UNHCR The UN Refugee Agency

Humanitarian Education Accelerator

Learning Paper

Financing Scale in Humanitarian Education Innovation

2022

About the Humanitarian Education Accelerator (HEA)

The HEA is an Education Cannot Wait-funded programme led by UNHCR, supporting promising education innovations in emergency and protracted crisis contexts to transition from successful pilots to programmes that can operate at scale.

The programme, which started its first phase in 2016 as a partnership between UNHCR and UNICEF (funded by the UK Department for International Development (DFID)), was born from a recognition of two key challenges:

- The need to identify and bring to scale innovative solutions to the complex challenges surrounding humanitarian education, particularly in low resource settings; and
- A lack of evidence on what does and does not work in Education in Emergencies and protracted crisis "EiEPC" contexts, as well as how to bring what does work to scale.

Now in its second phase, led by UNHCR, the HEA seeks to address gaps in evidence and scaling capacity by taking common elements from an accelerator – such as mentorship, organisational capacity building and establishing a cohort that works together – and merging these with an evaluation-based programme. The HEA also has a crucial knowledge management component, drawing together lessons learned and convening opportunities for knowledge exchange between grantees, mentors and other key education stakeholders, including through the development of global public goods. The following paper is part of this important workstream.

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Foreword

The HEA's work with multiple cohorts of grantees has shown that funding is a major challenge for humanitarian education actors who have tested their innovation, have evidence of its impact and are trying to move to scale. This relates to funding availability, flexibility and longevity - including where funds are required to build up the necessary organisational capacity to move an innovation forward.

While interest in how to identify and bring promising innovations to scale continues to grow, available humanitarian funding is usually short term and not designed to support the longer-term pieces of work required to scale. Many humanitarian education actors therefore face challenges of limited human or material resources, inconsistent programme funding and high costs. Meanwhile, scaling is a complex process that requires both time and dedicated resources to ensure that it is done sustainably. Time and resources (financial and technical) are needed to build out key components for sustainability — from investing in codifying/

systemizing the education solution, to adapting business models to the education ecosystem, investing in M&E, communications and evidence. However, these components are rarely funded by donors, especially not in the longer term. In the absence of flexible, longer-term funding for the development of key components for sustainable scale, organisations are often incentivized to move into new contexts (driven by the availability of funding) before they have honed the sustainability of their intervention.

Noting the inherent complexities and tensions above, this paper unpacks the financing landscape within which humanitarian education or Education in Emergency and Protracted Crises "EiEPC" innovations are scaling. It also includes thoughts and recommendations about how we might collectively navigate and strengthen this area, particularly in structure and availability of funds. We hope this paper will serve as a catalyst for an important, wider conversation on how we finance sustainable scale in the humanitarian education space.

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Introduction

Innovations in Education in Emergencies and Protracted Crisis "EiEPC" seek to improve access and quality of education. They also aim to deliver cost and resource efficiency - alleviating the pressure that decades of under-funding in EiEPC has caused. Unfortunately, like all innovations in the humanitarian space, impactful EiEPC innovations face barriers to reach sustainable scale. This Learning Paper explores one of the common barriers to scale: financing.

The financing landscape for scaling EiEPC innovations is complex. There are various types and sources of financing - each with requirements and limitations. This Learning Paper aims to demystify the financing landscape, so that innovators better understand their options, and donors, fund managers and other stakeholders can adjust and enhance their support.

To better understand the scaling financing landscape for EiEPC innovations, this Learning Paper looks at the following:

- **The different stages of scale:** Recognising that scaling is not just one step or process and therefore requires different sources and types of financing;

- **The different scaling pathways that can lead to sustainable scale:** Noting that different pathways can open up, or close off financing opportunities;

- **The financing types and sources:** Describing and comparing the different types and sources of financing available for scaling EiEPC innovations; and

- **The activities and work to be done to prepare for and support scale:** In order to understand how the different sources of financing can be used for scaling EiEPC innovations.

