



DANISH
RED
CROSS

**Capability to
Innovate**

**Assessment of DRC
strengths, weaknesses,
opportunities and barriers
when working with
innovation**

May 2020

DareDisrupt

Introduction

Why an internal innovation capacity building exercise?

Our world is undergoing a transformation. From having been local and linear for thousands of years, it is now both global, interconnected and exponential, and the speed of technological development is accelerating offering both magical possibilities as well as devastating risks. The many new possibilities force organisations to reflect on the problems we are trying to solve, and question whether we are solving them in the best way possible.

The Red Cross & Red Crescent 2030 strategy states¹:

"We find ourselves at a moment in time when our work is more important than ever. We have the responsibility to use our reach and our resources effectively. To do this we must listen, think and be ready to act differently, and be open to learning and adapting along the way... [we need] to be anticipatory, forward-looking, and invest in spaces for experimentation and innovation that can become mainstream when successful. We know that in such a dynamic world, agility and the ability to capitalise on opportunities will be essential."

The need for humanitarian assistance is rapidly increasing, as is the cost², putting a pressure on humanitarian organisations to create more for less. Finally, new actors are moving into the humanitarian space, creating increased competition for space and resources. Organisations need to reinvent the way they work to address the new challenges, but also to be enabled to harness new opportunities.

Therefore, the DRC has initiated an innovation capacity assessment and capacity building process with the purpose of strengthening and increasing the DRC's efforts in systematically supporting and implementing innovation, building on experiences already generated. This process ran from October 2019 until February 2020 and was assisted by external consultants. This assessment report, its recommendations and the two guidebooks 'DRC Management Guide for Innovation' and 'The DRC Innovation Toolbox' are both the result of that process.

The deliverables of innovation capacity assessment and capacity building

There are three deliverables for this internal DRC innovation capacity assessment and building process:

- 1) An assessment report providing: a stocktaking of the DRC's current innovation management system and activities, an outline of key findings from the data collection and recommendations for future actions.
- 2) A DRC management guide based on the report recommendations, and a roadmap to guide future actions to strengthen the DRC's innovation management capacities and capabilities.
- 3) A DRC toolbox for all DRC staff who seek concrete tools and guidance on how to engage more with innovation practices in their work.

These three deliverables can be read and used separately.



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1. Strategy 2030: A Platform for Change, accessible [here](#).
 2. The Red Cross and Red Crescent's Principled Approach to Innovation



The consultants

DareDisrupt

DareDisrupt is a Nordic, Copenhagen-based, impact-driven company that focuses on technologies and disruptive innovation that tackle the biggest issues of our time. We help organisations understand and utilise the potential of exponential technologies at to build systems for impactful innovation. The notion of "defining business by problems solved, not products sold" is at the core of our business model. As signatories of the Copenhagen Letter of Tech (2017), we strive for a world where technology is truly in the service of humanity. We are a part of the global movement thriving to reach the Sustainable Development Goals and believe that technology plays a pivotal role in this quest.

Quercus group

Quercus Group is a global strategic and hands-on consultancy firm specialised in multi-stakeholder engagement and innovation methods. We address complex and collaborative challenges of sustainable development and regional economic development making use of tools, tactics and methods of collaboration and innovation to create change. Since 2012 Quercus has worked with CSOs, business federations, corporates and governments in 35+ countries worldwide from our offices in Nairobi, New Delhi, Singapore and Copenhagen.

Methodology and process

This assessment has been conducted by external consultants from DareDisrupt and the Quercus Group. They were also the lead consultants on the Innovation Inception Review commissioned by the Danish Ministry of Foreign Affairs in 2019. The inception review assessed the innovation activities and the solidity of the trajectory of the innovation work to provide recommendations to 15 of the Ministry's Strategic Partners, hereunder the DRC. Thus, this innovation capacity assessment and capacity building process builds on the previous insights and findings from the inception review.

Definition of innovation

The assessment uses the following definition of innovation:

To create, try and/or scale something new in a specific context, in order to seek improved outcomes.

This definition includes all innovation along the entire spectrum from incremental to radical, and all types of innovations, such as product, service, model or method.



Data collection: between October 2019 and January 2020, evidence for the analysis was collected through:

- Review of relevant internal DRC documents
- Desk-based review of relevant literature on best practices, lessons learned, and recommendations on innovation in the humanitarian and development sectors and innovation management
- Two process-mapping workshops³ and three interviews at DRC headquarters
- Three country visits (Malawi, Ethiopia, and Kenya), in which 5-7 interviews and process-mapping workshops were held in each location with DRC and HNS partners
- The interviews included a total of 35 respondents

To validate the findings and ensure feasibility and suitability of the recommendations presented in this report, a total of three validation workshops were held in December 2019 and January 2020 presenting key findings with DRC staff and leadership, both at HQ and in the field. Two were held in-person and one as an online webinar. This report and the accompanying toolboxes have also been sent out for review to DRC staff who participated in the process



³ These process-mapping workshops included a mappings of regular programme/project life cycles, current internal reporting and compliance processes, and identification of current innovation processes, as well as interactive group discussions.

Frameworks

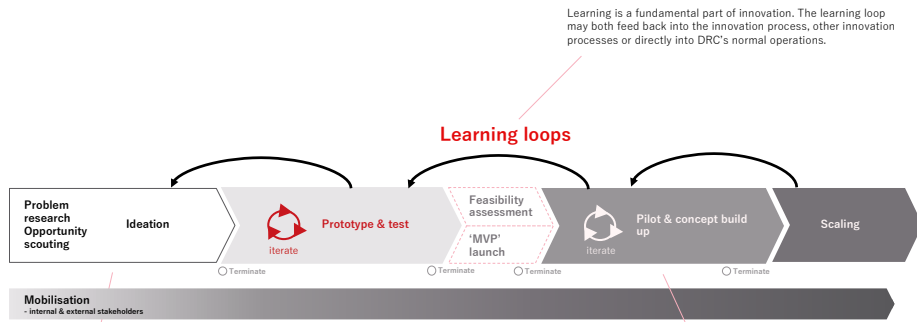
Two theoretical frameworks based on innovation management literature and practice were used to identify gaps, challenges, opportunities, strengths and weaknesses, both in the DRC organisational structure as well as in the innovation process. These frameworks were also employed to analyse how the DRC's innovation practice can and should fit into current processes and procedures within the DRC.

The Innovation Management System framework

The theoretical framework for the assessment is based on an innovation management system framework. An innovation management system enables an organisation to cooperatively explore opportunities with a common understanding of strategies, concepts, processes and tools. This framework encompasses the enabling factors needed to generate valuable innovation outcomes, hereunder good governance and needed skills and mindsets to do so. The framework has been developed, tested and continuously used by DareDisrupt. It is built on key innovation theory and literature, including the Corporate Startup and ISO Guidance on innovation management system⁴ as well as practice. Further description can be found in The Innovation Management Guide.

The Innovation Process Model

In order to understand the enablers and constraints for moving from an idea for an innovation to a scaled improved outcome, the assessment also made use of the process model of innovation (see below). This model depicts innovation as a process of activities that lead up to scaling a solution. It is a valuable tool for depicting the nature of innovation as a process, and has proven successful in practice in previous DareDisrupt assignments. It is adapted from other innovation process models presented in innovation literature (including the Lean Startup, the Corporate Startup and the Humanitarian Innovation Guide) based on the findings of this study, in order to best reflect both existing DRC processes and the desired innovation processes.

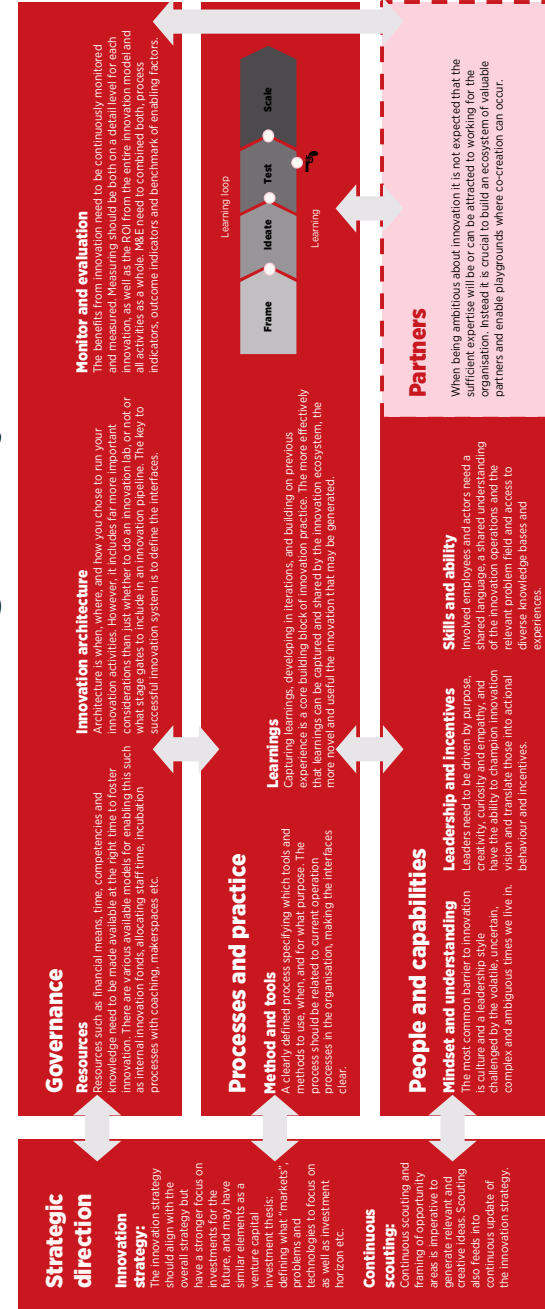


Learning is a fundamental part of innovation. The learning loop may both feed back into the innovation process, other innovation processes or directly into DRC's normal operations.

