

## THE DAC PRIZE

### What has happened since last year? The experiences from last year's winner and finalists

#### Katalyst

##### Scaling and impact at stage of submission

Between 2008 and 2013, Katalyst created a market for seed products for poor farmers in Bangladesh, based on providing high quality seeds in mini-packets, which helped increase the income of poor farmers. The breakthrough came in 2011, when it partnered with two leading seed companies to introduce mini-packets of quality vegetable seeds at affordable prices. The first season's target was to sell 100,000 mini-packets but the companies greatly overshot this target by selling 558,000 packs. Katalyst managed to reach 2.4 million farmers and 55 out of 64 districts of Bangladesh and develop a new market for seed distributor companies as Lal Teer Seeds Limited reached 2,890,734 mini-packets sold in 2013 and even the sales of its regular packets increased by 20%-35%.

##### Evolution since submission

During 2014, the market created by Katalyst was so attractive that two other seed companies entered it causing a decline in the sales of Lal Teer Seeds Limited by 500,000 mini-packets to 2,375,335. Nevertheless, an additional 452,000 farmers benefitted from the sales of Lal Teer Seeds Limited creating an income impact of USD 32,159,200. Following the expansion plan, Katalyst also facilitated the distribution of mini-packets to the isolated river islands of the Chars of Bangladesh that are low lying flood and erosion prone areas with a population of 6.5 million people, more than 90% of whom is living under the poverty line due to the high vulnerability to natural disasters. Furthermore, Katalyst is continuously promoting use of quality seed through awareness raising campaigns and packets showing thorough information on inner leaflets.

##### Opportunities, challenges and lessons

With new seed companies entering the market, it will be easier to reach more households even in the rather isolated regions. However, there are still challenges for the private sector such as limited distribution channels, lack of information on demand and market size. Beneficiaries also faced some challenges such as the adulteration in the agro-input markets that is not yet eliminated and the difficulty for them to make a difference between good and poor quality seeds. Moreover, Katalyst experienced delays in its scaling up because of administrative problems with the authorities and political turmoil in the first quarter of 2015.

## **Bridge International Academies**

### **Scaling and impact at stage of submission**

Bridge International Academies provides quality, affordable education to low-income families by using technology to standardise high-quality education, track best-in-class approaches and scale up operations. The monthly fee of USD 6 per month is affordable for 90% of families below the poverty line. It is also enough to cover all operational costs, teacher salaries and text books making the academies financially sustainable.

Between 2009 and March 2014, Bridge was able to build up 259 academies in Kenya educating 90,000 children, that is 1% of children in the country, and employing 3500 adults as teachers or support staff. Regarding academic results, Bridge pupils score an average of 35% higher on reading skills and 19% higher in maths than their peers from neighbouring schools.

### **Evolution since submission**

Since the submission, Bridge expanded to two other countries by September 2015, Nigeria and Uganda, and increased the number of academies in Kenya by 147 new institutions. It is now serving over 100,000 students based in 406 academies in Kenya, 7 in Uganda and 2 in Nigeria. Bridge International Academies' students continue to outperform their peers by 32% in reading and 14% in mathematics. The organization also experienced a steady growth in employees providing currently 5,000 jobs for teachers and 350 for support staff.

### **Opportunities, challenges and lessons**

In 2016 Bridge is planning to open the first academies outside Africa in India. With this expansion, it could further scale up the number of benefitting students and also provide important job opportunities for local people. Using new technology and data enabled Bridge to operate in a greatly efficient way both regarding overhead costs required to run an academy and the high quality of the education.

Nevertheless, it faces a recruiting challenge due to its fast growth, and regulatory issues stemming from the education system of developing countries.

## **Camfed**

### **Scaling and impact at stage of submission**

Camfed International supports girls in completing a full cycle of primary and secondary education and transitioning to make their own livelihoods across five Sub-Saharan African countries (Zimbabwe, Zambia, Ghana, Tanzania and Malawi), 116 districts and 5,000 schools. Through its innovative Governance model, it has managed to reconcile going to scale with the need for a community-based approach, and now it turned its focus towards the quality of education marginalized children receive.