A number of types or sources of funding for scale are identified, ranging from small one-off innovation grants, to sustainable funding sources such as government budgets or long term humanitarian and development funding. Unfortunately, there remains a disconnect between these types or sources of funding, particularly
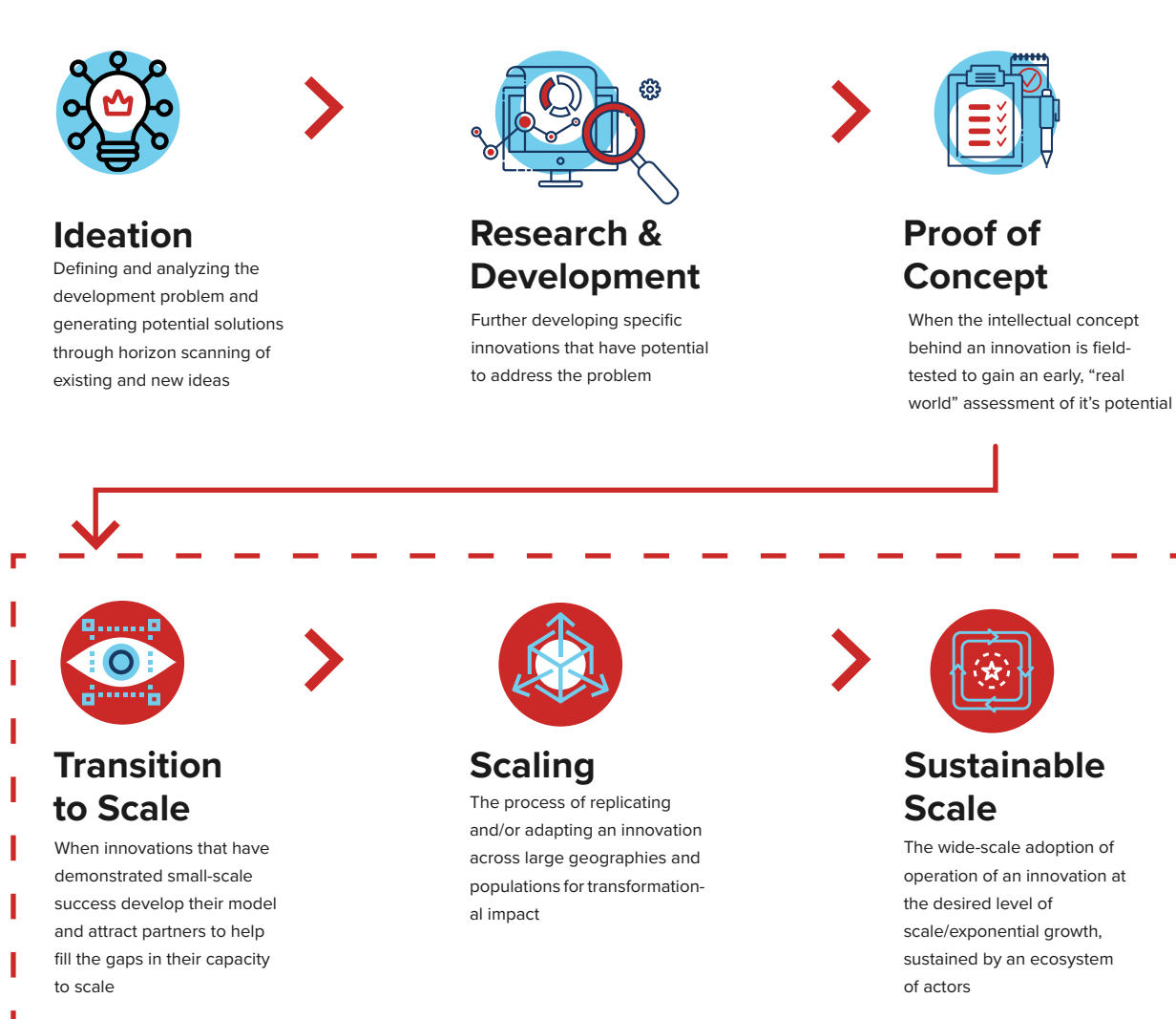
when innovations enter the "messy middle"[1] of scaling, where financial support is less obvious or forthcoming. This gap in the financing pipeline needs to be addressed to better enable EiEPC innovations to reach their full impact. This Learning Paper concludes with recommendations for how this can be done.

1.1 What do we mean by scale?

Although innovation journeys are not always linear, it can be helpful to visualise the process as involving a number of stages. The International Development Innovation Alliance's ("IDIA") Scaling Diagram[2] below shows that scaling involves three stages:

The financing available for these stages varies and it's important to understand the differences so innovators don't pin their sustainable scaling hopes on financing that will only support their transition across the stages. Donors and fund managers should understand this as well, in order to manage their expectations as to what can be achieved with their financial support.

Ideation
Defining and analyzing the development problem and generating potential solutions through horizon scanning of existing and new ideas

Research & Development
Further developing specific innovations that have potential to address the problem

Proof of Concept
When the intellectual concept behind an innovation is field-tested to gain an early, "real world" assessment of it's potential

Transition to Scale
When innovations that have demonstrated small-scale success develop their model and attract partners to help fill the gaps in their capacity to scale

Scaling
The process of replicating and/or adapting an innovation across large geographies and populations for transformational impact

Sustainable Scale
The wide-scale adoption of operation of an innovation at the desired level of scale/exponential growth, sustained by an ecosystem of actors

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1   Dan McClure & Ian Gray (2015) Scaling: Innovation's Missing Middle | Thoughtworks
2   Image source: Adopted from IDIA, published in Accone, T (2019) *UNICEF Scaling Innovations for Every Child*.
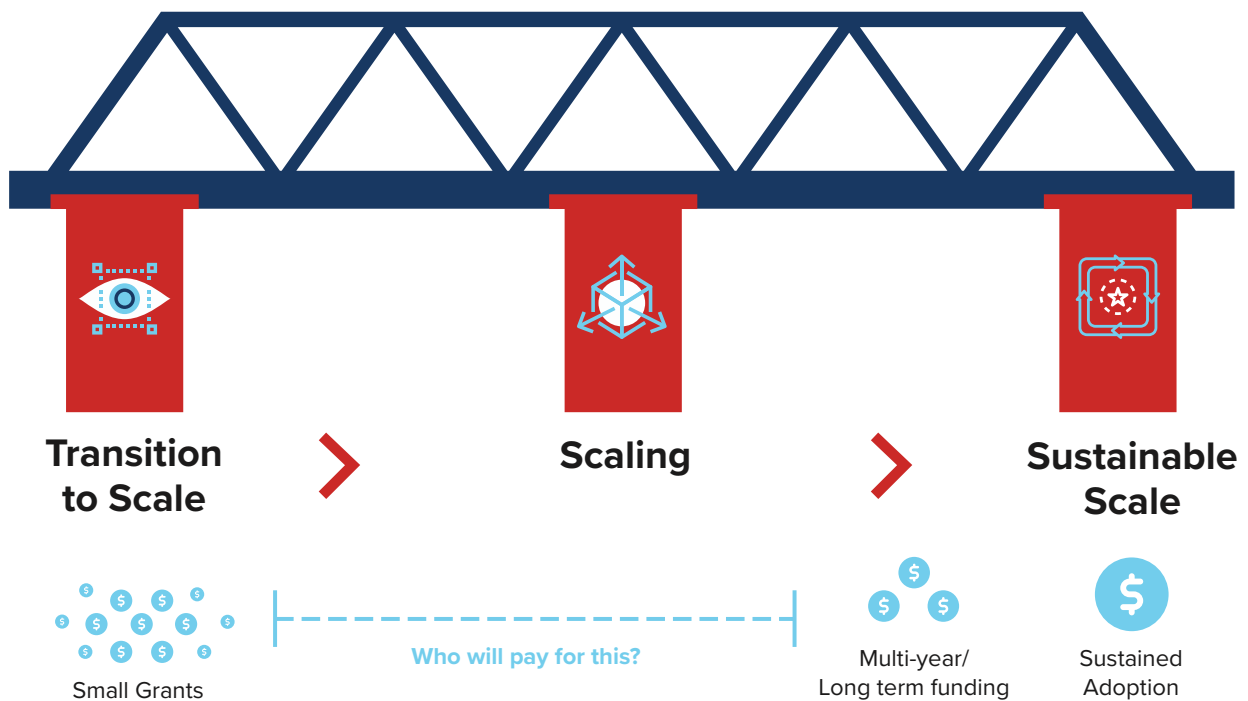
Although there are a handful of exceptions, most one-off grants (such as innovation grants) will only support the innovation at the early transition to scale stage. This is because the size of the grant and the timescales that are attached to them can only support scaling preparation activities. To move into sustainable scale, innovations will need to go beyond grants, and into long-term multi-year funding and/or sustainable commercial models.

