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# **DEVELOPMENT INNOVATION VENTURES (DIV) PROGRAM REVIEW**

## **INDEPENDENT REVIEW OF A SUBSET OF DIV'S CLOSED GRANTS IN INDIA 2012-2022**

**OCTOBER 2022**

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<b>Cover Photo:</b>	Flickr. Asian Development Bank. "Representatives of Simpa Networks going to the Sonsa, Mathura, Uttar Pradesh to demo and explain the benefits of Simpa energy solar set to the residents." February 2014

### DISCLAIMER

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# ACRONYMS

<b>ASHA</b>	-	Accredited Social Health Activist
<b>BMGF</b>	-	Bill and Melinda Gates Foundation
<b>BOP</b>	-	Bottom of the Pyramid
<b>CDM</b>	-	Clean Development Mechanism
<b>CHW</b>	-	Community Health Workers
<b>DCTS</b>	-	Direct Conduction Thermoelectric System
<b>DIV</b>	-	Development Innovation Ventures
<b>ECHO</b>	-	Project Extension for Community Healthcare Outcomes
<b>ET</b>	-	Evaluation Team
<b>GCC</b>	-	Grand Challenges Canada
<b>GLP</b>	-	Greenlight Planet
<b>GoI</b>	-	Government of India
<b>ICT</b>	-	Information Communication Technology
<b>IVR</b>	-	Interactive Voice Response
<b>J-PAL</b>	-	Abdul Latif Jameel Poverty Action Lab
<b>KII</b>	-	Key informant interview
<b>LED</b>	-	Light Emitting Diode
<b>LOP</b>	-	Life of the Project
<b>MFI</b>	-	Microfinance Institution
<b>NGO</b>	-	Non-Governmental Organization
<b>LEAP</b>	-	Learning, Evaluation, and Analysis Project
<b>RAJEEVIKA</b>	-	Rajasthan Grameen Aajeevika Vikas Parishad
<b>RCT</b>	-	Randomized Control Trial
<b>RS</b>	-	Indian Rupee
<b>SME</b>	-	Small and Medium-Sized Enterprises
<b>SMS</b>	-	Short Message Service
<b>SRLM</b>	-	State Rural Livelihoods Mission
<b>SSA</b>	-	Sub-Saharan Africa
<b>TaRL</b>	-	Teaching at the Right Level

- THP** - Targeting the Hardcore Poor
- USAID** - United States Agency for International Development
- WASH** - Water, Sanitation, and Hygiene
- USD** - United States Dollars

# EXECUTIVE SUMMARY

Since 2010, USAID’s Development Innovation Ventures (DIV) program has supported over 225 innovations in 47 countries. DIV’s core principles include robust evidence, cost-effectiveness, and pathways to scale, leading to sustainability. DIV operates by investing in innovators and researchers to test new ideas, build rigorous evidence of impact, take strategic risks, and advance the best solutions to development issues.

USAID’s DIV program has invested US\$34 million in 54 grants in India since the program’s inception in 2010. This study aims to understand the status of a subset of these grants and what enabled or hindered their success in scaling and reaching impact for their target populations. The purpose of this review is to provide the DIV program an update on a subset of the closed grants in the India portfolio, assessing each innovation’s metrics of scale after their DIV funding ended, and qualitatively understanding key enablers of their success. Twelve closed grants are included in this study, which spans five sectors (health, energy, economic growth, education and training, WASH) and represents US\$12,484,810 of investment (approximately 37 percent of DIV’s total investment in India).

This lookback study defines an innovation as successful **if the core model was found available to its target users in its target market system** at the time of the study. We acknowledge limitations to this definition of success as mainly focusing on the innovation’s team to scale the core model of the innovation to its target market, but we use this definition to provide a framework through which to discuss qualitative drivers of success. Iterations were acceptable if the core aspects were maintained. In addition, the Evaluation Team (ET) considered evidence of impact for social outcomes on target users as part of determining an innovation’s success and present a qualitative discussion of key enablers and challenges to scale and reach target users.

TABLE I: INNOVATION SUCCESS STATUS	
CONFIRMED SUCCESSFUL	CONFIRMED UNSUCCESSFUL
<b>STAGE 1</b>	
<ul style="list-style-type: none"> <li>• <a href="#">Dimagi</a> (also funded at Stage 2)</li> <li>• <a href="#">Pixatel Systems</a> (also funded at Stage 2)</li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Bear Valley Ventures Ltd.</a></li> <li>• <a href="#">Violet Health</a></li> </ul>
<b>STAGE 2</b>	
<ul style="list-style-type: none"> <li>• <a href="#">Babajobs</a></li> <li>• <a href="#">Bandhan-Konnagar</a></li> <li>• <a href="#">BioLite</a></li> <li>• <a href="#">D-Rev</a></li> <li>• Dimagi (also funded at Stage 1)</li> <li>• <a href="#">Orb Energy</a></li> <li>• Pixatel Systems (also funded at Stage 1)</li> <li>• <a href="#">Pratham</a></li> <li>• <a href="#">VisionSpring</a></li> </ul>	<ul style="list-style-type: none"> <li>• <a href="#">Ideas42</a></li> </ul>

*None of the innovations included in this review were funded at Stage 3.*

These 12 grantees received \$12.4 million from DIV, which was followed by fundraising of at least \$133.6 million. The nine successful innovations have all reached exponential scale levels across most key indicators post DIV funding. All nine have expanded beyond their initial geographic reach. Eight of the successful grants have demonstrated an impact on their target audience. One successful grant demonstrated impact but pivoted away from their target audience of low-income primary schools to higher-level income market segments due to operational challenges. While these metrics of scale cannot be solely attributed to DIV funding, the program can claim a contribution to enabling these innovations towards their market entrances and continued scale.

The ET analyzed key drivers and elements of success observed across six scaling categories: scaling strategy, types of innovation models, use of evidence, partnerships, financial viability, and contextual elements. The main findings from this review are summarized by these scaling categories below.