In 2013, it benefitted 1.7 million children including 105,000 girls receiving bursaries for secondary school. School retention and progression rates of 2013-2014 are consistently higher than 90%, e.g. in Zimbabwe, progression rate was 91%, and the attendance rate was between 88-93% while pass-rates are continuously higher than national averages, like in Malawi, where it was 79% for girls benefitting from bursaries and 72% nationally.

### **Evolution since submission**

During 2014, the cumulative number of children benefitting from Camfed's support reached 2.3 million and the number of girls receiving bursaries for secondary school also grew to 118,247. These girls continue to achieve better retention, progression and completion rates than national average and rates are still improving. Attendance rate was 92% and 91% in Zimbabwe and Malawi respectively. Also the progression rate for 2014-2015 in Zimbabwe increased to 93% while the progression rates between the critical point between orlForm 2 and Form 3 in Malawi outperformed the set 52% target by reaching 75%. To reinforce its accountability and greater efficiency, Camfed transitioned its financial system to the Financial Force ERP system that named Camfed as a finalist in the 'Financial Management Excellence' category since it proved to be a client demonstrating innovation, greater efficiency and improved effectiveness.

### **Opportunities, challenges and lessons**

With the new financial system, the resources of Camfed can be spent in a more efficient way to reach even more students. It is still planning on including more countries in the project but it will shift some resources towards scaling initiatives to improve quality of education for marginalized children.

Camfed also founded an alumnae association for women graduates, called CAMA that is the largest network of its kind in Africa. It currently counts 33,111 young women who are themselves devoted to girls education and willing to take part in the organization's life as mentors or learner guides and the network is growing

## **Polio Eradication**

### **Scaling and impact at stage of submission**

The Polio Eradication project works through an innovative, result-based, financing mechanism. Japan provides Pakistan with loans for a vaccination campaign to eradicate polio in the country. If Pakistan achieves the agreed polio eradication targets - in particular wider immunisation coverage - the loan debt is repaid by the Bill & Melinda Gates Foundation. The approach incentivises success while facilitating Pakistan's efforts to fight polio on a large scale with reduced financial burden.

The submission was based on the results of 2012, when the number of reported cases dropped from 198 in 2011 to only 58. This result can be partly attributed to the vaccination campaign financed by the project.

### **Evolution since submission**

Since the submission, the loan conversion mechanism could be effectuated in 2014 and the Gates Foundation paid the loan back to Japan as the Government of Pakistan successfully implemented. Due to low immunization level in Federally Administrated Tribal Area (FATA), a semi-autonomous tribal area where vaccination was banned in 2012 and the massive displacement of a million people from the zone, there was an outbreak of 306 cases in 2013. However, thanks to the quick and effective joint action the WHO, the Government of Pakistan, Japan and UNICEF providing large-scale vaccination campaigns, the reported cases decreased to 30 by September 2015 that is only one sixth of the cases in 2014.

### **Opportunities, challenges and lessons**

On the one hand, sudden and high level of displacements from under-immunized areas can still constitute a challenge as well as local regulations banning vaccination. On the other hand, the Loan Conversion model could be effectively used in other development challenges or be extended to eradicate polio in Nigeria.

## **Kwara State Health Insurance**

### **Scaling and impact at stage of submission**

By improving health services and facilities, the Kwara State Community Health Insurance Programme increased trust in a previously dysfunctional healthcare system. Once this was achieved, people were willing to prepay for health services.

Between 2007 and 2014, it was then possible to introduce state-supported (covering 60% of the insurance premium subsidies) community-based insurance, covering 80 000 within farmers and families in rural Kwara, one of Nigeria's poorest states with a population of 2.5 million people. The reduced risk and lower transaction costs resulting from the programme have paved the way for private and public investments in medical, financial and administrative capacities. The out-of-pocket spending on healthcare declined by 52%, while hospital delivery increased by 30% and under-five hospital visits by 580% by the end of 2012. Since the start of the program, Kwara has become the second best performing state in maternal and child care in Nigeria.

### **Evolution since submission**

Since 2014, the number of beneficiaries augmented to 115,000 low-income people in the rural regions of Kwara State from 80,000 at the time of the submission, and the State Government is now committed to pay 70% of the insurance premium. Nigeria's Government recognized the program as a model that will further help the transition from a federal-led to a state-led health insurance model for low-income sector. Furthermore, Kwara State is working on setting up the first State Health Insurance Fund of Nigeria.