"Scaling" refers to both scaling up and scaling out. Simply put, scaling up means to expand a programme within the same context, and scaling out means to apply the programme (innovation) into new contexts. Both require different resources and capacities, and therefore, different financial support.

This Learning Paper describes the kinds of financing available, ranging from small innovation grants that support transition to scale, to large multi year funding opportunities or government adoption, which support sustainable scale. This exercise shows that unfortunately while there is more awareness amongst donors and funders of the complexity of scaling, financing for scale still tends to leave a gap between the early stage preparatory work and sustainable adoption.

The Scaling Bridge

Transition to Scale > **Scaling** > **Sustainable Scale**

Small Grants

Who will pay for this?

Multi-year/ Long term funding

Sustained Adoption

Small one-off grants will help lay the foundations for scale. But long term financing and support is needed to build capacity and evidence to encourage sustained adoption.

1.2 Pathways to Scale

A factor in determining where financing opportunities can come from, is the innovation's end goal: who will adopt and own the innovation? Some EiEPC innovations seek government adoption, and therefore financing through government budgets. Others aim for UN or INGO integration, which makes multi-year humanitarian and development financing more accessible. Others still, will remain independent and seek commercial or not-for-profit models to scale.

These sustainability and end-goal questions are difficult to answer, especially in the early days of the innovation, and it is likely that different pathways will be explored, tested and re-directed throughout the innovation's journey.[3] However, innovators should keep the end goal in mind, as this will help them plan their work, and target their fundraising and spending effectively.

Examples of possible EiEPC scaling pathways:

Pathway to Scale	End owner	Financing for sustainable scale
Adoption into national curriculum	Government	Government budget
UN / INGO adoption	Adopting UN agency or INGO	Internal UN or INGO budgets Humanitarian and development funding
Long term Foundation or philanthropic grants	The Innovator	Foundations, long-term grants
Commercialisation	The Innovator	Various private sector models (ie. subscriptions, fee for service, 'robin hood' cross subsidisation)
Community led	The Community	Volunteers, grants, humanitarian and development financing

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3   Humanitarian Education Accelerator (2020), *Video Series: War Child Holland on what it takes to sustainably scale*. Available from: https://medium.com/hea-learning-series/video-series-war-child-holland-on-what-it-takes-to-sustainably-scale-82ef0681ed0d

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Breakdown of financing types and sources

There are various different types and sources of financing for scaling EiEPC innovations - ranging from innovation focused grants to wider education financing mechanisms, which whilst not specifically designed to support key components for scaling have potential to be more sustainable funding sources. This section will break down the main types and sources of financing and show the pipeline / continuity (or lack thereof!) so that stakeholders can better navigate the financing landscape. It will describe the following sources of financing:

- Innovation Grants

  » Through fund managers
  » Through organisations' internal pots

- Humanitarian and Development funding

  » Spotlight on Education Cannot Wait

- Private Sector / Foundations
- National Government budgets

2.1 Innovation Grants

The term "Innovation Grants" is being used to describe a category of financing. The main characteristics of this category include:

- Uses terms such as "grant" or "award" or "challenge prize";
- Often explicitly mention "innovation" in the title (others might refer to "tech");
- Mostly awarded by "fund managers". These are essentially intermediaries between donors (often governments) and innovators;
- Generally one-off payments;
- Generally a smaller amount of money (from tens of thousands of dollars to hundreds of thousands);
- Usually time-capped and have inflexible start and finish dates;
- Competitive application process.

Innovation Grants are used to support various stages of the innovation journey and activities within it. In recent years there has been a greater focus on "scaling grants" which shows a growing appreciation of the difficulties in scaling and the support needed for it. However, scaling grants are still outnumbered by earlier stage grants (such as for ideation and pilots).

With the exception of a handful of large grants,[4] most scaling innovation grants are not designed to support innovations to get to sustainable scale. Rather, they will help support scaling preparations and experimentation with specific components of the scaling strategy. Innovators should be aware of this limitation, and take this into account when using finite resources to apply for them, and managing their expectations as to what they will cover.