**Establishing and maintaining the right partnerships** for the model and scale path was key to successfully scaling an innovation. Several examples of failing to establish key partnerships were attributable to insurmountable challenges faced by innovation teams that either had to pivot away from their intended model or those that never made it to market at all.

Grantees with an **in-country presence** were able to **quickly pivot and respond to operational challenges** and evolving contextual changes. All three grantees that did not reach the market did not have a consistent in-country presence or strategic in-country partner and cited this as a significant challenge faced in their scale journey.

Successful teams learned from **customer feedback and impact monitoring data** to quickly iterate the model design or delivery to meet evolving needs and found success in driving growth. Successful grantees were also able to **strategically leverage evidence of their model's impact** on social outcomes to secure additional distribution partnerships, funding, and resources to continue their scale. However, this evidence alone was not enough of a driver to scale the innovation to reach its target users. Innovation teams needed a **shared vision for scale, in-country partners to assist in navigating on the ground challenges, and strategic partners** to facilitate a path towards scale to reach target users.

The flexible DIV funding came at a critical stage in an innovation's scale journey, and DIV was a very supportive funding partner. Successful grantees **secured key follow-on funding** before the DIV grant ended, often a requirement of DIV's milestones, enabling them to continue piloting their innovation or scaling their market-tested product and drive growth without a lag.

Successful grantees **capitalized on changing factors in the Indian context**, such as changing market conditions or new national initiatives promoting best practices to leverage the penetration of their model in the market. However, some unsuccessful grantees noted that they failed to capitalize on such contextual changes, which was a missed opportunity.

These findings inform the key drivers of success among the twelve closed grants included in this study. Most of the grantees currently on the market were considered successful in rapidly scaling and reaching their target users in India and other markets. Grantee products currently off-market experienced common challenges that presented insurmountable issues that limited their ability to secure the right partners or funders or develop strategies for a successful market foray.



To mitigate or respond to such potential challenges identified through this look back study that hindered grantee success, the ET provides a few suggestions and recommendations. Future DIV due diligence procedures could ensure that applicants can articulate an internally shared vision for both the product development and the business strategy to bring the product to market. As part of this articulated vision, applicants should be able to speak cohesively to how the team internally manages adaptation and strategy pivots when presented with new challenges or evidence. DIV can also look at applicants' proposed M&E plans and ensure applicants can articulate how and when monitoring data will be collected and how it will be used to inform the product itself or scaling, delivery, or management business strategies.

Beyond due diligence, DIV could also adapt its assessment model to include a set of customizable success metrics and business diagnostics that will support portfolio management across a range of country contexts. Success metrics should balance potential for impact and scale along with sustainability considerations across the life cycle of DIV support and business diagnostics can be adapted from best practices widely used by impact investors. Additional technical assistance from DIV to support grantees like an investor-investee relationship would also be beneficial to navigate challenges to scale.

# I. INTRODUCTION

Since 2010, USAID's Development Innovation Ventures (DIV) program has supported over 225 innovations in 47 countries. DIV's core principles include robust evidence, cost-effectiveness, and pathways to scale, leading to sustainability. DIV operates by investing in innovators and researchers to test new ideas, build rigorous evidence of impact, take strategic risks, and advance the best solutions to development issues.

USAID's DIV program has invested US\$34 million in 54 grants in India since the program's inception in 2010. DIV contracted the Learning, Evaluation, and Analysis Project (LEAP III) to conduct an independent lookback study to understand the status of a subset of these grants and what enabled (or not) their success in scaling and impacting their target populations. The purpose of this review is to provide the DIV program an update on a subset of the closed grants in the India portfolio, assessing each innovation's scale metrics after their DIV funding ended and qualitatively understanding key success enablers. Specifically, this review aims to answer the following questions for the included grants:

1. How much has the specific innovation supported by DIV been scaled, and what does the outreach look like?
2. What changes to the innovation or its delivery were made, and what drove those changes?
3. What challenges were faced by the organization to scale the innovation, and how were they addressed?

The LEAP III team identified an initial 25 closed grants in India to review as part of this lookback study, of which 12 are presented in this report (see Methodology section for selection approach and data limitations). These 12 grants span five sectors (health, energy, economic growth, education and training, and Water, Sanitation, and Hygiene—WASH) and represent a total of US\$12,484,810 of investment (approximately 37 percent of DIV's total investment in India).

This report is organized as follows. The Methodology section describes the sampling criteria for grant inclusion, the 12 grants included, a conceptual assessment framework, the methods used to gather data to inform findings, and the limitations that hindered this review. The Scale Journey section provides an update on the grants' key performance metrics, including scale and impact. Section Four, Drivers of Success, describes common factors that either enabled or did not enable success for the innovation to scale and reach impact, aligning with the elements of the assessment framework. Section Five, Conclusions, offers high-level conclusions and lessons learned.

## 2. METHODOLOGY

This lookback study employs mixed methods to review 12 closed DIV-funded grants in India between 2012 and 2019. This section outlines how the 12 grants were selected for this study, the methods employed to assess their scale journey and success, and the data limitations that hampered a full review of DIV's India portfolio.

### 2.1 GRANT SELECTION

DIV has funded 54 grants in India since 2010. Of these 54 grants, 40 have closed, 13 are still active as of 2021, and one was canceled. Only closed grants were selected for this study to understand learnings post-DIV funding. Further, all grants that focused on an evaluation of an innovation's impact were removed from this study, leaving 24 grants to be reviewed. In several cases, stage 1 and stage 2 were funded for the same innovation. In these cases, only the stage 2 grant was assessed in this report. A desk review was conducted to gather secondary data on each grant. However, only those for which a key informant was able to be contacted were included (a total of 12 grants), as the key informant interviews (KII) were essential to verify and triangulate data. Only 12 key informants were willing and available to participate in this study (see data limitations section).

