
Executive Summary

Overview and objectives of the evaluation

The UNHCR Innovation Fund, launched in 2016, aims to provide funding, support for experimentation and mentorship in order to nurture innovation and adaptability within UNHCR. The Innovation Fund does this by supporting small teams of UNHCR staff to pilot early-stage, novel projects that fall outside the scope of normal UNHCR operations through access to social and financial capital.

An initial three-year programme, funded by the IKEA Foundation, provided \$3 million in innovation funding of which \$1.2 million was used to fund 17 Innovation Fund projects across 13 country operations.¹ After the IKEA Foundation funding finished at the end of 2016, the Government of Belgium funded a second round of the Innovation Fund. The second round incorporated a number of modifications from the first with a narrower scope, and ran for just over one year from December 2018 to January 2020. A total of 109 applications were received from UNHCR teams worldwide and 19 projects were selected for funding.

The 34 projects that were awarded grants had many diverse achievements including winning prizes, generating media interest, and responding to COVID-19. This evaluation explores the extent to which the design and implementation of the Innovation Fund allowed the fund to achieve its overarching objectives and to support successful implementation of grantee projects. The evaluation was commissioned:

- to assess which external and internal factors, including the Innovation Fund's design and input of resources, propel or hinder its success;
- to review the extent to which the Innovation Fund is aligned with UNHCR's Strategic Directions and policy; and
- to make recommendations about how the Innovation Fund's approach and design can be improved for the next iteration.

Methodology

This evaluation covers the period June 2016 to January 2020. It is based on a thorough review of Innovation Service, Innovation Fund and grantee documents, remote workshops with Innovation Service staff and 58 key informant interviews, comprising 5 senior staff from across UNHCR, 19 Innovation Service staff, 25 project focal points and team members, and 8 individuals from other innovation funds and initiatives. The evaluation also draws on numerical data on grantee projects and a survey of grantees not interviewed. It was conducted during the COVID-19 pandemic which limited the intended face-to-face engagements with the Innovation Service and prevented any fieldwork to project locations.

¹ The rest of the IKEA Foundation grant covered other innovation initiatives, project management and administration costs.

Key findings

1. Alignment of the Innovation Fund with UNHCR's Strategic Directions

UNHCR's Strategic Directions for 2017–2021 are wide-reaching and include commitments to put people first, to strengthen and diversify partnerships, to work across the entire spectrum of forced displacement, and to provide practical, concrete support to States to secure protection and solutions for persons of concern to UNHCR. The Innovation Fund has aligned with and contributed to these directions. In particular during Round 1, it facilitated new collaborations and partnerships, and supported a range of projects that provided more comprehensive protection and assistance to refugees. During Round 2, it supported building information systems and better data. The wide-reaching nature of these Strategic Directions means that although the design of the Innovation Fund changed significantly over time, it nevertheless aligned with (at least some of) UNHCR's priorities at any time. Senior interviewees stated several ways that the Innovation Fund's alignment with UNHCR's strategic priorities could be strengthened in future, including through continuing to fund projects that directly engage refugees and host communities, facilitating a whole-of-society approach, and supporting successful pilot initiatives to scale.

2. Implications of design choices for the Innovation Fund

The Innovation Service did not develop clear objectives for Round 1 or 2 of the Innovation Fund. Without clear objectives, the design of the Fund changed significantly between 2013 and 2019, shaped by changes in the management of the Innovation Service, a growing interest in organizational change among its team, and shifts in other Innovation Service activities. These changes manifested in new approaches to sourcing ideas, different criteria for selecting innovators, changes in how funding was used, and different priorities for the types of support that would be provided. In particular, Round 1 of the Innovation Fund was purposefully open, allowing applications from any UNHCR staff member, in any location, and for any “innovative” project. Round 2 retained flexibility on the applicant and location but focused on projects in four thematic areas: data and artificial intelligence, modelling and simulation, inclusive intelligence, and storytelling and culture. The narrower focus allowed the Innovation Fund to provide greater technical support to some Round 2 grantees but led to a cohort of projects that were primarily focused on addressing internal challenges and that shifted the geographic centre of gravity towards Europe. More projects were implemented in larger offices and at UNHCR Headquarters, and fewer projects were implemented in field offices and by persons of concern to UNHCR. Without clear objectives, the Innovation Service was unable to assess the implications of these changes on the intended results.