Innovation grants change frequently. Some are discontinued, new ones are launched, and eligibility and criteria change. Being aware of the actors who are involved in innovation grant making is helpful for innovators to keep track of potential opportunities (see examples of current actors in footnote).[5]

When considering whether to apply for an innovation grant to support scaling, EiEPC innovators should consider the following:

1. Which stage of innovation the grant supports (ideation, piloting, preparation to scale?);

2. Context and thematic limitations (ie. might not cover education, or be limited to conflict settings);

3. Time caps (How long until the grant is awarded? How long does the grant last for?);

4. Reach requirements (Does it need to reach a certain number of people or countries?);

5. Size of grant (How much can it cover? How long will it last?);

6. Geography (Some grants are limited to organisations based in certain locations, and some limit the implementation to certain locations);

7. Match funding or proof of future funding requirements;

8. Application process (How long and how complex is the application process?);

9. Eligible organisations (Some grants won't consider private sector applicants, some need to have been operating for at least 18 months);

10. Earmarked funding (Is the funding in its entirety or in part tied to any specific activities eg. M&E?);

11. Existence/continuity of grant (Will the grant exist next year/round? Many grants are discontinued or changed. Is there the opportunity to extend the grant after it finishes?);

12. Non-financial support (Many grants offer capacity building and technical support as well as financial support).

13. Other exclusions or requirements (For example, some grants may not apply for children-based innovations, thus excluding many education innovations; others may require particular licensing, structures or status e.g. only developing technology which is open source.)

Innovations that originate within a large NGO, INGO or UN agency may also be eligible for internal innovation grants.[6]

Innovation grants serve an important purpose, and the proliferation of them in recent years shows the increasing value placed on innovation in the humanitarian and development sectors. However, there are still only limited grants applying to innovations at the scaling stages, and these grants do not yet cover comprehensive scaling

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4 For example, the Global Innovation Fund provides grants of up to $15 million for scale, and MacArthur Foundation's 100&Change awards up to $100 million for a single proposal (other finalists receive $15 million). Note that the winner of 2017's 100&Change award was an education innovation: Sesame Workshop and the International Rescue Committee.

5 They include: Elrha's Humanitarian Innovation Fund, UNHCR's Humanitarian Education Accelerator, African Union Education Innovation Award, Global Partnership for Education's Knowledge Innovation Exchange, Theirworld's Education Innovation Award, Grand Challenges Canada's Grand Humanitarian Challenge, Innovation Norway's Humanitarian Innovation Programme, GSMA's Humanitarian Innovation Fund, Dutch Relief Alliance's Dutch Innovation Fund.

6 For example, UNICEF 's Global Innovation Centre and UNHCR's Innovation Fund.

activities. EiEPC innovators should be aware of the limitations of innovation grants, and donors/funders should manage their expectations of how much can be achieved with these funds.

2.2 Humanitarian and Development Funding

To implement the EiEPC innovation in more locations or with more children (scaling up and/or out) and to reach sustainable scale, innovators will need to move beyond one-off innovation grants, and into longer term, multi-year financing. One of the main options to do this is through humanitarian and development financing.

What is not clear, however, is how and when an innovation "qualifies" for traditional humanitarian and development financing. Humanitarian and development spending favours tried and tested solutions, and consequently there is a low risk appetite for financing new, innovative solutions.[7] This leaves EiEPC innovations in an unclear financing position: when can they transition from "innovation grants" into "traditional" humanitarian and development funding?

Humanitarian and development financing is complex, and can be difficult to navigate for those new to the sector. Several recent publications have comprehensively described the architecture of financing EiEPC including a report on Financing Education in Emergencies by The Geneva Global Hub for Education in Emergencies[8] and Theirworld's Education Finance Playbook.[9] [10] Some relevant points from these reports include:

- International aid for EiEPC comes from both humanitarian and development assistance. It is channelled through UN agencies, NGOs and intermediaries, including dedicated global funds for education response such as Education Cannot Wait (ECW) and the Global Partnership for Education (GPE). Aid recipients include Governments, UN agencies, national and international NGOs, and civil society organisations.[11]

- EiEPC straddles the line between development assistance and humanitarian aid - especially in regards to protracted crises. Therefore innovators should keep both sources in mind.

- ECW, as an education specific fund, is the clearest opportunity to access humanitarian and development funding for EiEPC innovations.

- Funds originate primarily from Donor Governments. However, they are likely to go through several intermediaries before they would reach an innovation. This means there can be visibility and pipeline issues between donors, fund managers and innovators which need to be addressed.
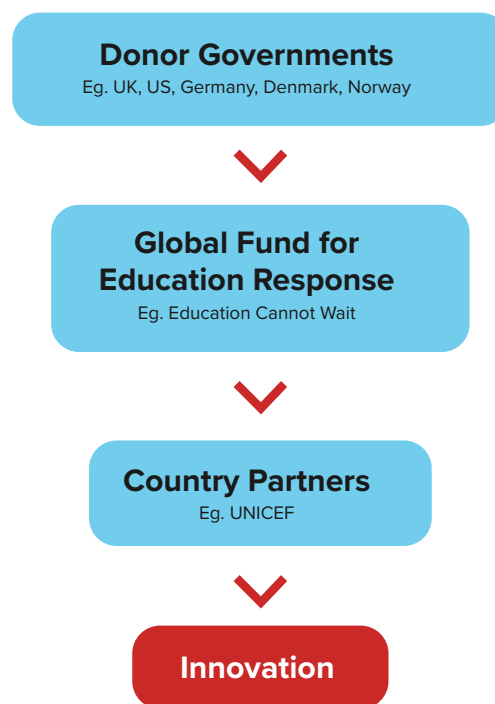
An example of the flow of EiEPC funding. The Donor Governments have effectively outsourced the fund management role for education to Education Cannot Wait, who in turn, rely on country partners to design the education programmes and undertake horizon scanning. The Country Partners - if successful with their grant - can then sub-grant onwards.