### 2.2 GRANT DESCRIPTION

Twelve grants funded in India between 2012 and 2019 were included in this study. Table 2 presents a brief description of each grant by sector. This review included three grants focused on economic growth, two on primary education, two on energy, four on health, and one on WASH. Of the 12 grants, nine innovations are currently available on the market. The other three innovations are confirmed to have not made a market entry yet; their market entry has either been shelved or significantly delayed by many factors.

TABLE 2: DESCRIPTION OF GRANTS BY SECTOR	
Innovation* (Grant Period)	Description
<b>Economic Growth</b>	
<b>Babajobs Services Private Limited</b> (2013–2016)	Babajobs is a mobile application using interactive voice response (IVR) and short message service (SMS) to connect job seekers in the informal sector to job opportunities with hiring employers. It has since expanded to match jobseekers and employers in higher-income market segments, while continuing to serve lower income markets (although this has downscaled).
<b>Bandhan-Konnagar</b> (2014–2018)	The Targeting the Hardcore Poor (THP) model program targets bottom of the pyramid (BOP) women to improve their financial and livelihood security to facilitate graduation from poverty.
Ideas42 (2014–2017)	Ideas42 designed, Financial Heuristics, a behaviorally designed financial management training, which simplified the training into easy-to-remember and easy-to-adopt rules of thumb and

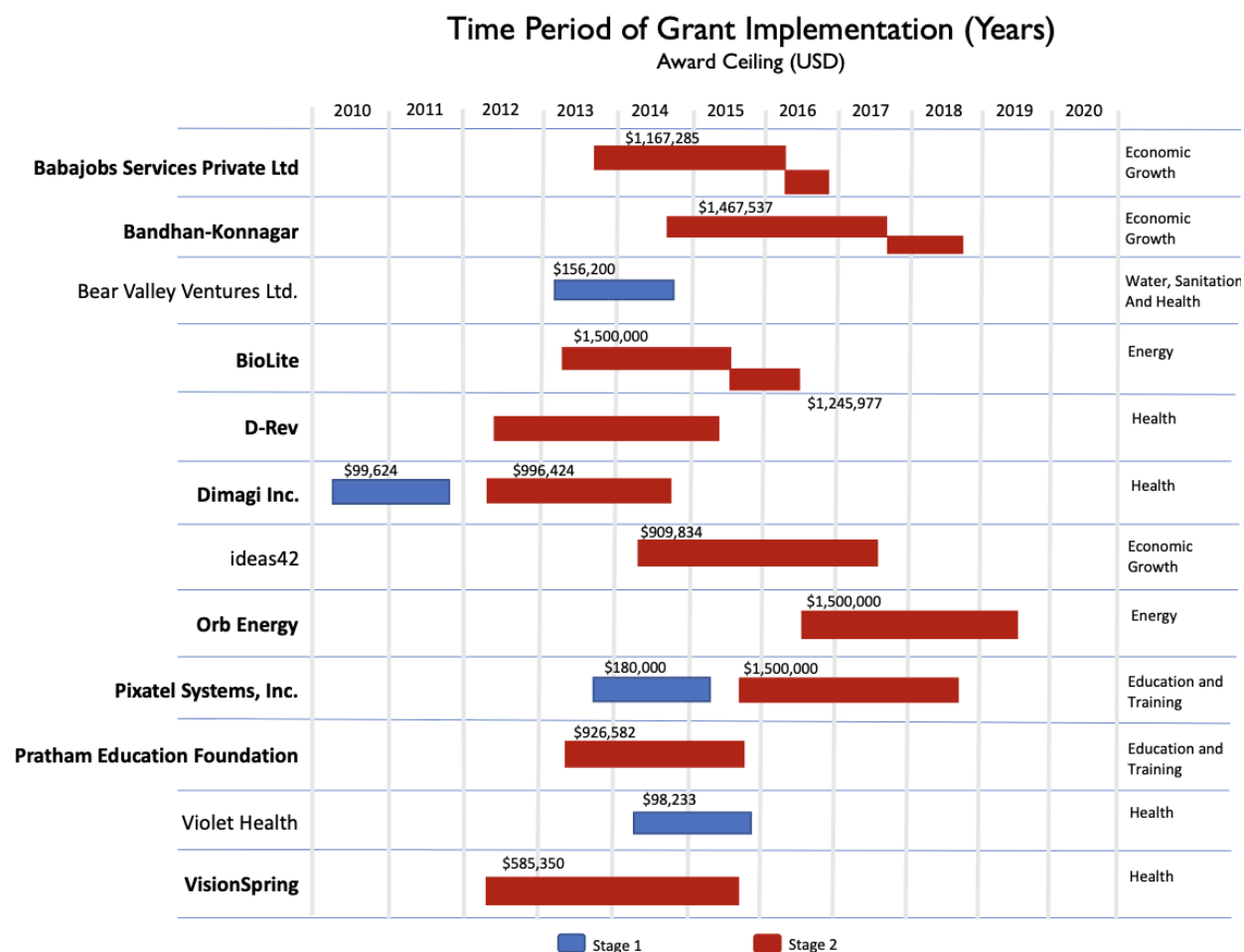
	leveraged mobile technology to directly deliver the training to microentrepreneurs in a cost-effective, scalable manner bypassing the need for a physical classroom setting.
<b>Education and Training</b>	
<b>Pixatel Systems, Inc.</b> (2015–2019)	Pixatel developed a low-cost cloud-based learning platform and associated tablet-based learning application, Math Whiz, to improve primary school student learning outcomes and learning concentration periods. Pixatel distributes this platform via an app store and direct in-schools in India, although the latter operations have since been on a hiatus.
<b>Pratham Education Foundation</b> (2013–2015)	As part of Pratham’s Teaching at the Right Level (TaRL) framework, Pratham developed and tested the Learning Camps model that gives primary school students intensive bursts of teaching and learning to improve learning outcomes in short periods.
<b>Energy</b>	
<b>BioLite</b> (2013–2016)	BioLite developed and sold the HomeStove, an alternative cookstove product that improves users’ health, reduces household fuel costs, and mitigates carbon emissions associated with traditional fuel sources. BioLite has expanded to solar panel systems and green cookstove products for peri-urban and rural off-grid households.
<b>Orb Energy</b> (2016–2019)	Orb Energy is a solar energy company that designs, manufactures, and installs solar systems for residential and commercial customers, particularly small and medium-sized enterprises (SMEs). Many SMEs were unable to afford the up-front costs of their solar systems and could not secure financing from other sources. Orb Energy developed an in-house financing mechanism to provide SMEs solar panel systems on credit and other financing options to reach larger market segments.
<b>Health</b>	
<b>D-Rev</b> (2016–2019)**	D-Rev modeled strategic awareness campaigns of using phototherapy treatment for jaundice among newborn babies and to improve the use of phototherapy to treat jaundice and reduce its incidence, targeting doctors, influencers, and household purchase decision-makers.
<b>Dimagi Inc.</b> (2012–2014)	Dimagi Inc. developed and disseminated a CommCare system for health care workers to aid decision making, online register, and mechanism to disseminate information services to healthcare clients.
Violet Health (2014–2015)	Violet Health developed and market-tested an iron-fortified biscuit to replace iron supplements in pill form to reduce the incidence of anemia among pregnant and reproductive-age women.
<b>VisionSpring</b> (2012–2015)	Building on lessons learned in Latin America, VisionSpring developed a spoke model to deliver low-cost eye health care and corrective tools (i.e., glasses) to BOP users who otherwise would not have access to such care. VisionSpring uses revenues generated from selling higher cost eye care products to higher-income market segments to reduce costs in delivering to BOP.
<b>Water Sanitation and Hygiene</b>	
Bear Valley Ventures Ltd. (2013–2014)	Bear Valley Ventures developed and market-tested an affordable, effective, environmentally responsible, and desirable hygiene product that encouraged households to wash their hands post defecation with the overall aim to reduce diseases related to poor hygiene.