There are often an abundance of idea and the key is making sure that you have the most relevant ones. It is important to be open to new opportunities, ensure that the problem is properly understood, and map out previous attempts at potential solutions. Scouting and problem research can also reveal avenues for collaboration, important learnings and insights that can help to ensure that an innovation process does not replicate an existing solution.

Adapting, testing and building a solution is rarely a linear process, and when creating something new or untried, several iterations may be needed before a workable solution is generated. The iterative building and testing phase is the focus of much innovation theory today, and much emphasis has been put on the ability to rapidly test and validate innovations in order to not waste resources on non viable ideas.

The elements of an innovation management system



4. ISO 56002 (2019-07) Innovation management - Innovation management system - Guidance.

Stocktaking of the DRC's innovation management and activities

Innovation in the DRC at present

Together with a broad range of multi-sector partners, the Danish Red Cross has engaged in innovation for years - developing and testing innovative and technical solutions, finding new and better solutions is an integrated part of most programmes.

Innovation is moreover a priority for all departments of the DRC. In line with the outlook in the beginning of this report, the DRC has defined the following ideals applicable to the whole organisation:

- Ambition to change
- Willingness to take informed risks
- Acceptance of failure
- Learning from doing
- Localisation and human-centredness
- Collaboration with multi-sector stakeholders

Since 2018, one of the DRC's main donors, the Danish Ministry of Foreign Affairs (MFA), has allowed all its strategic partners to spend up to 10% of the total grant for innovation. Therefore, the DRC is now financially in a unique position to further boost innovation throughout its international operation and mainstream its way of working with innovation.

In 2019 DRC spent about 3% of the total grant from DANIDA on innovation, equivalent to 6 M DKK

The definition for innovation provided by DANIDA is fairly broad (see next page) and thus it has been up to the strategic partners to set the scope, boundaries, and focus for innovation, in consultation with the MFA.

At current, the DRC has not adopted an organisational definition of innovation, and therefore the concept and practice at times causes confusion and frustration in operations.

The DRC's innovation is at present primarily centred around health and Forecast-Based Action (FBA) in disaster-responses, as well as innovative financing and new business models.

The three focus areas are managed by different portfolio managers and are funded by the DANIDA Strategic Partnership Agreement (SPA) as well as other funds.

Furthermore, the DRC has an internal innovation pool

from which anyone in the country's operations may apply with a Host National Society (HNS) partner for maturing innovative ideas, turning them into clear concepts, validating the concepts, and assessing their feasibility. In 2019 there were 3 applications, all of which received resources to fund their early stage activities.

Reporting of innovation activities has been done to a varying degree. Some activities have been reported as part of the DRC's internal reporting processes: the Quarterly Progress reports (QPR), the Project Progress Reports (PPR) and the Country Programme Progress Reports (CPPR). Some innovation activities have not been formally reported on, but rather shared informally amongst colleagues, at meetings, events and in learning documentation.

Going forward, the DRC aims to make innovation integral to how we work, which entails adopting new approaches and structures that can support a sustainable organisational culture of innovation that incentivizes working in new ways.

On the pages 10-11 of this report you will find a non-exhaustive overview of previous innovation activities⁵ since 2018.

DRC focus areas for innovation

- Ensuring healthy lives for all in poor, unstable, fragile and humanitarian contexts
- Promoting Forecast-Based Action (FBA) to achieve a more effective humanitarian system in conflict and natural disasters.
- Exploring innovative financing mechanisms and new business models to: test approaches that enhance programmatic effectiveness and efficiency; seek out mechanisms that transfer risk to private sector; and finally, to promote organisational and programmatic change

This review finds footing in the innovation framework defined by the Ministry of Foreign Affairs of Denmark

“Organisations can set aside up to 10 pct. of the engagement budget for innovation in order for them to experience and catalyze efforts to seek improved outcomes, based on flexible and high-risk investments and new partnerships. The innovation funds should be used to develop new approaches, methodologies, technologies and knowledge products to seek improved outcomes, including in relation to high-risk investments. This includes the development and piloting of new strategies and operational approaches aiming at supporting programmes with a tested menu of tools and methodologies that the organisation can draw upon and take to scale across programmes and contexts and bringing in special expertise as required for such purposes”.

Source: Information note as part of the SPAa selection procedure, 2017

Previous and ongoing innovation initiatives

The activities listed below all received funding or part funding from the SP frame and was performed between 2018-2019

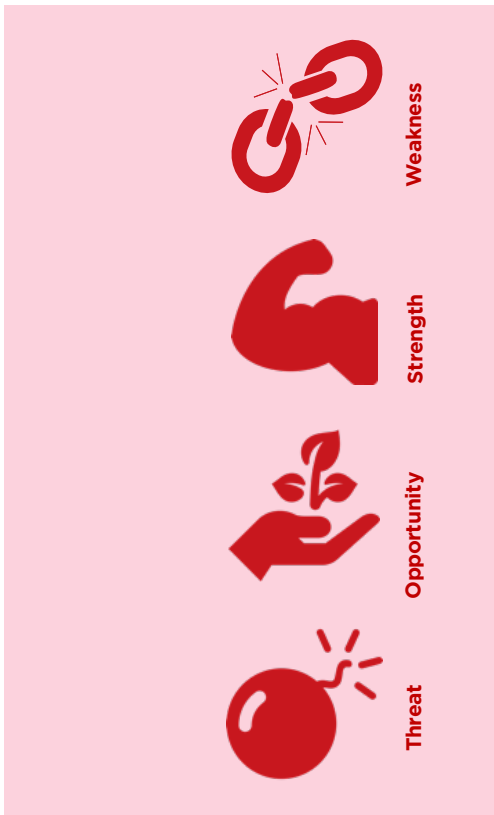
Name	Activity	Contact person/team	Thematic focus	Country partners	External partners
Volcano Catastrophe Bond	Conceptualisation	Adam Bronstein	Innovative financing & business model innovation	-	Solidum Partners, LTG, Barcelona Supercomputer Centre, DFID, Global Parametrics, Mayer Brown, Artemis, DANIDA
Ecosystem-Focused Financing	Idea & conceptualisation	Adam Bronstein	Innovative financing & business model innovation	Ethiopia Red Cross and Austrian Red Cross,	Water.org, World Bank, Ethiopian Rainwater Association, Global Resilience Partnership, various Ethiopian microfinance institutions
Digital platform to improve access to information for migrants	Study	Country coordinator in Belarus	Other	Belarus Red Cross	-
Emergency communication tool enabling disaster assessment communication	Support development	Jakob Harbo	Other	Philippines	Linkaiders, Danish Embassy
Safe delivery app	Review of opportunity	Health team	Health innovation	Myanmar and Guinea	Maternity Foundation
Virtual Reality in Psychological First Aid Training	Testing the potential	Reference Centre for Psychosocial Support, IFRC (Martha Bird)	Health innovation	IFRC reference center, domestic DM volunteers	XVR, PS Center
Forecast-Based Action (FBA)	Follow-up and capturing learnings	Anne Mette Meyer	Forecast-based response	Malawi	ECHO, Global 510, RCRC Climate Centre
Forecast-Based Action (FBA)	Feasibility study	Anne Mette Meyer	Forecast-based response	Nepal	RCRC Climate Centre
New forms of voluntarism	Study	Katharina Dihm	Other	Malawi, Kenya	-
Non-Communicable Diseases (NCDs) in Emergency response	Bootcamp	Health team	Health innovation	-	Novo Nordisk, Copenhagen University and NCDFREE
Impact Investing	Industrial PhD partnership	Jakob Harbo	Innovative financing & business model innovation	-	Aalborg University, Access2Innovation and WWF Denmark
Community Inclusion Currencies	Approaching partners	Adam Bronstein	Innovative financing & business model innovation	Kenya	Grassroots Economics, Aon, Accenture, DSV Logistics, Danish Refugee Council, GIZ (German Development Bank), Ethereum Foundation, Sempo, MakerDAO, DOEN, Innovation Norway, Kenya Red Cross, Norway Red Cross, Netherlands Red Cross, American Red Cross, and IFRC
Outcome Fund	Approaching partners	Adam Bronstein	Innovative financing & business model innovation	Ethiopia	Social Finance, Retrak, UNICEF, World Bank, Save the Children, Care, Government of Ethiopia, UN OCHA, etc
Ecosystem-Focused Financing	Feasibility	Adam Bronstein	Innovative financing & business model innovation	Rwanda	Rainwater Harvesting Association
Refugee and displacement financing	Attending conferences	Adam Bronstein	Innovative financing & business model innovation	N/A	-
Forecast-Based Action (FBA)	Proof-of-concept and evidence-building	Anne Mette Meyer	Forecast-based response	Malawi and Mali	ECHO, Global 510, RCRC Climate Centre
Digital health workshop	Planning hackathon	Health team	Innovative health	Armenia, Kenya, Niger, Iraq, Syria, Guinea, Myanmar, Zimbabwe, Lebanon, Malawi, Ukraine	Inno-X Department of Aarhus University, Leoilab, DTU
Nordic working group on innovative/alternative financing models	Support to the Nordic working group	Adam Bronstein	Innovative financing & business model innovation	Swedish RC, NorCross, Finland RC, Iceland RC and Netherland RC.	-
Red Cross venture capital fund	Evaluation	Adam Bronstein	Innovative financing & business model innovation	IFRC & British Red Cross	Excelsoir
Unumed	Feasibility study and pilot	Karen Kisakeni Sørensen	Innovative health	Kenya	Unumed
CSR and new business models	Review and analysis of existing innovative practices	Karen Kisakeni Sørensen	Innovative financing & business model innovation	Belarus	2 external consultants/advisors
Sustainable waste by empowering youth	Innovation workshop on the theme	Karen Kisakeni Sørensen	Innovative financing & business model innovation	Kenya	Quercus group
Migration and NCDs	Workshop	Adam Bronstein	Innovative health + innovative financing & business model innovation	Ethiopia, Kenya and Sudan	-