- If the EiEPC innovation crosses sectors (for example it includes child protection and/or cash transfers), then funding for these other sectors can potentially be accessed.[12]

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7 Note that the sector is exploring new and innovative ways of financing, see for example: Centre for Humanitarian Leadership (2021), *Transformation in the aid and development sector? Funding Models and Finance.*

8 Geneva Global Hub for Education in Emergencies (2022), *Financing for education in emergencies coming up short in the wake of COVID-19.*

9 Van Fleet, J, (2021), *The Education Finance Playbook (Theirworld).*

10 Another helpful publication which looks at humanitarian innovation financing (beyond education) is Gray, I. Hoffman, K. (2015), *Finance Case Study for the Humanitarian Innovation Ecosystem.*

11 Geneva Global Hub for Education in Emergencies (2022), *Financing for education in emergencies coming up short in the wake of COVID-19.*

12 For example, Joint programming with other sectors has also been an important resource mobilisation strategy for the Yemen Education Cluster: Geneva Global Hub for Education in Emergencies (2022), *Financing for education in emergencies coming up short in the wake of COVID-19.*

Spotlight on Education Cannot Wait (ECW)

ECW presents one of the strongest opportunities for multi-year EiEPC innovation scaling finance.

Started in 2016, ECW is the United Nations global fund for education in emergencies and protracted crises. The fund's top bilateral contributors are Germany, the United Kingdom, the United States, Denmark and Norway. [13]

ECW has three funding mechanisms:

1. First Emergency Response (FER),
2. Multi-Year Resilience Programme (MYRP), and
3. Acceleration Facility (AF).

The FER window, as the name implies, activates quick rapid financing for emergencies. While the funding is flexible, innovation opportunities are not really baked in as the financing generally goes to solutions that are more established and up and running. The AF focuses more on global public goods than implementation, so while the flexible pot of money could potentially support innovations through research and learning, it is unlikely to be used for direct innovation implementation.

The MYRP funding window facilitates needs-based multi-year programming and financing in immediate and medium term responses, and aims to bridge relief efforts to development interventions.[14]

MYRP amounts vary from approximately $10-40 million. They are granted over multiple year periods (usually three), and can be renewed. MYRPs are not homogeneous processes or products; they are different across contexts, in terms of how they are designed and implemented.[15] They are developed at country-level by a coalition of actors working in education in the crisis-affected area, in close collaboration with national governments.[16] Different countries have different systems: some are led by Education in Emergencies Coordination Mechanisms, sometimes it's the Education Cluster, sometimes the Refugee Working Group, and sometimes a mix of all three.

ECW is flexible with the MYRP funding - it is up to the country partners to design the programme and how it is spent. MYRPs therefore provide an opportunity for suitably aligned innovations to be included in multi-year programming and financing.

MYRP processes are being reviewed in order to evaluate their effectiveness and consider future changes.[17] While the majority of funding in the past has been channelled through UN and INGOs, ECW's new Strategic Plan places greater emphasis on involving local partners in the design of programming and ensuring that a greater share of funding is channelled through local organisations.

[13] Geneva Global Hub for Education in Emergencies (2022), *Financing for education in emergencies coming up short in the wake of COVID-19.*

[14] Education Cannot Wait, Country level MYRP and FER Coordination. Available from: https://ecwwebsiteweunk7axyq.devcloud.acquia-sites.com/our-investments/information-grantees

[15] Oxford Policy Management (2021), *Evaluation of the ECW MYRP Modality Final Synthesis Report. Education Cannot Wait, Country level MYRP and FER Coordination.* Available from: https://ecwwebsiteweunk7axyq.devcloud.acquia-sites.com/our-investments/information-grantees

[16] Education Cannot Wait, Country level MYRP and FER Coordination. Available from: https://ecwwebsiteweunk7axyq.devcloud.acquia-sites.com/our-investments/information-grantees

[17] Oxford Policy Management (2021), Evaluation of the ECW MYRP Modality Final Synthesis Report.

2.3 Private Sector and Foundations

The Private Sector and Foundations have a role to play in the financing of scale of EiEPC innovations. The CENTRIM Humanitarian Innovation Financing Case Study from 2015 even described them as being at the "forefront" of humanitarian innovations.[18] They can provide not only financial support, but also potentially people, know-how, access to production capabilities and core competencies and play a brokerage/facilitation role.[19]

Their support can be varied including as "hands-off" whereby they provide financing and allow the implementation to be done through the grantee, or as an "active donor" where their involvement is deeper, and often brings in their own expertise and/or other support such as brokering relationships with more partners. For example, the Lego Foundation has deep expertise on the power and importance of play in Early Childhood Development, so when they financially support education initiatives, they also contribute their expertise. Porticus, when supporting an initiative, will look for the gaps - what's missing - and broker partnerships and types of support to fill these gaps.

Private Sector and Foundations can be flexible with their funding and support. While they will have their own internal strategies and rules, they are not as restricted in their financing as humanitarian and development actors. Porticus, for example, does not have a prescriptive list of criteria for their support. Rather, guided by their strategy, they determine what and how to support initiatives on a case-by-case basis. Therefore, in general, Private Sector Donors and Foundations can be more flexible, risk-taking, and support a broader range of work.

Getting on the radar of the Private Sector Actors and Foundations varies with each actor. Some run tenders and Request for Proposals (RFPs), some may consider unsolicited applications (for example over LinkedIn), and some rely on their internal expertise or that of their partners and network to flag suitable funding candidates. The two Foundations interviewed for this Learning Paper (Lego Foundation and Porticus), both expressed a preference for the latter. This shows the importance of the visibility of the innovation. Innovators can improve their visibility and networking through stakeholder mapping - looking at target donors and the networks they're active in (for example, INEE), and using strategic communication to capture the donors' attention.[20]

There are of course limitations to Private Sector and Foundation support for scaling. Private Sector Donors and Foundations are not always immune to the common donor habit of supporting the "shiny" innovations which attract large numbers, headlines, or use new technologies. There is also a tendency to support early stage innovation - ideation and pilots. Scaling support is more likely to involve more mundane activities such as overheads and capacity building. These are less tangible, more complex, and not news-worthy. The Foundations interviewed for this Learning Paper were aware of this, with Lego Foundation saying they are challenging themselves to focus more on these less-exciting but crucial components, and Porticus supporting core costs and peer learning through communities of practice, while valuing its position as a quiet supporter.

