

FID stage 3

1. What does “scale” mean?

A Stage 3 proposal must be designed tens or hundreds of thousands of people in several regions/provinces of a country. Adding a few thousand participants to the existing programme would not be regarded as a truly scaled-up deployment.

2. What are the Stage 3 selection criteria?

To qualify for Stage 3 funding, each applicant team must demonstrate the following for each of FID’s three core principles:

1. Rigorous evidence of impact. Each team of candidates must compellingly demonstrate the causal link of their project (see details in question 3).

2. Cost-effectiveness. Each team of candidates must compellingly demonstrate, using the underlying impact metrics, that the scaled-up innovation offers superior cost-effectiveness over alternative solutions. Such evidence must not be presented during the application process, but must have existed prior to the process. Each team of candidates must include detailed anticipated costings and impacts of the innovation, as well as the main cost efficiency drivers in scaling up the innovation.

3. Scaling up and financial sustainability potential. Each team of candidates must demonstrate that their innovation is on track to have a lasting impact and benefit for vast numbers of people. Each team of candidates must describe the resources needed to scale up the innovation over time, specifying which of these resources have already been secured, and outlining their plans for securing resources going forward. They should identify and resolve operational challenges associated with scale-up, and incorporate plans for fine-tuning and iterating the trajectory towards scale-up.

3. What evidence of impact must applicants provide for Stage 3 funding?

Scale-up proposals must be backed by pre-existing evidence of impact, based on thorough impact evaluations with counterfactuals.

✓ **Where the solution has already been developed and tested on a small scale in a specific context, and the team is looking to expand the solution in the same context,** a minimum requirement is for a thorough impact evaluation with counterfactual (ideally a randomized controlled trial) to have been carried out, with conclusive, substantive and published results.

✓ **Where scale-up seeks to replicate a solution that has been developed and tested in another context::**

✓ **The candidate has substantive evidence of impact from several different contexts.**

The candidate will need to demonstrate profound knowledge of the new context in order to prove the relevance of this tried-and-tested solution. The candidate will need to demonstrate that the development challenge and its root causes are similar, that the implementation methods are clearly defined, that there is a proven demand for or interest in the solution from local authorities or final beneficiaries, and that the operational capacities required for scaled-up implementation are clearly identified and in place.

✓ **The candidate has only one or two evaluations conducted in the original context.**

- Ideally, these results should be drawn from an impact evaluation with counterfactual (ideally a randomized controlled trial) performed on a sizeable sample with substantial statistical power, and should have been published.

- The evidence must show a significant and clear impact. Effects that are minimal or limited to a few intermediate outcomes may not be considered sufficient. In this case, it may be preferable to apply for a Stage 2 evaluation so as to generate further evidence of impact in the new context

-It is necessary to demonstrate that a pilot has already been conducted in the new context to confirm the basic assumptions of the theory of change, and to ensure that the mechanisms of impact identified in the previous studies are similar to those of the new context.

Otherwise, it would be preferable for the applicant team to begin by applying for a Stage 1 grant to pilot the operations in the new context, before embarking on scale-up.

4. What is expected in terms of learning from Stage 3 grants? What should be included in the application for this learning process?

✓ It is unlikely that FID would solely finance expenses for the mechanical expansion of a program on a larger scale, including only implementation costs. What FID is particularly interested in is that the Stage 3 grant can be instrumental in understanding the transformation processes required on the operational, institutional and capacity fronts, to ensure very large-scale operation of a programme already tested on a small scale.

✓ We encourage the teams to include a robust research agenda in their Stage 3 application, which may be related to:

- How consistently the model tested on a smaller scale can be implemented on a large scale, and what monitoring and evaluation mechanisms are needed to drive such implementation.

- How it can be replicated on a different population or geography (urban, rural) or in a different language.

- Transfer of responsibility and capacity between an NGO that developed the initial model and a government.

- Comparison of several possible implementation methods to improve value for money of the scaled-up solution (A/B testing).

- Sustainability of the implementation model: financial, value for money, operational, institutional, political.

5. What is excluded from Stage 3 financing?

- ✘ Studies to answer the most pressing questions on impact (even if an initial impact evaluation has already been conducted). In this instance, Stage 2 is preferable.
- ✘ Completely new components that would not have been tested
- ✘ Replication of existing solutions that would not be based on detailed data on the new context.
- ✘ Studies on the solution's value for money compared to existing solutions dealing with the same problem: this meets Stage 2 objectives and such information must have existed prior to applying for Stage 3 financing.
- ✘ Applications that would mainly include infrastructure expenses, or fixed costs for the organization implementing the solution. FID primarily finances projects, not organizations.
- ✘ Expenses for the exploration of new implementation contexts, or feasibility studies. These development activities must already exist prior to the application, given that the team must demonstrate profound knowledge of the context.