Stage	Technology	Next step in 2020
Ideate & design	Data modelling and blockchain	Continue to test
Ideate & design	-	Continue to test
Research and scouting	-	Discontinue
Prototype & test	Mech-technology	Partner continues piloting independently (DRC has a royalty agreement)
Feasibility study & pilot	Mobile technology	Continue to scaling together with Maternity Foundation
Prototype & test	Virtual reality	Next step are under review
Pilot	Data forecasting and data modelling	Continue iteration of pilot
Feasibility study	Data forecasting and data modelling	Continue to test in 2019 and pilot in 2020
Research and scouting	-	Discontinued
Ideate & design	-	Continue to feasibility study, prototype & test
Research and scouting	-	Continue in 2020
Feasibility study & Mobilization	Blockchain	Continue to test
Ideation & Mobilisation	-	Continue to ideate & design + feasibility study (study to set indicators)
Feasibility study	-	Discontinued, learnings are feeding into regional projects
Research and scouting	-	Learnings and ideas have informed other projects.
Piloting	Data forecasting and data modelling	Continue iteration
Ideate & design	-	Continue in ideation & design
Research and scouting	-	Continue (and transform into an innovative finance hub)
Feasibility study	-	Continuous exploration of opportunities
Pilot	Data, biometrics	KRSC and Unumed continue pilot in 2020
Research and scouting	-	To be evaluated
Research and scouting	-	To be evaluated
Research, scouting and ideation	-	To be evaluated

DRC's strengths and weaknesses with respect to innovation

This stocktaking and assessment of the DRC is focused on organisational strengths, weaknesses, threats and opportunities in supporting and managing innovation assessed using the framework of the Innovation Management System (see figure on page 7). A summary at the end of this document discusses all strengths, weaknesses, threats and opportunities identified.

This assessment and its recommendations are based on the data collection and frameworks described in the methodology section. Conclusions are those of the consultants. The DRC therefore cannot be held responsible for its conclusions. Recommendations are also those of the consultants. Recommendations are based on best practices in the humanitarian sector and beyond; however, it is for the DRC to decide how to proceed with the recommendations and tools provided.



1. Strategic direction

Strategic direction for innovation is perceived as unclear



Strategic direction currently consists of three themes that give guidance on areas within which to focus innovation efforts (innovative financing and new business models; Forecasted-Based Action; and health innovation). The outcome goals for these three themes are not, however, specified in terms of what improved outcomes these focus areas should bring about. The international strategy, moreover, mentions strengthening the enabling factors for innovation, such as culture, mindset and mainstreaming ways of working.

However, there appears to be a lack of clearly communicated background as to why and how these themes are prioritised. Several of the respondents have during the assessment expressed confusion and uncertainty on what activities or initiatives may or may not be prioritised, and reported that they sometimes refrain from engaging in innovation (e.g. by applying for funding from the internal innovation pool) due to this uncertainty and confusion. This is further amplified by the fact that innovation appears to be absent in most other strategies, such as country strategies.

Further, the strategy is not clear regarding e.g. the time horizons, level of risk-willingness, innovation portfolio balance, the DRC's role in the innovation process, rationale for investing in innovation initiatives outside of the priority areas, or the main goal for innovation. These are important considerations in order to prioritise investment in innovation or R&D activities. The currently planned activities and existing strategic guidance seem to differ between current regional and country strategies and operations, rather than being connected to a future vision for the organisation or any demonstrable opportunity mappings. It is important to recognise that the relevant problems of the future may not be the same as today. Since innovating new solutions in the context of the DRC's work often takes significant time to develop and launch, it is important to have a longer outlook for what type of world and societies these should fit into, in order to avoid unacceptably high sunk-costs or irrelevant output.

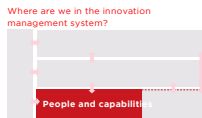
The DRC has reached the maturity level for more precise strategic direction

The DRC has been assessed to now be at a maturity level where a more precise strategy for innovation may be formulated. Several innovation initiatives have been launched and learnings from these can feed into the choices and prioritisation in the strategy. Both the Red Cross and Red Crescent (RCRC) movement⁶ and the DRC have respectively engaged in scouting future opportunities that could be leveraged when formulating a *future thesis* for innovation in the DRC. Moreover, innovation-driven activities such as scouting and opportunity-mapping can also be incorporated as part of strategic processes. This would improve the DRC's responsiveness in its work.

Recommendations

- Formulate a future thesis for the DRC and regularly scout for future opportunities
- Define clear strategic priorities for innovation detailing the following:
 - Desired portfolio balance between long vs short term investments
 - Risk-willingness in investing innovation activities
 - Define the burning platforms and outcome goals for why the DRC should invest in innovation through the three focus areas and beyond. (Is the motivation: to strengthen the DRC's core operation; to reinvent the DRC's approach to humanitarian response and development; to do more for less resources; to achieve greater impact in defined areas; to redefine role of the DRC or empower the ecosystem of partners; etc.?)
 - Identify the DRC's core contribution in the innovation process (e.g. as knowledge partners, implementing partner, connecting partners, access to testing grounds etc.)
- Define strategic innovation priorities in regional and country strategies, and results contacts where relevant, to drive innovation strategically and anchor chosen priorities organisationally.

6. Strategy 2030: A Platform for Change accessible [here](#).



2. People and capabilities

Culture favours innovation



The DRC appears to be blessed with an open, agile and purpose-driven culture. The impression is that there is generally a robust openness and curiosity for 'trying' a new approach. Critical thinking and critical questions are valued, and there is a high degree of trust within the DRC (and commonly also between the DRC and their partners). Thus, there is not, across the organisation, a perception of any 'red tape' or system of rules which forbids any new way of thinking or doing.