2.4 Government funding

Adoption by government may seem like an ideal end goal for an EiEPC innovation: accreditation, adoption into national curriculums and access to government funding (as well as development funding via governments)[21] which could provide the basis for sustainable scale. Unfortunately, the HEA

experience has shown that this is a complicated and often challenging ambition, and at times, not the most appropriate option.[22] Even if government adoption and financing is unworkable (or not appropriate for the innovation), relationships with government are

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18 Gray, I. Hoffman, K. (2015), *Finance Case Study for the Humanitarian Innovation Ecosystem.*

19 Ibid.

20 Recognising the importance of stakeholder mapping, HEA conducted stakeholder mapping activities as part of their capacity building in Stage 2 of Phase 2 HEA.

21 For example, through the World Bank or Global Partnership for Education.

22 Upcoming Learning Synthesis

crucial. This section explores what is known about the potential of government funding for scale.

National governments are responsible for the education systems in their country. While government spending on education has increased in the last decade, the effects of Covid-19, as well as the ongoing global recession and energy crisis, have meant that budgets have contracted significantly since 2020.[23] Therefore, there has been a greater reliance on international aid to act as a safeguard on education spending,[24] unfortunately at a time of significant reduction in aid spending globally on education.

When it comes to emergency settings - especially those with refugees - national education budgets become even more stretched. The costs of the crisis may have led to a redirection of funding (e.g. to health or security); national governments may give priority to the educational needs of their citizens before those of refugees and in many contexts are reluctant to use domestic funding for refugee education. In a smaller number of fragile contexts, the national government may not be well functioning, or might not be recognised by the international community. While international aid aims to support education in these contexts, there is also the risk that some crises, particularly protracted crises, become "forgotten", as new and more publicised crises arise and finite resources are redirected. Where refugees are not included into national systems, international aid support to that system is unlikely to reach refugee populations.

It's also important to note that "government" is an umbrella term to refer to multiple organisations and processes. Government decision-making and budgets are fragmented and made up of different departments and devolved decision making (e.g. decision making at a national, regional, district or school level). It's likely that innovators will need to engage, involve and co-ordinate with a wide range of government stakeholders. This is complicated stakeholder management and requires significant and sustained time commitment from innovators (including mapping who to engage, for what and when) to be done well.

Another risk is that government funding for innovative interventions can be vulnerable to changing personnel and politics. Where initiatives are seen to be tied to political leaders (ministerial or civil service) support can be withdrawn as those people change.

For these reasons, government financing for scaling of EiEPC innovations can be challenging and not always desirable. While there may be pockets of enthusiasm within the government, finding the finance to support a new innovative solution to wade through the messy middle of scaling is unlikely: especially in lower and middle-income countries ("LMICs") where 85% of refugees are hosted, and where 'covering the basics' of the education system is the priority. There are not yet enough case studies of successfully scaled EiEPC innovations to provide much more guidance on this, but it is prudent to assume that to access finite government resources, an innovation will need to have a convincing set of evidence, be easily implementable and replicable, and aligned with government policy.[25] Innovators may need to attract scaling finance from other sources (ie. international aid or Foundations) in order to build evidence and become established before working towards adoption by government.[26]

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[23] Geneva Global Hub for Education in Emergencies (2022), *Financing for education in emergencies coming up short in the wake of COVID-19*.

[24] Ibid.

[25] HEA alumni War Child Holland provide a number of high level recommendations for improving government partnerships which could contribute towards government adoption and funding. See: Humanitarian Education Accelerator Learning Series (2019) Partnerships: Ministries of Education. Accessible at: https://medium.com/hea-learning-series/partnerships-ministries-of-education-1cc183a1976b. A further resource which could provide guidance (although note it does not address EiEPC contexts specifically), is the Center for Universal Education at Brookings' report titled: How do government decision-makers adopt education innovations for scale? Implications for national-level education policymaking in low and middle income countries (2022) Accessible at: https://www.brookings.edu/wp-content/uploads/2022/09/Brookings_CR-Report_FINAL-1.pdf

[26] Note that while financing may not be forthcoming, government agencies can offer other types of support for scale. For example, HEA Covid-Challenge grantee Amal Alliance is currently scaling into Greece, and while not receiving direct financing from the government, the Ministry of Education is providing them with the hardware (i.e tablets) to run their programme on.

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Financing Scaling

So far, this Learning Paper has described different scaling stages, various pathways to scale, and explored the different types and sources of financing. This next section will look at what scaling finance aims to, or should cover. What is it that education innovators need to have financed in order to scale?

It is important that innovators understand and mobilise the resources needed for scaling. This means (amongst other things), understanding what money should be spent on, and where this finance can come from. Donors, funders and intermediaries should also understand these scaling activities so their support and funding are flexible and can enhance these activities.

Research and practice in innovation management find the following as conducive to scaling humanitarian - and in particular - EiEPC innovations:

● **Fostering relationships with Government:**[27] In EiEPC innovations, relationships with government are important, however HEA experience has shown that these relationships can be complex and do not necessarily result in funding. Understanding the importance and benefits of Government relationships for your innovation - whether that be non-financial support, accreditation, partnership brokering or opening of doors to other donors - is crucial. It is also important to understand that Government relationships require maintenance and evolve over time due to changing policies, priorities, and personnel.[28] Education innovators must make substantial time commitments and expend significant energy on navigating the regulatory and stakeholder management demands of engaging with government.[29] Further, to improve chances of government buy-in, innovators should work to ensure there's alignment between programme priorities and public policy priorities.[30] Where there is misalignment due to a need for systems change, sustained advocacy plays a crucial role.

