that both winning Prize money and the opportunities that the Prize provided for participants to share what they were doing with sector-level stakeholders would provide the motivation for participants to sustain their initiatives.

They explained:

The 27 remaining partners form a potentially powerful network of Nepalese innovators and practitioners who will help to build a climate adaptive and resilient society based on a vision of resilience.

Eight of the 10 Prize winners explained that they intended to use their Prize winnings to further finance their initiative, despite there being no conditions from the Prize to do this. With continued implementation of their initiatives, further scaling as a result of the Prize could yet occur.



WHAT CAN BE LEARNED FROM THE ADAPTATION AT SCALE PRIZE?

At the end of the evaluation report, we propose a set of lessons and related recommendations, based on our findings, for consideration by DFID and other potential funders and managers interested in running prizes for development in similar contexts. Here, we share three key lessons and encourage readers to reflect on how they could be brought into the design of their own prizes in the future.

1

Participating in prizes is more of a challenge for small, resource-constrained participants with limited organisational capacity.

These types of organisations will need support to ensure they can engage effectively and gain non-financial benefits from the process that counterbalance the risks the Prize poses for them. The support may need to be flexible to account for the differing needs of different organisation types.

2

Engaging different organisation types in a prize requires careful consideration of how to ensure a fair process.

A@S made efforts to respond to this by providing additional training for participants not involved in Stage 1 and by judging participants according to different categories, though it was felt there were still some limitations to the approach used to categorise participants, and that communication to participants regarding this was not very clear. In engaging organisations with different capacities, consideration of how to level the playing field is critical and needs to be integral to the prize process.

3

Sustainability and scale need to be thought through from the start of a project, whereas in a prize there is a focus on the end goal of the award.

Many of the sustainability activities reported by A@S participants were intentions, rather than processes that had been put in place before the end of the Prize period. Consideration should be made from the start on how to ensure sustainability and scale beyond the duration of the Prize, particularly when addressing issues such as climate change adaptation, which require long-term and adaptable processes.

¹A@S website: Glossary of terms: <https://www.adaptationatscale.org/glossary-of-terms>

²Participant final reports and cash flow statements



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