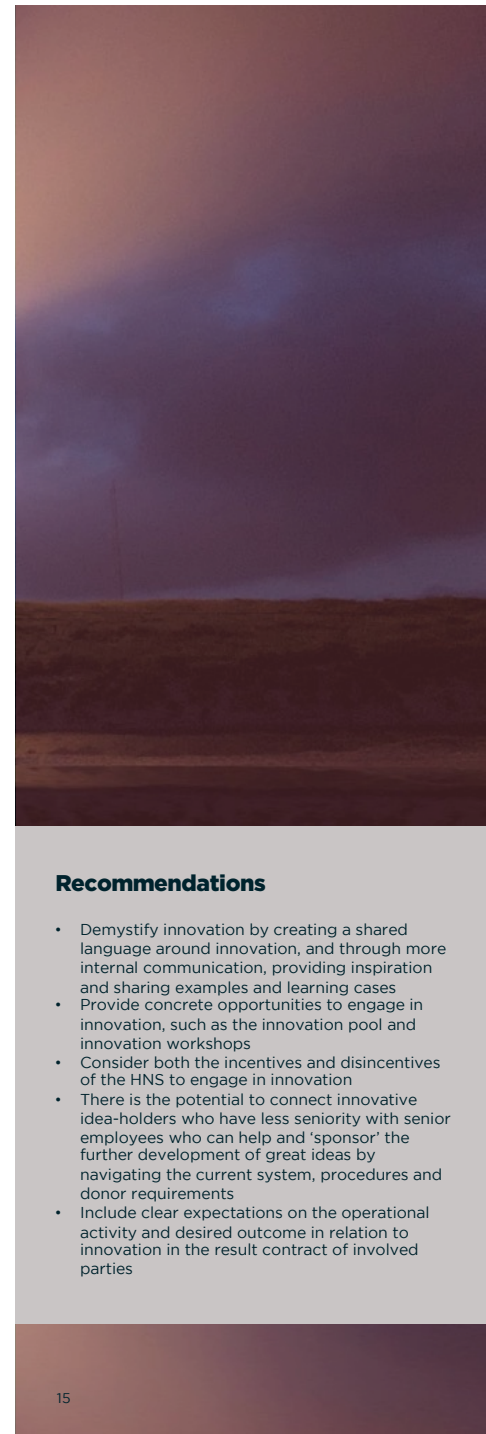
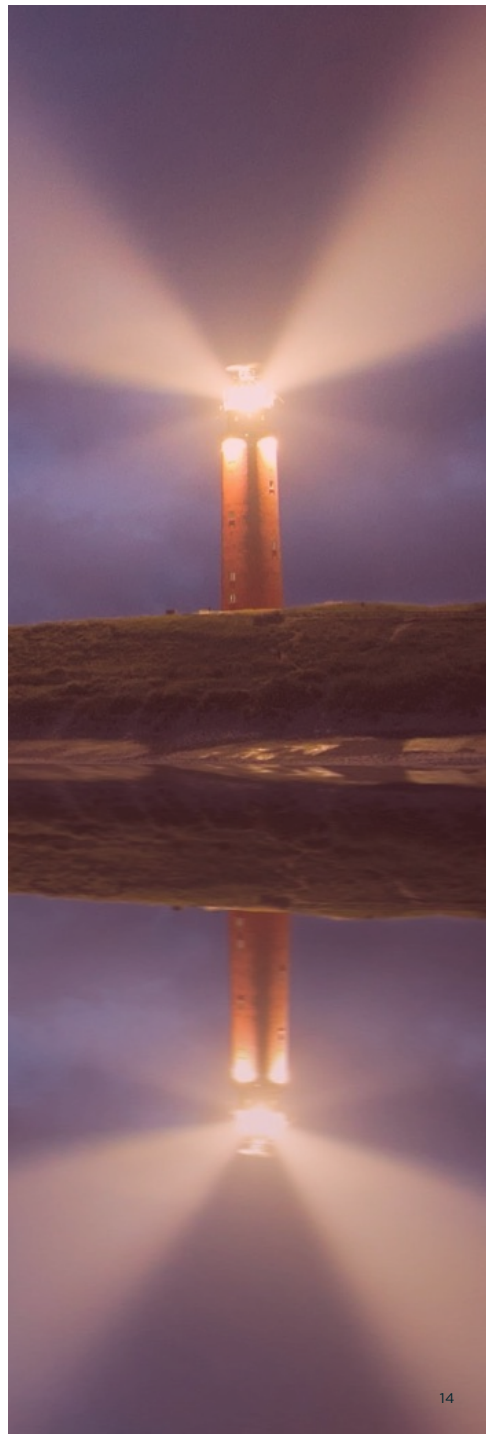


Individuals with strong intrapreneurial skills

The organisation hosts individuals with very strong intrapreneurial skills who are solutions-oriented, self-driven, entrepreneurial and who are able to both ask critical questions and create results with their innovation initiatives. This is a core strength of DRC's innovation capability and need to be nourished and built upon.

These innovation lighthouses are in general employees who have a long experience from the humanitarian sector and/or a solid understanding of its actors, complexity and dynamics as well as those knowing DRC very well. In combination with that, they have a deep technical expertise in one or more related fields. They are skilled and liked networkers who are able to engage colleagues and partners to gather support for their ideas and they are passionate about the topic they are working on and not afraid of pushing boundaries or navigating around the system if needed.

Some of these individuals have already generated results when working with innovation. However, most likely there are more of these individuals who only lack the encouragement and some free means in order to get started. This is an opportunity for DRC to generate even more successful innovation by investing in such individuals by for example dedicating time for innovation and incentives for innovating.



Recommendations

- Demystify innovation by creating a shared language around innovation, and through more internal communication, providing inspiration and sharing examples and learning cases
- Provide concrete opportunities to engage in innovation, such as the innovation pool and innovation workshops
- Consider both the incentives and disincentives of the HNS to engage in innovation
- There is the potential to connect innovative idea-holders who have less seniority with senior employees who can help and 'sponsor' the further development of great ideas by navigating the current system, procedures and donor requirements
- Include clear expectations on the operational activity and desired outcome in relation to innovation in the result contract of involved parties

How to DO innovation is not understood



However, for a large part of the organisation and its partners, 'innovation' seems rather unclear and mysterious, as does the organisational support that can be leveraged to innovate. Further, up until now, the DRC has not had a clear organisational definition of what innovation means and what the strategic approach to it is. Therefore, opportunities to engage in innovation activities are sometimes not made use of, even when resources are offered.

The inability to answer the question of what innovation is appears to continually block individuals from engaging further. The mindset is occasionally stuck in 'we need to invent something completely new', where the application of a new opportunity may be just as innovative and rewarding as inventing something that is new to the world. Many of the innovation pilot projects have, so far, been fairly technical and some very complex to understand for those not engaged in the concrete projects, which have not served the purpose of demystifying innovation.

Further, most innovation activities, however incremental, appear to become systemic due to the complexity in the field and large number of partners involved in any given project. Thus, the required skills and time for engaging in and sustaining the innovation initiative becomes even higher.



Innovation is not incentivised

Further, innovation seems, most often, to not be incentivised or in some cases even be disincentivised. Some managers find it difficult to argue why time should be spent testing something that might not work, when time and resources can be spent on more evidence-based approaches. Innovation and the DRC's priority areas are seemingly not part of most regional or country strategies or result contracts. In fact, many Red Cross NS may perceive a trade off between innovation and the Red Cross image and unique legal status as auxiliary to government and thus chose to stick with current operating model and rejecting innovation. When time and financial means become scarce, non-innovative activities that have a clear and reliable outcome tend to be favoured by senior leadership, and innovation becomes a privilege for individuals with free time (or for those who work in their free time).



Time is not set aside for innovation

Those who would wish to engage in innovation activities often struggle to find the time to do that in their day-to-day work. Furthermore, many innovation initiatives at DRC seem to be conducted in an ad-hoc manner when an opportunity arises and is not necessarily strategically planned. This makes it difficult for staff to take on extra projects and tasks in addition to their existing commitments, and those who do might do this as an add-on to their current workload. If innovation activities were more strategically planned and incentivised, engaging in innovation might become possible for a larger group of individuals.

To sum up, the DRC possess a core resource in strong and skilled innovative lighthouse who drive innovation. However, there is likely a large untapped potential in the larger base of employees and partners, especially at grassroots level, who currently do not contribute to innovation due to the lack of clarity surrounding its definition, and its perceived inaccessibility, as well as lack of concrete rewards and encouragement to do so.

Where are we in the innovation management system?



3. Partners

HNS is interested - but navigate a multitude of priorities



All DRC innovation activities involve, at some stage, collaboration with the HNS, and potentially other local partners, since they are the implementing partners. Thus, commitment or support from the HNS is an imperative for the success of any innovation project.

In general, data suggests that HNS express an interest in engaging in innovation. However, they are often working with scarce resources in terms of both time and money.

Thus, experimental activities with less certain outcomes, such as innovation, may not be prioritised in day-to-day work. Further, HNS are often approached with an overload of innovation opportunities by various PNS and other stakeholders, e.g. private sector actors. These opportunities sometimes overlap and there is little coordination, giving the HNS the task to sort and prioritize.