\*Bolted innovations are those currently on market and considered successful; the rest are off market and considered unsuccessful.

\*\*D-Rev has since rebranded as Equalize Health.

Figure I presents the grants by funding amount, with BioLite, Orb Energy, and Pixatel receiving the highest grant amount of \$1,500,000 and Violet Health receiving the lowest at \$98,233. Except for D-Rev, all grants included a cost-share with DIV funding to support total project costs.

**FIGURE I: GRANT BY DIV FUNDING AMOUNT, YEARS OF IMPLEMENTATION, FUNDING STAGE, AND SECTOR**



\*Bolted innovations are those currently on market and considered successful; the rest are off market and considered unsuccessful.

### 2.3 ANALYTIC ASSESSMENT FRAMEWORK

Drawing from LEAP III’s assessment of DIV’s Digital Agriculture portfolio, the ET developed a conceptual framework to analyze each grant’s success and sustainability in the sector (Table 3). The ET developed this conceptual framework independently of DIV. DIV does not use this framework to analyze its grants.

For this lookback study, **an innovation was considered successful if the core model was found currently available to its target users in its target market system.** The ET acknowledges

limitations to this definition of success as mainly focusing on the innovation’s team to scale the core model of the innovation to its target market, but we use this definition to provide a framework through which to discuss qualitative drivers of success. Iterations were acceptable if the core aspects were maintained. In addition, the ET considered evidence of impact for social outcomes on target users as part of determining an innovation’s success and present a qualitative discussion of key enablers and challenges to scale and reach target users.

<b>TABLE 3: ASSESSMENT FRAMEWORK ELEMENTS</b>	
<b>KEY CONCEPTS</b>	
<b>Impact</b>	The impact is the overall effect on the intended outcomes of the innovation in its target system.
<b>Scale</b>	<p>The scale is the reach of the innovation to its target adopters and the systems that support them. There are two main aspects of scaling considered:</p> <p><u>Scale-out</u>: the degree to which the target populations have adopted the innovation.</p> <p><u>Scaling up</u>: the degree to which an innovation has been integrated into the support systems and institutions necessary to facilitate adoption.</p>
<b>Sustainability</b>	Sustainability is the evidence of the likelihood that an innovation will be maintained in the long term by target adopters in target systems post-DIV funding.
<b>FRAMEWORK ELEMENTS</b>	
<b>Scaling Strategy</b>	<p>The key elements of grant scaling strategies considered include:</p> <ul style="list-style-type: none"> <li>● <u>Scale Pathway</u> pursued (Public, Private, and Hybrid)</li> <li>● <u>Scale Approach</u> applied (Expansion, Replication, and Collaboration)</li> <li>● Partnership model</li> <li>● Stakeholder engagement strategy</li> </ul>
<b>Model</b>	<p>The model is the whole of the innovation, including its type, functions, and benefits.</p> <p>A <u>Core Model</u> is the unique features that are key to an innovation’s effectiveness and distinguish it from similar products, processes, or services. Other aspects of models considered here include changeover costs for providers and capacities required of users such as literacy, language, computer skills, licenses, or permission from others for use.</p>
<b>Evidence</b>	<p>The ET examined evidence not for its statistical meaning but for its role in advancing innovations on their scale journey. Elements of evidence considered included:</p> <ul style="list-style-type: none"> <li>● Type and purpose (Model effectiveness, Market research, and Business model data)</li> <li>● How it was generated (Randomized Control Trials (RCTs), professional researchers, innovators, or others)</li> <li>● How it was utilized (by whom and for what purpose)</li> </ul>
<b>Partnerships</b>	Partnerships were examined by a partner’s role in an innovation’s scale journey and their impact on its success.
<b>Financial Viability</b>	Financial viability is the demonstrated cost-effectiveness for providers and financial accessibility for target users to sustain adoption of the innovation long-term, although the ET acknowledges that a model can be cost-effective but not financially viable.