### **Opportunities, challenges and lessons**

The Kwara State Community Health Insurance Programme became a blueprint for many other states of Nigeria such as Akwa Ibom, Ekiti, Kano, Borno or Lagos that have shown interest in replicating the model that could help universal health coverage in the long term. The innovative finance solution of a special private-public partnership could be further used to solve other development challenges.

## Employment Fund Program in Nepal

### Scaling and impact at stage of submission

Less than 10% of those joining the labour market in Nepal have an opportunity to gain vocational skills and many of the rest struggle to find jobs. Between 2008 and 2013, the number of young people receiving short-term skills training from the Employment Fund Programme in Nepal increased from 4003 in 2008 to 16,446 young people in 2013. The programme's innovative approach ensures market demand for training interventions, only pays for training that demonstrates results and leads to jobs, and incentivises training to vulnerable groups by paying higher fees to providers training women or other vulnerable groups. 72% of graduates from 2011 were earning on average Nepalese Rupees 9,177 compared to an average income of Nepalese Rupees 1,968 before training. 83% reported that availability of food, clothing and social services had increased.

### Evolution since submission

In 2014, the Fund trained 13,104 people and 3,561 in 2015 as the programme delivered trainings up to March. It was extended to the end of the year 2015 to verify that the trainees were employed. Employment Fund is planning to launch a new Skill for Employment scheme containing lessons learnt from the previous program.

### Opportunities, challenges and lessons

Private sector involvement in the program with clearly defined responsibilities and objectives could greatly enhance the trainings. As skills requirement are developing rapidly, keeping up with the demand at a regional level is resource and labour intensive and requires trends at local, regional and supra-national scales, therefore, addressing these issues at a sub-regional level would provide advantages. Lack of financing mechanisms and fixed collateral or ownership of assets creates difficulties in accessing finance to found their own microenterprises. Furthermore, weak economic growth will likely lead to a decline in employment for both skilled and semi-skilled labour. To address these challenges, an expertise development architecture combining several skills in one course, should be created to form a long term sustainable system. Finally, nationally-recognised qualifications should be negotiated in order to facilitate mobility in the internal labour market.

## **ASER – Annual Status of Education Report**

### **Scaling and impact at stage of submission**

The Annual Status of Education Report, ASER, is an innovative model of citizen-led, annual household survey of basic learning. The ASER survey provides the only annual estimate of basic reading and arithmetic available in India. With over 500 district partners and close to 25,000 volunteers participating each year, ASER is designed to enable large scale participation of ordinary people. Covering every rural district in India by conducting interviews in the homes of 600,000 to 700,000 children in the 5-16 age group, and carried out by local institutions, the entire process from data collection to reporting takes 100 days. ASER combines rigorous methodology, uniform procedures, and simple assessment tools that are easy to administer and understand, and problem solving tasks tailored to local context. Several state governments have used ASER data in their interventions to improve education and also the UNESCO's 11<sup>th</sup> Global Monitoring Report cited it extensively. The same ASER method is used in Pakistan since 2008, while the program also inspired similar citizen-led assessments in other countries: the Uwezo in Tanzania, Kenya and Uganda since 2009, the Beekungo in Mali since 2011, and the Jàngandoo in Senegal since 2012.

### **Evolution since submission**

ASER celebrated its ten-year anniversary in 2015 during which it used the same method of assessment by interviewing 6-700,000 children at their homes. Besides the release of the ASER Report 2014, a Trends over Time report was also launched in 2015 to present the tendencies over the ten years. Furthermore, since the submission, another two countries are piloting a citizen-led assessment: Mexico and Nigeria.

### **Opportunities, challenges and lessons**

ASER committed itself to a strategy for at least the next five years. It is designing a new annual national assessment to report on post-elementary education, hence, the elements to be included are still under examination. The method of ASER providing a one-on-one assessment gives a better understanding of the children's real ability and since the interviews are in the children's house, it can also assess those who attend school irregularly or dropped out.