From experiences so far, it appears that the key success criteria for a fruitful collaboration on innovation with HNS are:

- 1) The ability to "sell" an idea to an HNS and thereby present the value proposition to the HNS and the partnership. The value proposition for engaging in an innovation project is, however, different from country to country. Some find smaller projects are appealing, whereas others might prefer to have a longer-term strategic commitment to innovation.
- 2) A high degree of trust between the DRC and the HNS, including an early and continuous involvement of the HNS in an innovation process. Trust is also crucial in innovation initiatives that might attempt to do things differently and try uncertain approaches with higher risks involved than 'business as usual'. Some lighthouses may occasionally step on the toes of HNS when stretching the boundaries of what is possible and/or allowed. In these situations, a high degree of trust and continuous open dialogue between partners might mitigate the risk of local partners opting out. It is crucial to continuously invest in building and maintaining a good and fruitful collaboration.

Limited capacity and skills among local partners in working with new means and methods



One of the challenges for many HNSs engaging in innovation and driving it locally been the level of technical capability and scarce financial resources. Skills and expertise are often limited among local partners in, for example, data management, digital tools, alternative finance, new business models, opportunity scouting etc. Further, most programmes lack sufficient resources for capacity building of technical skills among partners, thus making projects requiring new skills and capabilities increasingly challenging and resource demanding to run.

Different levels of maturity among local partners in working with innovation



The maturity level and contextual conditions between local partners in different countries appear to vary significantly. These different maturity levels can be simplified into two categories, which both involve different challenges and opportunities.

The mature

Local partners who already have the capacities to initiate and engage in innovation projects themselves may, on the basis of that, build their maturity in terms of capability and capacity. This results in them also attracting more partners and resources for innovation. These HNSs, here called mature, are naturally more selective in engaging with partners and favour partners who too have a high maturity in working with innovation, and who are willing to engage in close strategic partnerships where capability is mutually strengthened by collaboration and knowledge sharing.

Less mature

Local partners who have less access to resources and capacities for working with innovation appear to also attract less partners and opportunities for engaging. Further, these HNSs often do not have any stated strategic direction for innovation, and thus there may be an opportunity to, in collaboration with the partner, shape the strategic direction in line with DRC ambitions and its focus for innovation. The lack of 'excess time' and technical skills may also limit the altitude and novelty of new ideas from these local partners, and thus narrow the scope of innovation to more incremental improvements. For these partners, there may be an increased need for capacity building than in the more mature HNS partners, both in terms of concrete technical skills and also in terms of stimulating innovative mindsets and culture.

Challenging contexts

In some regions and countries, surrounding context may pose additional challenges that are not present at other locations. Language barriers appear to be significant since most available guiding materials for running innovation projects are in English.

Additionally, most skilled innovation professionals (in the DRC's network) appear to, most often, speak mostly English. Moreover, unrest, political instability, reoccurring natural disasters or other contextual factors can also act as barriers for engaging in innovation. The HNS sensitivities to these contextual factors should be a key consideration for the DRC when choosing to engage HNS in innovative initiatives.

However, it was shown in this study that, in some contexts, there is an increasing focus and investment in innovation in the field from all actors. Therefore, in these contexts, it may be expected that partners' capabilities and capacities to work with innovation will increase going forward, regardless of DRC involvement. In that case, the DRC needs to both ensure their own continuous capability development, in order to be able to follow. It is also possible that local partners in the future will take a larger role in defining and setting the direction for innovation than today, which gives the DRC another role from selling great ideas to selling the DRC as a valuable partner in innovation.

Where are we in the innovation management system?



Potential for more private sector partnership and collaboration with academia



Many of the previous and current innovation projects have included successful ecosystem engagement, involving one or more private sector partners and/or partners from academia. It is evident that both DRC as well as the Red Cross and Red Crescent (RCRC) movement have a strong brand, attracting many potential partners who would like to collaborate. This is an opportunity; however, managing, selecting and integrating external partners requires strategies, longer-term operational relevance, time, and effort in order to succeed.

Until now, private sector partnerships have been mainly facilitated and encouraged by a private sector partnership adviser as well as taking place ad hoc throughout the organisations based on private relationships. The linkage between the private sector partnerships and innovation seems not to have always been clear; information has occasionally been lost, expectations have not been managed, and opportunities may have been lost. There is likely a high potential in connecting the engagement in private sector partnerships closer to the innovation team in the future, to capture and sort opportunities for innovation from the private sector.

Further, collaboration with academic partners will likely become even more important as innovation pilot projects move forward and enter the phases of scaling and evidence-building. The DRC appears to already have a tradition for working with academia, and it would then simply a question of connecting these practices also to the work with innovation.

Recommendations

- Continuously monitor the initiatives by other NS and PNS to navigate where DRC may contribute best.
- Involve HNS early in the innovation process to successively build commitment and adapt initiatives to local needs.
- Ensure expectation management when working with HSN and other partners (e.g. transparency around the maturity of the innovation, expected roles and responsibilities, timelines etc.)
- Invest in technical capability development locally and retention of technical expertise locally
- Encourage CO to invest in frequent, close and mutual collaboration (e.g. Define shared strategic goals, invest in introducing the HNS to innovation by trainings and study trips etc.) in order to build a solid foundation of trust
- Clearly articulate the benefits from engaging in innovation from the perspective of the HNS both from a general perspective; and for each specific innovation
- Facilitate support to innovation pilot project managers in engaging with private sector partnerships and collaborations with academia

Learning cases

The Innovative Protection Approaches Project

In the beginning of 2018, the DRC engaged in a partnership with the ICRC to develop more proactive protection measures, including Community-Based Protection (CBP) and Humanitarian Mediation (HM). However, the pilots were ended prematurely. The pilot suffered from a poor governance setup where staff working on the project were not anchored in either a matrix or country team, but instead were roving between countries. This resulted in the innovative approaches not being sufficiently integrated into existing DRC-supported interventions. When working with innovation, it is crucial to have clear and agreed interfaces (handovers between individuals and teams as well as roles and responsibilities) in the organisation. The vulnerable project setup in this case was dependent on individuals, and challenged by a series of HR setbacks severely hampering the project. This was coupled with unclear ambitions for the project, consequently leading to trainings with limited follow-up.

The collaboration was supposed to run until December 2020 with the possibility of extension to 2021, but was terminated in the fall of 2019 to re-focus on Protection, Gender and Inclusion mainstreaming in order to strengthen quality across programmes. However, despite challenges, the DRC managed to fulfil commitments for 2019 including: integrating the CBP approach into an existing resilience project in South Sudan; adapting HM into Disaster Risk Reduction (DRR) trainings in Lebanon; and facilitating advanced HM trainings in Greece and South Sudan. Lessons learned from this project include: agreeing on ambitions; ensuring management buy-in; doing proper risk assessments; avoiding set-ups dependent on individuals; and anchoring staff in the organisation structure.

Grundfos Lifelink

The Lifelink project was a pilot of innovative, environmentally sustainable water systems in vulnerable rural communities in Kenya, through a self-sustaining business model. The pilot in Kenya was eventually discontinued after the business model broke down, teaching DRC the importance of clearly managing expectations as well as roles and responsibilities when building shared business models.

The project aimed to increase the capacity of communities to adapt to the effects of climate change by enhancing access to safe water resources. It was a partnership between the company Grundfos and the DRC. Clean water was provided through Lifelink solar-power pumps based on customer payments by beneficiaries. For each transaction, a small fee feeds into a repair fund that should ensure a self-sustainable business model. The DRC assisted in accessing funding for the project, and conducting awareness campaigns on the benefits of clean water in the communities via Kenya Red Cross Society. The solution provided a commercial approach to sustainability of water provision using user fees to ensure the continued service of the installations. However, due to miscalculations on the costs of maintenance and the unwillingness from the beneficiaries to pay for the water supply (however small the fee was), business model broke down and the pumps were not maintained to the standard they should have been.

Even though this specific pilot failed, it is a good example of how to innovate an entire business model around a technical invention. Had the business model worked, this solution would have been well-prepared for scaling by its self-sustaining business model. The partners have, based on the learning from this project, continued the development and piloting of Lifelink in other regions where they have reached greater success.

Where are we in the innovation management system?



4. Process & practice

Learning is hampered by rushed planning and overwhelming internal structures

The ability to learn from previous experiences appears to both be a strong focus for all employees but also a cause of much frustration. Throughout this process, the absolute most common wish from respondents has been a more systematised, easily accessible, institutionalised and effective method of learning capture and utilisation. The process-mapping exercises have shown that there is in fact an abundance of learning opportunities through meetings, conferences, the matrix structure, reports etc., and much learning DOES occur where employees spar, share experiences, read previous reports etc.

However, the challenge that occasionally causes frustration is finding the knowledge and learnings sought. It appears to be challenging to locate a report and, even if that succeeds, it may be difficult to sort out key learnings from lengthy reports tailored for other purposes than learning for programme development. Limited overview of what is being done and who is working on what creates a further challenge to knowing where to seek for knowledge. Rushed planning or tight fundraising deadlines causes people not to spend time digging up knowledge before planning, designing or launching a new project or programme.