<b>Contextual Elements</b>	Drivers, enablers, or barriers to adoption and sustained use inherent to an innovation’s target system and external to the innovation itself. These include physical environments, infrastructure, weather, political influences, and cultural aspects.
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## 2.4 METHODS

### DESK REVIEW

LEAP III team first conducted a desk review of each grant identified for this study. This desk review included reviewing DIV’s Salesforce records on each grant and reviewing grant documents as provided by the DIV team. Next, the LEAP III team reviewed secondary sources about each grant, including but not limited to company websites, annual reports, technology blogs, peer-reviewed publications, sector reports, and others. The amount, quality, and verifiability of available secondary data varied by grant. All grants included at least some documents, such as milestone or final reports, as provided by the DIV team, and had the Salesforce records completed. For most grants, there were secondary sources available, either company websites, annual reports, or peer reviewed publications on the evidence of impact.

### KEY INFORMANT INTERVIEWS

After completing the desk review, the LEAP III team contacted a list of key informants to schedule a one-hour interview to verify and validate secondary data and discuss challenges and enablers of success. Twelve key informants representing the 12 grants included in this study participated in an interview. All interviews were conducted remotely via Google Meet and followed a consistent question guide to understand the status of each innovation, validate secondary data, and explore key enablers and challenges to success for each grant. The interview guides also asked informants to reflect on their experience with DIV and share feedback to DIV from a grantee perspective. Detailed notes were taken during each interview, which served as the basis for qualitative analysis. Section 3 presents the findings informed by the secondary and primary data collected as part of this study.

## 2.5 DATA LIMITATIONS

This study faced several key data limitations that hampered the ET’s ability to conduct a thorough review of all selected grants. First, particularly among innovations that are no longer on the market or never made it to market, there exists a significant lack of verifiable secondary data about the innovations’ scale journey and key performance metrics. Second, many of the identified key informants were either not available, unwilling, or unresponsive to participate in a KII. Initially, only nine KIIs were completed. After further collaboration with USAID’s DIV program team, an additional three key informants were successfully contacted for an interview. Of the 12 KIIs conducted, several participants were not part of the DIV-funded experience, and therefore could not share reflections of the DIV experience. This was particularly true for the DIV grants before 2015. Given the limited ability to verify or validate secondary data on each innovation, only those grants with a KII were included in this study. Also note that DIV’s practices have continued to evolve from when these awards were made, and the findings of this study may or may not be representative of the results of DIV’s other awards in India or around the globe. Thus, additional studies may be helpful to inform more updated findings of DIV’s best practices and areas for improvement.

## 3. SCALE JOURNEY

### 3.1 CURRENT MARKET STATUS<sup>1</sup>

Of the 12 innovations included in this study, nine were confirmed as on the market in 2021, and three had not made it to the market. Table 4 details the market status and funding journey of the 12 innovations.

TABLE 4: MARKET STATUS AND FUNDING					
Innovation Name	Current Status	DIV Funding	Grant Cost Share*	Confirmed Follow-On Funding**	Follow-On Funding Source
Babajobs	<b>On Market</b>	\$ 1,167,285	\$ 1,400,000	\$10,000,000	-
Bandhan-Konnagar	<b>On Market</b>	\$ 1,467,537	\$ 536,103	-	-
Bear Valley	Off Market	\$ 156,200	\$ 156,200	\$0	-
BioLite	<b>On Market</b>	\$ 1,500,000	\$ 78,000	\$8,000,000	Government of Norway
D-Rev	<b>On Market</b>	\$ 1,245,977	\$ 0	-	BMGF, Million Lives Club
Dimagi	<b>On Market</b>	\$ 996,424	\$ 1,817,000	\$100,000,000	Grant from BMGF (according to KII)
Ideas42	Off Market	\$ 909,834	\$ 364,000	\$0	-
Orb Energy	<b>On Market</b>	\$ 1,500,000	\$ 423,000	\$15,000,000	US International Development Finance Corporation, Netherlands Development Finance Company
Pixatel Systems	<b>On Market</b>	\$ 1,500,000	\$1,100,000	\$112,000	University of Pennsylvania, Weiss Fund for Research in Development Economics
Pratham Education Foundation	<b>On Market</b>	\$ 926,582	\$ 50,000	-	-
Violet Health	Off Market	\$ 98,233	\$ 20,000	-	Grand Challenges Canada
VisionSpring	<b>On Market</b>	\$ 585,350	\$ 500,000	\$ 500,000	Alcon Foundation and Bohemian Foundation
	<b>Total</b>	\$12,053,422	\$6,444,303	\$133,612,000	

Note: Innovations in bold are confirmed on the market as of December 2021.

<sup>1</sup> Unlike the Digital Agriculture report, this study could not provide a robust discussion of the different drivers of successful (or unsuccessful) scale approaches undertaken by the 12 innovations included.



*\*This figure represents the grant cost share as reported in DIV records as of December 2021.*

*\*\*This table presents confirmed follow-on funding as reported by key informants or secondary data. No data or specific follow-on funding number or source could be confirmed for Bandhan-Konnagar, D-Rev's funding amount, Pratham Education Foundation, and Violet Health. BioLite secured additional funding from carbon credit purchase agreements and investment funds, but the specific source and amount were not disclosed. Violet Health secured stage 2 funding from Canada's Grand Challenges program, but the amount is not confirmed.*

## 3.2 SCALE AND IMPACT

Of the nine grants currently on the market, all have scaled beyond their initial targets, and most have scaled into new geographic areas and markets.

**All grants that are currently on the market have experienced rapid scale growth.** For example, Dimagi's CommCare platform scaled from 3,100 users in India in 2014 to millions of front-line health care workers on the platform globally in 2021. The platform is used in over 80 countries and is included as part of over 2,000 projects. For another example, by 2016, Babajobs scaled more than 2 and 4.5 times their initial targets to 6.4 million jobseekers and 450,000 employers registered on their platform. In 2017, they had 8.5 million jobseekers and 5 million employers on their platform. Unfortunately, more recent data could not be obtained, but their rapid growth highlights Babajobs' high expansion rate. For another example, D-Rev also experienced rapid growth, selling 1,359 units in 2019 and selling 4,896 units in 2021 to treat neonatal patients with jaundice.