## **Aavishkaar II**

### **Scaling and impact at stage of submission**

Aavishkaar II is a social venture fund that provides risk financing and management support to social entrepreneurs, helping them to bring their ideas to the market and achieve critical scale. It invests in ventures that provide social benefits through innovative, affordable products and services for the poor in underserved regions of India. It focuses on areas of health, water supply and sanitation, education, agricultural production and renewable energy supply.

As the successor of the Aavishkaar India Micro Venture Capital Fund, it started with a substantially higher fund of USD 96 million in order to provide resources to more entrepreneurs. In 2014, 6,022,415 people benefitted from the fund and it provided employments for 12,331 people out of which more than 50% are women. It also managed to reduce CO2 emissions by 103,058 MT.

### **Evolution since submission**

During 2015, the number of beneficiaries of venture capital grew to 13,190,253 and the number of employees reached 16,546. It managed to further improve the CO2 emissions reducing it by 205,741 MT. To extend the model to South and South Eastern Asia, Aavishkaar Frontier Fund (AFF) was created that reached its first close at USD 45 million in June 2015. The AFF is currently investing in Indonesia, Bangladesh and Sri Lanka.

### **Opportunities, challenges and lessons**

Aavishkaar was a pioneer in India providing venture capital and it was able to create a whole new market segment and other funds are starting to replicate its model.



## **Evidence Action – Dispensers for Safe Water**

### **Scaling and impact at stage of submission**

In its Dispensers for Safe Water, Evidence Action uses chlorination – which is cheap and kills 99.99% of pathogens – to make drinking water safe. This simple technology has been shown to have good local acceptance and use.

Based on this proven success, Evidence Action developed the Dispensers for Safe Water programme in 2013 to scale up chlorine dispensers and it provided access to safe water for 1.2 million people in Kenya, Malawi and Uganda by the end of the same year. Evidence Action has focused on large scale use of a simple technology that is locally accepted and used on a regular basis and increased water treatment tenfold, while maintaining an adoption rate of 43%. It obtained USD 2,592 million from donor commitments.

### **Evolution since submission**

During the 1.5 years since the submission, Evidence Action scaled up its safe water beneficiaries to 4 million people by end of July 2015 that is a 230% growth since the end of 2013. Adoption rates astonishingly increased to 57% for Uganda, 91% for Malawi (especially Zomba district with 100% adoption), and 49% for Kenya. The target is now to reach 5 million people by the end of 2015.

### **Opportunities, challenges and lessons**

Evidence action managed to certify its dispenser programs for carbon credits as they considered providing a clean development pathway. By using an innovative financing instrument, carbon credits, Evidence Action has access to more resources for further expansion of its operations. Moreover, it was also able to raise USD 22,320 million from donor commitments in 2014 that is almost ten times as much as it was a year before.

## General Conclusion

All finalists of the 2014 edition of the DAC Prize seem to have had impressive evolution of their programmes. Almost all projects succeeded in amplifying their influence and increase the number of people reached. Their initiatives provide us with many lessons learnt. Firstly, there are unexploited areas for private sector involvement that the example of market creation by Katalyst and Aavishkaar clearly points out. Moreover, the bigger participation of private actors might not be only beneficial on profit basis but also to provide expertise and know-how for development projects to improve efficiency and adequacy like in the case of Employment Fund in Nepal. The Kwara Health Insurance Program also shows how private sector could be best involved in a socially beneficial program within a partnership with the public sector by risk mitigation and lower transaction costs.

Secondly, innovation is indispensable in development projects as it can significantly support efficiency and provide more financial resources. Bridge International Academy proves the importance of new technology while the Polio Eradication Program in Pakistan and Evidence Action highlight the benefits of innovative finance solutions, notably the better implementation of projects with a result based finance or increased resources thanks to carbon credits.

Thirdly, education, communication and information are essential for the good implementation of a project. Informing local community, communicate with the local administration and form the youth are important steps to be followed for a good long-term project.

Finally, administrative difficulties and regulatory obstacles can still hinder the scaling-up process of a development initiative. More collaboration with authorities is beneficial to the evolutions of the projects. Recruitment is not always easy and turnover in leading position appear widespread within finalists of the 2014 DAC Prize.

Overall, DAC Prize helped finalists raise awareness on their projects and showcase some of their work internationally. The prize contributed to raise their confidence and their partners'; nonetheless, visibility did not always correspond with a national and an international engagement for help.