The challenge of managing learning appears to apply to the entire operation of the DRC, not only to innovation, and thus it is advised that future focus on developing learning approach, strategy and practice is driven by the Partnership and Compliance unit with input from the innovation team, rather than initiating separate initiatives.

Currently, most learnings appear to be captured at the end of projects and programmes, which may be perfectly good for normal programmes where the insecurity of viability is less than for innovative projects. However, innovation projects such as pilots and tests may need more frequent learning loops (see process figure on page p. 6) and it is recommended that the innovation team and Partnership and Compliance unit discuss how these different needs may be managed across projects and programmes.



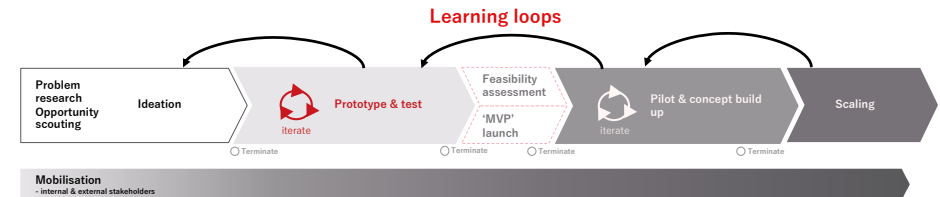
Recommendations

- Further develop the learning practice as a coherent approach across innovation and non-innovation programmes, preferably by focusing on simplifying formats and increasing accessibility of peer-to-peer sparring rather than formalising knowledge documentation further
- Make knowledge of ongoing projects and activities available, as well as information about who is involved, to allow for informal sparring and dialogue between colleagues and partners
- Use the existing matrix structure to disseminate and activate learning
- Review and, if relevant, modify existing tools for learning to accommodate the specificities of innovation initiatives

Where are we in the innovation management system?



Weak steps in the process



Research and scouting are carried out by individuals who are privileged with “free time” (or are working in their free time)



One main weakness observed in the current management of innovation activities is a lack of clear overview of whether the ideas approached might be the best ones. There is an abundance of ideas, but there is no systematic sorting of good ideas, and it seems that many CO and delegates do not spend time researching solutions and possibilities that may exist outside of the DRC and the RCRC movement. In the majority of occasions, there is only limited systematic analysis of the opportunity field before engaging in ideation, risking investment in non-sustainable or non-feasible possibilities.

Some employees have had (or taken) the time to do research and to scout opportunities. However, that knowledge is not spread widely to other individuals in the organisation. Most commonly, it is the specific ideas that are communicated, not the insights from the initial research, which could benefit other operations.

Projects and pilots are never “killed” or cancelled



Due to the lack of a clear process and portfolio, it is also unclear whether innovation projects are ever cancelled and discontinued.

Innovation is all about investing in adapting or building, testing and scaling of new and novel possibilities, seeking improved outcomes. It's about informed experimentation. Thus, not all innovations can be expected to generate the improved outcomes sought, and the key success factor is to be able to timeously and effectively discontinue such projects in order to move resources into other higher-potential projects. The key thus is to learn and fail fast and take decisions accordingly. The majority of the respondents state that projects are never “killed” within the DRC. Projects may be cancelled due to funding running out or the partner withdrawing their commitment, but this is rarely based on a consideration of the potential of the solution. The result is that there are a number of innovation activities and partnership relations lying latent, with no clear decision on whether they have been discontinued or if they are expected to receive funding in the future. The risk with not being able to kill and discontinue projects is also that new and better opportunities are not sought, because current portfolios takes all available resources.

However, not all failed tests should be discontinued. It is good practice, when working with innovation, to iterate tests several times and tweak and re-test the solution if the idea is proven still viable. However, it should be an informed and active decision to do so. By defining a Theory of Change at the beginning of the innovation process (including success factors and hypotheses to be tested and confirmed at each stage) is a good practice for guiding deliberate decisions. If the hypothesised outcome is not achieved, the project should be iterated further and, if the hypothesis is not likely to be confirmed with reasonable resources, the project should be discontinued. However, in the DRC, it occasionally appears to be the expectation that pilots enter the scaling phase as soon as they have been tested once. At times, failure might be caused by the context at a given point in time. In these cases, it may be feasible to park the idea or the testing of the solution until the context is again viable – this should, again, be an active and informed decision.

Where are we in the innovation management system?



Scaling is unclear and mixed up with the testing phase



While running pilots and tests is a well-known practice in the organisation, the scaling phase is causing rather much confusion and uncertainty. There may be different approaches to scaling and it is not clear, neither from management nor from donors, what is expected.

In most described innovation best practice methods and theory⁷, scaling is an activity after the innovative solution has been validated and there is a *proof of concept or proof of viability*. The proof should be understood as a solid evidence for the viability of the innovation, in the context where it is to be implemented. In practice however, it appears as if DRCs innovation activities is referred to be in the scaling phase as soon as one pilot test have been conducted. Scaling thus simply become the stage where more tests are launched, perhaps in several countries. Also, donors often refer to "scaling" in these terms and funds for scaling often focus on the launching of further pilots in multiple countries and regions. Even though, launching multiple tests works as a mobilization exercise and thus prepares for scaling it becomes blurred when the innovation is actually ready for scaling.

The premature reference to "scaling" may be pushed by an unrealistic expectation for how long testing, piloting, and mobilization may take in the sector. Tests take up to a year for one iteration and before a solution works, it may take several iterations. This appear to not be clear for many of the involved parties and donors.

Another reason may be that there is a lack of clearly defined approaches for scaling of innovation in the humanitarian and development sectors. There is a tendency to regard scaling as the geographical reach and dispersion of an innovation. However, scaling impact from innovation may also include enabling other actors to implement the innovation in order to reach more beneficiaries, sustaining the operation of an innovation over time, expanding a solution to address further needs (e.g. expanding from flooding to drought, from pandemics to NCDs etc.), to capture learnings and generate new improved innovations etc. The time it takes to bring a proven innovation to scale depends on the strategy for scale. Expanding the solution to address others needs may need continues iterations in the testing phase while solutions that are suitable for direct implementation in other regions may have shorter lead time to scale.

Recommendations

- Encourage more strategic scouting and research, either by centralized execution providing the organisation with insights or by allocating resources locally specifically for research and scouting before starting an ideation process.
- Create an overview of a pipeline and expected requirements for projects to fulfil in order to not be discontinued
- Define trajectories for scaling and provide as guidance on how to early on in the innovation process, plan the different trajectories
- Increasingly recognize the need for continuous piloting and testing as a valuable activity, and advocate this perspective to donors

Learning cases

The Safe Delivery app

The Safe Delivery App (SDA) is a smartphone application developed and tested by Maternity Foundation in Ethiopia. It provides skilled birth attendants with direct and instant access to evidence-based and up-to-date clinical guidelines on Basic Emergency Obstetric and Neonatal Care with the aim of reducing maternal complications and deaths. DRC have facilitated the roll-out of the SDA in RMNCH programs in Guinea and Myanmar in partnership with the Maternity foundation.

This partnership illustrate that when on-the-shelve-innovations tool or innovation fit in the operational context and programs of DRC and where there is a good fit between the DRC and innovation partners' objectives, it may be relatively easy for DRC to pilot and implement an innovation. The SDA was an existing evidence based digital health solution, which had already been tested and proved effective in a low resource settings (Ethiopia) similar to where DRC implements its program. Further, the good fit in objectives between the SDA and DRC RMNCH programs made it easier and more attractive for DRC field staff and National Society partners to commit and buy-in to the pilot . Finally, both organization's (DRC and Maternity foundation) committed resources (both financial and human resources); the Maternity foundation was able to offer longer term capacity support for assessment, training and measuring outcomes and DRC offered an implementation setting which facilitated implementation.

Another learning from this example relates to scaling. It is a good idea to discuss the end goal beyond each organisations immediate objectives, already in the beginning of a collaboration. DRC have not been able (nor had the ambition) to scale up the SDA in Guinea beyond the project area although there would have been the potential. This process however, would require systematic engagement with Ministry of health, which DRC had limited resources to do. It may be worth considering, going forward, what the role of each partner is beyond the pilot phase and what the level of ambition of the partnership is. DRC and MF have now engaged in partnership agreement (letter of intent) focusing on more scaling leveraging each others resources and network, to include the SDA in programs were it makes sense as well as doing joint fundraising and communication.

NCD CARE IN AFRICA – a regional workshop

A regional workshop on Non-Communicable Diseases (NCDs) in Africa, held in Nairobi on 22-24 May 2019, brought together 35 participants to gather momentum for scaling up NCD care in Africa through the Red cross Red Crescent Movement.