**Several grants have expanded beyond their initial reach in India to enter new geographic markets, particularly sub-Saharan Africa.** For example, Pratham Education's TaRL model, including the learning camps, has expanded to over ten African countries via partnerships with several African governments. While Pratham manages and implements the model implementation in India, it has replicated variations of this model across Africa to reach millions of primary school learners. Another example, BioLite, has ended operations in India and is now solely focused on managing their business-to-business (B2B) model in Africa and the Philippines to deliver top-of-the-line stove and solar panel systems to distributing partners across sub-Saharan Africa (SSA).

**Most of the innovations in the market have generated impacts on social outcomes for their originally intended target users.** For example, BioLite has seen tremendous success in generating impact in the household energy sector across Africa and Asia since the company's inception. To date, 3,268,478 million people have been reached through their household cookstove units and solar panel system units, with 3,954,696 kilowatt-hours of electricity generated and 651,349 tons of CO2 offset by BioLite products. BioLite strategically subsidizes their cookstoves and solar panel products to sell to peri-urban and rural African households through carbon credits purchase agreements with the Government of Norway, other national governments, and private sector funders. Another example, Bandhan-Konnagar's THP model, demonstrated the impact that program graduates could increase the value of their productive assets by approximately 100 percent. The average monthly income of graduates was greater than \$77.50 by the end of the program during the DIV-funded grant period.

## 4. DRIVERS OF SUCCESS

This section synthesizes all findings relevant to an innovation's scale journey and its level of success in scaling and having an impact on target users. For this study, an **innovation was considered successful if the core model of the innovation was confirmed available to its target users in its target market system** at the time of this review.

Across the twelve grants included in this study, several key factors enabled or hindered an innovation's ability to scale for continued reach of target populations. This section discusses these factors by presenting examples of how innovation teams could leverage such factors to continue and expand their operations or how they presented major barriers for innovations to enter the market or continue to scale up. Findings are organized by the scale elements presented in the assessment framework.

### 4.1 PARTNERSHIPS

#### ESTABLISHING KEY TYPES OF PARTNERSHIPS TO MEET THE SPECIFIC NEEDS OF THE INNOVATION WAS ESSENTIAL TO FACILITATE SUCCESS.

Establishing and maintaining the right partnerships for the model and scale path was key to successfully scaling an innovation. Innovation teams that identified, secured, and fostered partnerships with the right types of partners, whether those are distribution, scaling, provider, technical, or investment partners, were able to successfully scale their innovation. Several examples of failing to establish the right kinds of partnerships for their model were attributable to insurmountable challenges faced by innovations that either had to pivot away from their intended model or those that never made it to market.

One example of how key partnerships enabled success is BioLite, which maintains a consistent partnership model with distributors. They work intensely and closely with key distributing partners who purchase their products at volume and sell them at the last mile. BioLite intentionally refers to its distribution network as partners instead of clients, or treating them only as paying customers, as they are viewed as integral stakeholders of BioLite's scaling strategy. They invest significant time providing training, services, and support for distribution partners to navigate and weather challenges faced. BioLite attributes its continued success to these strong partnerships and their core model of intentionally providing high-touch and intense support services to their distribution partners.

D-Rev partnered with key capacity building providers to develop the capacity of its sales team to improve its outreach and communication model, which in turn helped drive growth. For example, they developed a partnership with project Extension for Community Healthcare Outcomes (ECHO) to build requisite contextual capacity amongst the sales personnel who would deal with doctors and patients in rural areas to explain jaundice and how the D-Rev product (phototherapy) would treat jaundice and avert neonatal death.

Dimagi partially attributed its rapid success to securing key scaling partnerships with the Government of India (Gol) to facilitate rapid scale within India. Dimagi was able to find champions within the Gol and political support, both of which were extremely important for scale. Dimagi owned the platform, but state governments adopted it, which contributed to Dimagi's CommCare rapidly reaching 600,000 health care workers.

Bandhan-Konnagar pivoted during their DIV grant period to intentionally make stronger relationships with district and block-level officials and merge elements of their program with existing government programs. These connections with local officials facilitated Bandhan-Konnagar's ability to develop new scaling partnerships and establish new funding partnerships from other state governments and other types of investment partners, which directly facilitated their expansion and reach into new states in India.

## **4.2 SCALING STRATEGY**

**THE LACK OF A CONSISTENT IN-COUNTRY PRESENCE HINDERED AN INNOVATION TEAM'S ABILITY TO RESPOND QUICKLY TO EMERGING CHALLENGES, EVOLVING CUSTOMER NEEDS, OR CHANGING CONTEXTS.**

For most of the grants included in this study, those with an in-country presence were able to quickly pivot and respond to operational challenges and evolving contextual changes. All three grants that did not reach the market did not have a consistent in-country presence or strategic in-country partner and cited this as a significant challenge faced in their scale journey. For example, Bear Valley Ventures did not have an in-country partner and cited the lack of a consistent in-country presence as a reason for their inability to quickly pivot or identify additional opportunities for partners, investors, or generate consumer demand.

## **4.3 MODEL**

**SUCCESSFUL GRANTS RAPIDLY PIVOTED TO ITERATE THE MODEL TO MEET EVOLVING USER NEEDS AND PREFERENCES.**

Several successful grants intentionally sought evidence on customer needs and preferences, as well as feedback regarding the innovation model design and delivery through market testing, customer feedback surveys, or a structured monitoring and evaluation system. Successful teams learned from this data, quickly iterated the model design or delivery to meet evolving needs and found success in driving growth.

Babajobs' platform was adaptive to evolving user needs and preferences in real-time. For example, during the grant period and before cheap internet connectivity was widely available in India, Babajobs leveraged interactive voice response (IVR) and SMS to grow their platform. As internet penetration increased, Babajobs scaled down their SMS and IVR mechanisms and scaled up their earlier investments in the mobile application, which eventually took over as the leading registration mechanism. The platform also added eight local languages to the mobile web feature to expand their user reach to new locations and new users across the country.