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27 Innovators should note that "government" is a blanket term that could include but is not limited to Ministries of Education, Finance, and other departments and organisations.

28 AIR (2019), *Scaling Education Innovations in Complex Emergencies: Evidence From the Humanitarian Education Accelerator.*

29 Gray, I. Hoffman, K. (2015), *Finance Case Study for the Humanitarian Innovation Ecosystem.*

30 AIR (2019), *Scaling Education Innovations in Complex Emergencies: Evidence From the Humanitarian Education Accelerator.*

- **Documentation:** of organisational, financial, and partnership management.

- **Investments in research and development (R&D):** This is essentially an investment in future capabilities. Lessons learned from R&D can guide innovators to pivot, enhance or pursue completely new paths and is also key to making adaptations to enable replicability while maintaining quality. This can not only increase the innovation's impact, but also reduce costs.

- **Project management and leadership:** Scaling is a complex process with many moving pieces. It greatly benefits from coordination and management - both through human resources (staff) and a central repository for documentation and information (information management). Having these resources reduces administrative burden, and enables the innovation team to spend more time on other activities.

- **Evidence:** To be continually collected and used. Evidence of the "success" or impact of the innovation is clearly a prerequisite to scaling and should have been produced at proof of concept and then continually collected as the innovation is used with more people, or in new contexts. But impact evidence is not enough in and of itself to lead to scaling and adoption. Innovators need to continually collect different types of evidence - for example, evidence of cost efficiency and evidence of the team's capacity - and this evidence needs to be communicated to the right people at the right time in order for it to be convincing, and to attract financing and adoption. This is an ongoing piece of work that requires planning and resources.[31] Innovators should also not shy away from collecting and analysing more challenging evidence - focusing on doing no harm, as well as on sharing stories of success, is central to working with integrity.

- **Codification of the innovation:** Ease of replication can especially incentivise adopters.[32]

- **Bridge funding:** Cashflow is one of the most significant challenges faced by innovators. To stay afloat, funding may be required to cover running costs during lengthy partnership discussions, contract negotiations and even waiting to receive the grant funding as it's not uncommon for teams to wait months after project start dates for payments to be received. Flexible funding which can bridge innovators between grants is important to ensure work can continue and the innovation does not lose steam.

A number of these activities are and can be supported by innovation grants. For example, many innovation grants now have earmarked funding or focused support for evidence and M&E activities.[33] But these scaling activities are ongoing, and innovation grants are time capped. Therefore while small scaling grants might help build the foundations for scale, and assist to get adopting parties interested in the innovation, ongoing support is needed to really build up enough capacity and evidence to achieve sustained adoption. When seeking financing for scale, innovators should factor in the above mentioned scaling activities into their proposed budgets.

A potential problem that arises here, is the tendency of innovation grants and humanitarian and development funding to support scaling out instead of scaling up.[34] Rather than financing the above-mentioned activities in existing contexts in order to scale them up, financing structures preference the launching of new pilots in new locations - leading to the challenge of the 'perpetual pilot.'[35] There are a number of reasons financing and support tend to go this way, for example, innovation grants and humanitarian and development funding are often geographically or context focused and can change when a new emergency arises, or political support wanes in an existing one. Whether or not to scale up or out is a strategic decision for the innovators, but they should be aware that the financing availability and spending decisions will vary according to this decision.

31 Elrha (2021), *Impact evidence and beyond: Using evidence to drive adoption of humanitarian innovations.*

32 Scaling Community of Practice, (2021) 2021 Annual Workshop: Education Working Group Workshop Session. Available at: https://www.youtube.com/watch?v=SLbl_tRz3mg

33 For example, the Humanitarian Education Accelerator focuses their support on building internal M&E and scaling capacity, in addition to evidence generation. GSMA's Humanitarian Innovation Fund has a separate pot of funding for grantees to use directly for M&E, and Theirworld's Education Innovation Award earmarks £15,000 of the total £50,000 award to M&E. Another example are the Research Grants supported by GPE KIX which apply to research and development activities.

34 AIR (2019), *Scaling Education Innovations in Complex Emergencies: Evidence From the Humanitarian Education Accelerator.*

35 Ian Gray (2019) for the Humanitarian Education Accelerator, What do we know and what have we learned about scaling humanitarian education innovations?, HEA Learning Series: https://medium.com/hea-learning-series/what-do-we-know-and-what-have-we-learned-about-scaling-humanitarian-education-innovations-d91094fdade1?source=---------8----------------------

Recommendations

Financing for scaling of EiEPC innovations is still patchy. While there are increasing opportunities for accessing funds, and an eagerness from donors and fund managers to better support innovations, the current ecosystem does not yet have a consistent pipeline for financing scale. The following recommendations address EiEPC innovation stakeholders and propose how existing funds can be effectively used, and what can and should be done to improve future opportunities.

4.1 Recommendations for EIEPC innovators

- Be aware of the different stages of scaling and that different types and sources of financing will need to be accessed along the way (ie. a small transition to scale grant will set the foundations for scale, but longer multi-year financing is necessary to scale out and/or up and to reach sustainable scale).

- Consider the end-goal and pathway to scale early: Who will be the end owner of this innovation? Do they have funding for it? What other sources of finance can you use to reach this end-goal? Be aware that end-goals are likely to change throughout the innovation journey.

- Only apply for grants that you are eligible for, and ensure your application matches the criteria. For example, GPE KIX found that some applications they received for their research grants sought implementation/operational financing. While they were good innovations, the grants did not cover implementation / operational costs, and therefore did not receive the funding. It's often possible to speak with funders before applying to check alignment.