The workshop in itself was an innovative approach to programming by combining a carefully curated idea development process with a vast a broad array of inspirational speakers from both other organisations, academia and local actors. With this approach, the workshop filled not only the purpose of developing new programmatic concepts but also as a valuable capacity development opportunity for the participants. Except inspiration from the speakers, each participating national society also received a tailored report with the fundamental statistics and background for NCDs in their country. Developing this required preparation before the workshop but it was seen as an investment to empower participants to continue working with NCDs in their region after the workshop. Over 80% of the participant stated after the workshop that they had improved their knowledge on preventing and control NCDs.

This particular setup of a workshop, with inspirational speakers, personalised experiences such as a voluntary health assessment for participants, and the pitch competition at the end turned out to be a great format for building motivation. Thus, this format can serve the purpose of mobilizing actors when wanting to pave the way for a new programmatic directions.

The ideas that came out of the workshop might, to some, not appear to be radically innovative but have served the purpose of generating momentum for working with NCDs in the region. Donors have also shown interest in engaging in the further development based on the output from the workshop. It is a good idea to, already before a workshop like this, to think about what will happen after. What resources will be available for taking the ideas further and mobilise funding for continued work. From this workshop, some of the ideas have been taken up by DRC and some have been taken further by the Region on its own. Both are good strategies.

Lastly, a key learning from this workshop is that it does not require excessive previous experience from working with innovation, to plan and facilitate a workshop like this. Many of the facilitation techniques are similar to what is already practiced in DRC and the Movement. Thus, it is not necessary to call it a sprint, a hakathon or design thinking. What is important is to carefully consider the process and techniques chosen and what purpose they will serve. Further, skills in facilitating in multi-cultural settings is crucial for the success of this type of workshop.

Where are we in the innovation management system?



5. Governance

No portfolio management - unclear handovers, commitments and outcome

Currently, there seem to be no defined process for innovation, nor a comprehensive overview of the portfolio of initiatives nor a shared or standardised reporting on the progress or outcome. Innovative pilots and initiatives seem to have primarily been driven forward by single, though skilled, individuals, previously referred to as innovation lighthouses.

There are questions and at times uncertainty regarding what commitments are made and who is responsible for what in relation to various innovation activities. The link between the three focus areas for innovation and to and from private sector partnerships appear to be especially unclear.

Working with innovation projects follows a process (see figure on page 12) successively, however usually non-linearly, developing and proving the viability of an innovative idea. The resources needed to manage an innovation project usually increase as the project moves toward the end of the process. In the DRC, since there appears to be no central overview or coordination of the portfolio and pipeline of projects, the responsibility to move projects forward in the process is mostly carried by the project manager/lighthouses. Some of these individuals, however, seem to have too many initiatives in their portfolio to single-handedly have the ability to carry all of them through till the end. This risks that a large portion of good ideas may collapse when attempted to hand over to the next stage in the process, or the ideas may stay passive for too long before moved forward unless more resources are somehow allocated. These extra resources may be found by integrating innovation pilots into existing programmes; however, there seem to be no clear plan or coordination for how this is ensured and that different innovation initiatives do not cannibalise each other by competing for the same means. The fact that many ideas appear to be developed, e.g. in events such as hackathons, but not

planned strategically or followed up afterwards, might create an 'innovation fatigue' among colleagues. There is arguably an urgent need to clarify the financial model for bringing innovation initiatives forward in the pipeline and how to ensure resources available also for new initiatives to enter the pipeline.

Lastly, the apparent absence of clear process and lack of clear ownership make it unclear for other employees and partners to understand how they can engage in innovation activities. It is likely that more innovation initiatives are taking place locally without them being part of the centrally known pool of pilot projects. These initiatives may, as it is today, not gain access to the support, guidance and resources available from the HQ innovation team and advisors. When asked, employees and partners who have an idea often feel that they know where to go to take an idea further, which is to their immediate manager or technical team, expecting them to take the next steps. However, those who receive the ideas do often not know what to do with them or where to take it, resulting in the ideas are never taken further. This may sometimes evoke frustration and discontent regarding who is enabled or allowed to engage in innovation and not, and thus turn off potential internal and external stakeholders.



Recommendations

- Clarify the governance in the innovation process and budget model for innovation with clear roles and responsibilities within the DRC and with partners
- Use the internal innovation pool as an open entry point for any employee, team or partner who would like to engage in innovation but funnel it into a shared portfolio and pipeline

Where are we in the innovation management system?



Capability to pilot – and resources available to do so



It might appear so obvious that it is not worth mentioning, but the DRC's and the movement's ability and experience in running pilots is in fact a significant strength to build on. Running pilots and testing new methods and approaches is a well-known practice in the organisation. Almost any programme in the DRC has an element of piloting and iterations, since the DRC commonly works in volatile, changing and unstable environment and thus it is not always easy to predict what will work and what will not. Some operations have benefited from including inception phases in programmes to allow for research and concept development when working with new solutions. This means that current programme development guidelines and practices may to a large extent be leveraged for running pilot projects also within innovation. Therefore it is recommended that innovation pilots, as soon as they enter the pilot phase, are included as elements of existing programmes or larger programme applications. This will ensure a close and smoother interphase between innovation and the rest of the organisation's activities.

It has also been noted that donors are increasingly focusing on innovation, and include it in their programmes. The means for innovation offered by DANIDA on the strategic partnership agreement is a unique opportunity to invest in innovation. However, there may be even more means available for innovation than what is currently leveraged. Donors are increasingly asking for 'innovative approaches', opening up for more tests and experiments within current projects.

Recommendations

- Incorporate the piloting and testing phase as much as possible to existing programmes, e.g. by incorporating inception phases in regular programmes when possible
- Explore and map further funding apart from the DNIAD frame to fund innovation activities especially in the later stages of the pipeline
- Focus support activities on how to retrieve funding
- Decide in which phases of innovation the DANIDA SPA funds would be best used

Managing risk – a potential weak point

Managing risks is of course an important parameter when engaging in untested and non-evidence based new approaches. Current practices of feasibility studies and data collection and research to build evidence are good practices that may be used also for innovation.



In most regular programmes, it appears that evidence (other than needs or feasibility assessments) is generally built at end of a project. When engaging in innovation, evidence most likely need to be split into smaller steps that can be successively built up on the way towards the scaling phase. This is because reaching the proven viability (= evidence) of an innovation may take several years and may involve many different donors and partners. Thus, it is recommended to develop a practice for how to successively build proof of concept based on small user tests or how to build business case for potential vs cost etc.

Further, engaging in new approaches, arenas, methods or tools may involve new, unknown risks and unintended consequences not previously on the radar. Specific technologies may have unexpected effects on societies and beneficiaries. Success or failure of new approaches may influence the brand and reputation of the DRC locally and globally. During this assessment, it has appeared that some feasibility studies and thus initial risk evaluations have in fact been conducted by the supplier, partner or idea holder with an interest in having their idea or product accepted into DRC programmes. This report does not question the integrity of these partners, nor of any DRC staff. However, there is a significant risk of not uncovering all potential risks if the feasibility assessments are left up to the suppliers without providing a standard requirement for what the assessment should include.

It is further recommended that the risk assessments are used actively to manage expectations among partners and stakeholders in order to secure commitment, transparency and mandate going forward.

Recommendations

- Adopt and align risk monitoring with existing risk assessment frameworks, and report on risk in piloting phase as part of current reporting processes and procedures
- Require independent 360 degree risk assessment when engaging in innovation pilot projects as part of any feasibility study (or, at least, mandatory quality assurance by the country manager, the DRC risk advisor and/or other relevant DRC staff)

Where are we in the innovation management system?



Need for accepting failure rather than explaining and excusing it



It is commonly discussed that in order to allow innovation and experimentation, you need to also accept failure since not all experiments can be expected to succeed. From the assessment, it has been observed that the DRC do often have an acceptance of failure. Shaming rarely occurs after a failure; individuals generally get a second chance, and the discussions after large or partial failures tend to focus on learnings.

However, as recognised and expressed by several of the respondents, learning reports and discussions tend to focus on explaining or even excusing failures by considering all surrounding factors, rather than bluntly accepting that the tested solution or approach was a bad way of doing it. This mindset creates a bias towards wanting to try again rather than accepting failure and rejecting non-viable solutions and approaches.

Further, it has been noted that there is a mindset that risks should ALWAYS be mitigated. While this is true for risk related to the potential harm of beneficiaries, DRC brand and reputation etc., it is less true for the risk of project failure. When experimenting with new approaches, it is expected that some tests WILL fail and thus incur a loss in wasted resources. This is simply a cost of innovation. Instead, the risk of project failure should be evaluated as a parameter weighted in relation to the potential of success, possible gain, and cost of investment. This will allow for more high-potential but high-(project)-risk investments. Mitigation of project risks is done by evaluating the new solution along the innovation process, expecting evidence-building during the process, balancing the investment, and splitting it up into pieces over time, thus limiting losses at project failure.