D-Rev quickly pivoted to respond to monitoring evidence that indicated user needs were not being met by their delivery model. D-Rev adapted its marketing strategy to tailor messages to local markets based on their needs and target users' revealed preferences. D-Rev also responded to monitoring evidence regarding barriers to scale, namely, to meet additional target market segments from lower socio-economic classes with limited purchasing power. To address this issue, D-Rev implemented an equated monthly installments model - a small portion of the total amount was charged while placing the order, and the remaining amount was distributed into three equal monthly installments, which helped to drive sales.

## **4.4 EVIDENCE**

**SUCCESSFUL GRANTS LEVERAGED EVIDENCE OF IMPACT TO REACH SCALE.**

Successful grants strategically leveraged evidence of their model's impact on social outcomes for their target user to secure additional distribution and scaling partnerships, funding, and resources to continue their scale. Two innovations, Pratham and Bandhan-Konnegar, utilized demonstrated evidence of impact generated by their partners at Abdul Latif Jameel Poverty Action Lab (J-PAL), specifically, to advance these scaling goals.

Pratham Education Foundation has over two decades of experience generating and utilizing strong evidence of impact for the TaRL model and its iterations to secure new partnerships and facility scale and reach. In addition, Pratham has a long-standing relationship with J-PAL and its founders, who has implemented a series of randomized controlled trials (RCTs) to rigorously test the impact and effectiveness of the TaRL and its iterations over twenty years. This evidence has been widely published in various outlets, including high ranking academic journals, YouTube videos, sector reports, and instructional handbooks. Pratham and J-PAL have studied a variety of outcomes of the model, including the effectiveness of implementation strategies to the impacts on student learning and retention.<sup>2</sup> This strong evidence has informed key pivots to iterate the model and secure partners to fuel scale to improve learning outcomes for students globally.

Bandhan-Konnegar leveraged evidence of impact for program graduates to secure many new strategic partners across non-governmental organizations (NGOs), state and local government, and the private sector. For example, through Bandhan's partnership with J-PAL, which initially focused on evaluating the impact of the model, Bandhan was directly linked to the Mahashakti Foundation, which helped implement the THP model for 100 intended beneficiaries in Odisha state, using the evidence of impact generated by J-PAL as a justification for rapid uptake. They engaged with the Government of Odisha to establish a partnership to deliver the THP model, representing a new public funding opportunity, to scale the program to 10,000 households.

Other examples demonstrate how a lack of evidence of impact can stymie scale. One innovation team had established a committed distribution partner with high market penetration, but the team failed to produce evidence of a clear demand for product or clear evidence of impact of the product. Thus, it failed to secure the necessary investments to take the product to market via established distribution partners. They also lacked a clear, distinguished brand identity that made it hard to generate trust or recognition among target consumers. This lack of brand identity made it hard to generate trust among consumers for their product. Without the evidence of demand, investors found the product too risky to invest in and backed out. Post-DIV funding, the lack of identified funding for the commercial pilot led to a standstill, and the product never took off.

**HOWEVER, THE DEMONSTRATION OF IMPACT ALONE WAS NOT NECESSARILY THE ONLY DRIVER FOR SCALE AND REACHING TARGET USERS.**

Several innovations demonstrated evidence of their impact on target populations. However, this evidence alone was not enough of a driver to scale the innovation to reach its target users *en masse* and demonstrate social outcomes. Innovation teams needed a shared vision of the scaling, business, and social outcome strategies with their intended scaling partners, in-country partners to assist in navigating on the ground

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<sup>2</sup> Pratham Foundation. A guided tour of Teaching at the Right Level. Accessed 2022. <https://www.pratham.org/about/teaching-at-the-right-level/guided-tour-tarl/>

challenges, and strategic partners to facilitate a path towards scale to reach target users. Strategic partners are those that meet and fill the critical, specific needs of an innovation's scaling strategy.

One example is Violet Health that demonstrated a strong impact of the iron-fortified biscuit and strong user demand and preference. However, the company experienced significant challenges to scale associated with a limited in-country presence, the lack of strategic in-country partners, navigating regulatory environments, and delays due to the COVID-19 pandemic. The product is still off-market at the time of this study, despite strong evidence of impact and user demand.

Another example includes ideas42's Financial Heuristics program, which despite demonstrating moderate evidence of impact on certain outcomes, it did not develop as a commercial off-the-shelf product. The product is still not market ready at the time of this study, due to internal challenges regarding an internally shared vision and strategy for how to adapt and bring the product to market.

## **4.5 FINANCIAL VIABILITY**

### **DIV WAS A SUPPORTIVE FUNDING PARTNER THAT PROVIDED FLEXIBLE FUNDING AT CRITICAL JUNCTURES FOR AN INNOVATION'S SCALE JOURNEY.**

Only a few key informants could share feedback and anecdotal observations on their experience working with DIV as a funder. Feedback shared by key informants highlighted the importance of flexible DIV funding at a critical stage in innovation testing, design, or piloting to enable key pivots and iterate the model for success. It was noted that the DIV team was a very supportive funding partner and extremely understanding of different challenges grant teams faced during their project period. The grantees felt that the DIV team was actively engaged and eager to provide feedback during check-in calls.

Key informants shared some feedback to improve the DIV-grantee relationship in future rounds. Of note, certain informants shared that they had expected DIV to make strategic connections with other key players in their innovation space to help facilitate scale, similar to an investee-investor relationship. Moving forward, DIV should more clearly communicate how they can support grant teams beyond just funding to maintain clear expectations for both parties. And to the extent that DIV can facilitate strategic introductions or connections with the private sector or other key stakeholders that could support the grantee to scale, that would be an important area of support.