- Be realistic about what the grant can and will cover, and be realistic about not getting a renewal or follow on support from that grant-maker.

- Budget for overheads and more "mundane" types of support such as project management and capacity building. Donors and fund managers have expressed that they will support these costs if they are effectively communicated as to why they are needed and how they will be used.

- Familiarise yourself with humanitarian and development financing structures. In particular, how funding for EiEPC works (for example, see the Geneva Global Hub for Education and Emergencies Financing Report and Theirworld's Education Financing Playbook).

  » Consider joining consortia to bolster opportunities to bid for humanitarian and development financing.

- Look to fully understand the scope, approach and gaps within the ECW MYRP mechanisms in the country where your innovation is operating or seeks to scale out to. Identify whether your innovation is suitably aligned, and if so, where you can engage to play a meaningful role.

- Innovators should be aware of which Private Sector Donors and Foundations are active in the EiEPC and humanitarian innovation space, and find out how they provide their support. They should also find out more about the Foundation's preferences for support, for example, Lego Foundation focuses on interventions that contribute to systems change.

- Familiarise yourself with government operations: bureaucracy and financing mechanisms.

  » Financing: Try to understand / map where the government spends its education budget. Various civil society and/or private sector actors may be recipients and these parties could become your innovation's "customer" rather than the government itself

  » Bureaucracy: Having an understanding of government processes and building up a working relationship with them puts you in better stead for future government funded or supported opportunities. By developing these relationships, government actors can potentially become "champions" of your innovation.

- Innovators should undertake stakeholder mapping to identify and participate in as many relevant networks as possible to get on the radar of the donors who may not issue public RFPs, but could potentially provide support (whether financial or non-financial)

- Innovators should appreciate that while they may not get financial support from some donors, these same donors can play a valuable role in connecting with / brokering other donors and other types of support.

4.2 Recommendation for Donors, Fund Managers, Intermediaries

- All stakeholders should work together to create a pipeline of support. This could involve:

  » Earlier "transition to scale" funders such as HEA and Theirworld to help innovators find "the next step" regarding support and financing. Build in follow on funding opportunities where possible, and help broker relationships with onward opportunities and funders.

  » Creating a role of "donor coordination" whereby an organisation (potentially a future iteration of HEA) or a consortium of partners facilitate a platform where the various funders and stakeholders come together. This could form a platform for proven innovations, raising their profile and encouraging adoption by, or partnership with, large implementing partners.

  » Large funders to consider whether they can provide larger and longer grants to cover later scaling stages, and work with other donors to ensure there is a connection and pipeline between them. This will require learning from one another's programmes of support, for example, understanding each other's financing opportunities, requirements, and timelines.

  » Provide guidance to innovators about what the grant should cover to support scale. For example, encourage costings for project management, capacity building, bridge funding and M&E.

  » Provide more support for underlying management and not just for "outwards facing" aspects.

- Be realistic about what can be achieved with your grants / funding. Innovation and scaling grants are important and useful, but they will not get an innovation to sustainable scale. Rather, they will lay the foundations.

- Be aware of the risk that your funding can potentially incentivise innovators to split focus or propose activities that distract from scaling to create a more attractive application. For example, accidentally incentivising expansion into new settings rather than investment in other scaling activities.

- Long-term support and flexible funding is needed for innovations to diffuse and become sustainable. HEA Phase 1 found that more than 3 years of funding and support is needed to enable EiEPC innovations to scale.[36] Funding for scaling should aim to cover (in addition to implementation costs): Fostering partnerships with government, documentation, R&D, project management, M&E/evidence and codification of the innovation. Flexibility also speaks to donors allowing room for necessary pivots or adaptations to programming in response to learning and/or changes in the operating environment, as a key part of the scaling process.

- Humanitarian and Development funders (ie. ECW) should review their funding mechanisms and ensure there is a pathway for innovation. Rather than just awarding funding to established and proven initiatives, leave some room (and financing) for further testing and scaling of promising innovations and encourage consortium bids to incorporate innovation or innovation partners.

  » Further, to meaningfully operationalise the localisation agenda and capture some of the most innovative solutions and approaches, smaller grassroots community organisations, including Refugee-Led Organisations, need to be meaningfully engaged and capacitated to receive funding. Currently they face challenges getting a seat at the table, building the internal systems and capacity to receive funding and being treated as equal partners.

- Humanitarian and Development actors:

  » Define when an innovation can be considered the "new normal" or "standard practice". What does it take?

  » Be clearer about the humanitarian and development nexus. This should not be the innovator's responsibility to determine whether they qualify for certain funding streams - donors and funders should work together to define whether and when there is a difference.

- Appreciate that the current financing system for scaling EiE innovations is a "blunt instrument" and could be better nuanced and include more opportunities and more stage gates.[37]

- All stakeholders need to work to ensure there is better visibility from the donors/funders down to the innovators. For example, creating platforms or events where innovators can showcase their innovations and work for donors to consider.

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36 See Six Key Themes for Scaling Humanitarian Education Innovations (2019) https://medium.com/hea-learning-series/six-key-themes-for-scaling-humanitarian-education-innovations-4eafc77904eb

37 For example, the HEA and Humanitarian Innovation Fund stage gated approach. See: Launching Round Two of an Accelerator Programme: Supporting Innovations to Scale. (2019). Humanitarian Education Accelerator and Elrha's Humanitarian Innovation Fund (HIF). For a good example of how the private sector uses stage gates (and why the humanitarian sector could learn lessons from this), see CENTRIM Humanitarian Innovation: Finance Case Study - Gray, I. Hoffman, K. (2015), *Finance Case Study for the Humanitarian Innovation Ecosystem*.

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