Recommendations

- Practice the art of sharing failures and taking full ownership of them
- Put efforts into understanding why an initiative failed (Was it the idea? The context? The timing? Or something else?) and be wary about the unwillingness to let go of an idea that had created much enthusiasm before
- Evaluate and manage project risk (innovation failure) and other risks (harm to beneficiaries, brand, stakeholder relations etc.) separately since one shall be mitigated and the other should be weighted

Monitoring, evaluation and learning (MEL) of innovation is incomplete



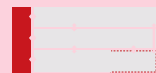
Last but not least, there is a need for better monitoring and evaluation of output and outcomes (of innovation activities in general, and innovation pilot projects in particular). The DRC have an elaborate MEL system in place, but it appears it has not been applied for all innovation projects. Innovation has occasionally been captured in PPR and CPPR reports, but due to a vague organisational understanding of what innovation is interpreted as, and of the outcome goals sought, data entered has so far not been activated for further learning or systematically utilised for programme development. This is partly due to the measurement in current MEL not fitting more explorative R&D activities, and partly because some projects have been running outside the current internal reporting system. Donors are expected to increase the requirement on reporting for innovation, and the DRC is therefore recommended to develop a set of indicators and baselines for measuring innovation on both output, outcome, and process efficiency. The developed indicators and monitoring framework should be aligned with the strategy for innovation as soon as it is refined further.

Recommendations

- Develop MEL indicators for innovation and link the reporting closely to existing MEL practice in the DRC

Summary of assessment and recommendation

1. Strategic direction



- Perceived as unclear
- DRC has reached the maturity level for more precise strategic direction
- Formulate a future thesis for the DRC and regularly scout for future opportunities
- Define clear strategic priorities for innovation detailing the following:
 - Desired portfolio balance between long vs short term investments
 - Risk-willingness in investing innovation activities
 - Define the burning platforms and outcome goals for why the DRC should invest in innovation through the three focus areas and beyond. (Is the motivation: to strengthen the DRC's core operation; to reinvent the DRC's approach to humanitarian response and development; to do more for less resources; to achieve greater impact in defined areas; to redefine role of the DRC or empower the ecosystem of partners; etc.?)
 - Identify the DRC's core contribution in the innovation process (e.g. as knowledge partners, implementing partner, connecting partners, access to testing grounds etc.)
- Define strategic innovation priorities in regional and country strategies, and results contacts where relevant, to drive innovation strategically and anchor chosen priorities organisationally.

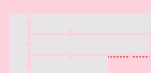
2. People and capabilities



- **Culture favours innovation**
- **Individuals with strong intrapreneurial skills**
- **How to DO innovation is not understood**
- **Innovation is not incentivised**
- **Time is not set aside for innovation**
- Demystify innovation by creating a shared language around innovation, and through more internal communication, providing inspiration and sharing examples and learning cases
- Provide concrete opportunities to engage in innovation, such as the innovation pool and innovation workshops
- Consider both the incentives and disincentives of the HNS to engage in innovation

- There is the potential to connect innovative idea-holders who have less seniority with senior employees who can help and 'sponsor' the further development of great ideas by navigating the current system, procedures and donor requirements
- Include clear expectations on the operational activity and desired outcome in relation to innovation in the result contract of involved parties

3. Partners



- **HNS is interested - but navigate a multitude of priorities**
- **Limited capacity and skills, among local partners, in working with new means and methods**
- **Different levels of maturity among local partners in working with innovation**
- **Potential for more private sector (and other sectors)**
- Continuously monitor the initiatives by other NS and PNS to navigate where DRC may contribute best.
- Involve HNS early in the innovation process to successively build commitment and adapt initiatives to local needs.
- Ensure expectation management when working with HSN and other partners (e.g. transparency around the maturity of the innovation, expected roles and responsibilities, timelines etc.)
- Invest in technical capability development locally and retention of technical expertise locally
- Encourage CO to invest in frequent, close and mutual collaboration (e.g. Define shared strategic goals, invest in introducing the HNS to innovation by trainings and study trips etc.) in order to build a solid foundation of trust
- Clearly articulate the benefits from engaging in innovation from the perspective of the HNS
- Facilitate support to innovation pilot project managers in engaging with private sector partnerships and collaborations with academia

4. Process & practice



- **Learning is hampered by rushed planning and overwhelming internal structures**
- Further develop the learning practice as a coherent approach across innovation and non-innovation programmes, preferably by focusing on simplifying formats and increasing accessibility of peer-to-peer sparring rather than formalising knowledge documentation further
- Make knowledge of ongoing projects and activities available, as well as information about who is involved, to allow for informal sparring and dialogue between colleagues and partners
- Use the existing matrix structure to disseminate and activate learning
- Review and, if relevant, modify existing tools for learning to accommodate the specificities of innovation initiatives

The weaknesses in the process

- **Research and scouting are carried out by individuals who are privileged with "free time" (or are working in their free time)**
- **Projects and pilots are never "killed" or cancelled**
- **Scaling is unclear and mixed up with the testing phase**
- Encourage more strategic scouting and research, either by centralized execution providing the organisation with insights or by allocating resources locally specifically for research and scouting before starting an ideation process.
- Create an overview of a pipeline and expected requirements for projects to fulfil in order to not be discontinued
- Define trajectories for scaling and provide as guidance on how to early on in the innovation process, plan the different trajectories
- Increasingly recognize the need for continuous piloting and testing as a valuable activity, and advocate this perspective to donors

5. Governance



- **No portfolio management - unclear handovers, commitments and outcome**
- Clarify the governance in the innovation process and budget model for innovation with clear roles and responsibilities within the DRC and with partners
- Use the internal innovation pool as an open entry point for any employee, team or partner who would like to engage in innovation but funnel it into a shared portfolio and pipeline
- **Capability to pilot - and resources available to do so**
- Incorporate the piloting and testing phase as much as possible to existing programmes, e.g. by incorporating inception phases in regular programmes when possible
- Explore and map further funding apart from the DNIAD frame to fund innovation activities especially in the later stages of the pipeline
- Focus support activities on how to retrieve funding
- Decide in which phases of innovation the DANIDA SPA funds would be best used
- **Managing risk - a potential weak point**
- Adopt and align risk monitoring with existing risk assessment frameworks, and report on risk in piloting phase as part of current reporting processes and procedures
- Require independent 360 degree risk assessment when engaging in innovation pilot projects as part of any feasibility study (or, at least, mandatory quality assurance by the country manager, the DRC risk advisor and/or other relevant DRC staff)
- **Need for accepting failure rather than explaining and excusing it**
- Practice the art of sharing failures and taking full ownership of them
- Put efforts into understanding why an initiative failed (Was it the idea? The context? The timing? Or something else?) and be wary about the unwillingness to let go of an idea that had created much enthusiasm before
- Evaluate and manage project risk (innovation failure) and other risks (harm to beneficiaries, brand, stakeholder relations etc.) separately since one shall be mitigated and the other should be weighted
- **Monitor, evaluation and learning of innovation is incomplete**
- Develop MEL indicators for innovation and link the reporting closely to existing MEL practice in the DRC



Weaknesses

- Strategic direction for innovation is perceived as unclear
- How to DO innovation is not understood among employees and partners
- Innovation is not incentivised and thus often not prioritised
- Time is not set aside for innovation
- Limited capacity and skills among many of the local partners in working with new means and methods
- No portfolio management - unclear handovers, commitments and outcome
- Learning is hampered by rushed planning and overwhelming internal structures
- Research and scouting is a privilege for individuals with “free time” (or who are working in their free time)
- Projects and pilots are not actively “killed” or cancelled
- Scaling is unclear and mixed up with the testing phase
- No portfolio management - unclear handovers, commitments and outcome
- Risk monitoring, as well as MEL of innovation projects has been incomplete
- The acceptance of failure could be stronger rather than explaining and excusing failure

Strength

- The DRC has reached the maturity level for more precise strategic direction
- Organisational culture favour innovation
- Much learning does occur and there is an abundance of learning forums, reports etc.
- Strong capability to pilot



Opportunity

- Individuals with strong intrapreneurial skills within the organisation
- Potential for more private sector partnership and collaboration with academia
- Increasing availability of resources to pilot and test new innovative approaches

Threat

- HNSs navigate a multitude of priorities, and the DRC need to compete for their attention
- Challenging contexts to navigate in for HNS partners
- New approaches, arenas, methods or tools may involve new, unknown risks and consequences