### **SECURING FOLLOW-ON FUNDING BEFORE DIV FUNDING ENDED WAS KEY FOR SEVERAL SUCCESSFUL GRANTS.**

Several successful grants secured key follow-on funding before the DIV grant ended, which enabled them to continue piloting their innovation or scaling their market-tested product and drive growth without a lag. For example, Dimagi's CommCare is a success story. They secured an impressive grant of \$100,000,000 from the Bill and Melinda Gates Foundation (BMGF) to specifically scale the platform in Bihar state. This funding enabled them to continue scaling the CommCare platform after DIV funding ended and providing the high-touch design inputs necessary to tailor the product to each local market. They also strategically utilized the evidence of their proof of concept generated with the DIV funding to market CommCare and establish new distribution and investment partners to expand operations globally, which they have successfully done.

For another example, Orb Energy was able to test demand for a new financial product, test risk mitigation strategies, and generate specific proof points for new investors under its DIV funding, which in turn enabled Orb Energy to raise an additional \$15 million from U.S. International Development Finance Corporation and the Netherlands Development Finance Company to continue its financing operations for SMEs after their DIV funding ended. They attribute their growth and continued success in meeting their objectives with the in-house financing product they offer to have sufficient funds available to pivot, take risks as needed, and meet user demand.

## **4.6 CONTEXTUAL ELEMENTS**

### **CONTEXTUAL FACTORS ENABLED SUCCESS OR CREATED INSURMOUNTABLE CHALLENGES.**

Successful grants were able to capitalize on changing factors in the Indian context, such as changing market conditions or new national initiatives promoting best practices, to leverage the penetration of their model in the market. However, some grantees who were unsuccessful noted that they failed to capitalize on such contextual changes, which was a missed opportunity.

For example, Babajobs experienced a growth surge during India's demonetization period, which brought more people and businesses online, creating an upsurge of internet connectivity that played an important role in success during Babajob's scale journey.

Another example demonstrates how an innovation team missed a key opportunity to tap into and leverage contextual factors, such as the growing national interest in promoting hygiene driven by the new government in India, to generate demand and scale their product. The product failed to take off despite massive goodwill and a rising wave of interest in promoting hygiene in India driven by initiatives of the new government. A missed opportunity to tap into the growing national interest in hygiene by seeking other partnerships (e.g., schools) limited the product's scale potential at the institutional level.

# 5. CONCLUSIONS AND RECOMMENDATIONS

This study aimed to provide an update on select funded innovations in DIV's India portfolio. Several innovations have experienced massive scale and impact in India and globally across several sectors. And other innovations faced serious challenges in getting their product to market to reach their intended audiences, limited in both scale and impact. Across the 12 grants included in this review, several key factors helped to enable success, and others hindered success in scaling and reaching target populations with social outcomes.

Successful grants mostly had a strong in-country presence, which enabled them to quickly pivot and adapt to changing contextual elements and manage on the ground operational challenges. They were also able to identify and secure strategic follow-on funding before the end of their DIV grant to continue their testing and scaling strategy. Evidence of impact alone did not drive success, but those with strong evidence were able to leverage this evidence of impact to secure key additional scaling partners and funding. Establishing key partnerships that were strategic to advance the needs of the innovation's model to reach its target users was an essential element to facilitate an innovation's scale and impact. The public sector was a key distributing partner for the twelve grantees included in this study; the Gol and other national and state governments were key to rapid scale within India and beyond. Other grants found success in identifying key distribution partners that aligned with their social mission and business model.

Finally, key informants shared overall positive feedback on the DIV experience. The flexible funding came at a critical stage in an innovation's scale journey. The DIV team was considered an extremely supportive partner, although DIV could intentionally facilitate more connections with innovation teams and provide targeted technical assistance to support scale moving forward.

## 5.1 RECOMMENDATIONS

Based the insights learned from this review, the ET presents several recommendations for DIV's consideration.<sup>3</sup> When conducting due diligence, the ET recommends that DIV ensures applicants can articulate an internally shared vision for both the product development and the business strategy to bring the product to market. As part of this articulated vision, applicants should be able to speak cohesively to how the team internally manages adaptation and strategy pivots when presented with new challenges or evidence. DIV can also look at applicants' proposed M&E plans and ensure applicants can articulate how and when monitoring data will be collected and how it will be used to inform the product itself or scaling, delivery, or management business strategies.

The ET recommends that DIV adapts its assessment model to include a set of customizable success metrics and business diagnostics that will support portfolio management across a range of country contexts. Success metrics should balance potential for impact and scale along with sustainability considerations across the life cycle of DIV support. Business diagnostics can be adapted from best practices widely used by impact investors (e.g., those developed and catalogued by GIIN) and include more touch points with

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<sup>3</sup> The ET also acknowledges that DIV may have already at least partially addressed some of these points as DIV's practices have evolved since issuing these awards from 2012-2016.

grantees, which can be supported via a DIV Technical Assistance (TA) Facility that provides a range of TA options, including support to grantees for any necessary adaptations, while also facilitating real-time data collection at critical stages of an innovation team's growth. Impact data collected via a TA Facility could be used to support grantees in forging new partnerships and accessing additional sources of funding to fuel growth, while also supporting DIV's own portfolio management process, including important decisions related to increasing support, cutting losses, and balancing the portfolio to maximize overall results.

In addition to impact data, a local presence and partnerships were identified as key elements of success in DIV's portfolio in India. To support the development of local networks, it is also recommended that DIV develops and manages a peer-to-peer learning approach, with annual gatherings of current and past grantees that include presentations of innovation and impact, promotion of mentorship and peer-to-peer learning opportunities and partnership development activities. In addition to current grantees and DIV alumni, annual events can be attended by a range of public and private sector stakeholders, other donors, financial institutions, and investors, catalyzing an eco-system of support for DIV grantees as they continue to scale their operations and impact. DIV can also work with other OUs and Missions to be more intentional about establishing linkages or facilitating strategic connections with other key players in their innovation space to help facilitate scale, similar to an investee-investor relationship.

Given limited bandwidth of USAID staff, a DIV TA facility and peer-to-peer learning approach could be managed globally or regionally with support from a USAID implementing partner. This support function could also seek to leverage additional resources from other stakeholders, donors, or investors with like interests in accelerating the growth and impact of innovative companies and local organizations.