3. Implementation challenges limited the efficacy of the Innovation Fund

There were significant challenges in implementing the Innovation Fund, including in implementing procurement processes, distributing funds and managing the competing demands of other Innovation Service priorities. Until 2016, midway through Round 1, there were no dedicated staff working on the Innovation Fund and between 2016 and 2019 the team was small relative to other innovation initiatives. These challenges hampered timelines and resulted in grants that were short in duration and that ended relatively abruptly, with projects receiving \$20,000 to \$80,000 towards operational costs that were spent over four to nine months. While the Innovation Fund provided the financial capital to test projects that were unlikely to be funded by the core budget, the funding amounts and timeline constraints limited the longer-term sustainability of projects.

4. Uses of the Innovation Fund

The Innovation Fund successfully recruited and supported 34 innovation projects across two rounds. During Round 1, the Innovation Fund was seen as a relatively flexible resource for fostering innovative projects and it supported several initiatives outside the formal Call for Proposals. Round 1 projects spent the majority of funding on purchasing equipment as well as labour, materials and furniture to pilot and test their innovations. The implementation of Round 2 was more formal, with all projects selected via the Call for Proposals, and a new “Terms of Use” document that formalized expectations for awarded grantees. Due to the additional expertise required by project teams in Round 2 to implement projects within the four work areas, a large proportion of funding in Round 2 was spent on external experts and consultants including data scientists, software engineer consultants and behavioural economics experts. Across both rounds, project spending was hampered by short timelines. In Round 1, grantees had less than six months to implement their projects and the Fund closed with an underspend of €226,340 and reallocation of €563,658. In Round 2, procurement challenges meant that only 43 per cent of funds had been spent by the end of 2019 and the Fund was extended into 2020.

5. Importance of mentoring and technical support to grantees

Grantees were particularly positive about the non-financial support that they had received from Innovation Service staff, which included training and mentoring in innovation processes and technical support. This ranged from business insight and long-term strategy for projects, to convening teams of relevant experts across UNHCR, as well as being a sounding board for new ideas or project-related problems, providing programme support, and participating in meetings on project progress and milestones. Non-financial support was essential to the success of many projects but was overly dependent on one individual and their ability to respond to project needs as these arose, making it difficult to sustain, codify and track.

6. Achievements of grantee projects

The 34 innovation projects supported by the Innovation Fund enjoyed diverse achievements and successes. These range from capacity-building of persons of concern to UNHCR, to expanding projects, securing additional funding, winning prizes, fostering private sector partnerships, and generating international media coverage. Among the project team members interviewed, the vast majority had a positive perspective on their project and an overall feeling of success. The interviewees felt that funding had allowed teams to implement multi-stakeholder approaches in a way that their regular work did not necessarily allow and had given them greater flexibility to respond to changing needs. This was exemplified by the involvement of four projects in the COVID-19 response, where small amounts of flexible funding allowed teams to adjust their project implementation in ways that allowed their operations to be more relevant.

7. Sustainability and replication

The sustainability and replication of projects was a stated objective of Round 1 and an emphasis of many consultations with senior staff. However, this was not the primary aim of most project teams nor was it the focus of the Innovation Fund or the support it provides. Scaling humanitarian innovations is notoriously difficult and requires flexible multi-year funding and long-term support. Data collected through interviews and surveys from 10 of the 17 Round 1 teams indicate that of those projects we were in contact with, 90 per cent are still operational after three

years; 50 per cent expanded in their original location; and 50 per cent expanded to another location.² Whether the project continued, expanded, or was replicated, depended on the specific context and on the project teams' own initiative and connections to access further funding and identify pathways to scale. Project teams were unaware of each other's work, and where dissemination did take place, this was mainly because of the relocation of staff or the activities of partners. Few projects had "champions" that could help with the dissemination of their idea at senior levels across departments, bureaux or operations. Significantly greater financial and staff resourcing would be needed to support initiatives to scale in future rounds, including investment in the capacity of the team, and support to broker partnerships within and beyond UNHCR.

8. Opportunities for making learning more systematic

Project teams could all describe examples of how they had learned from their innovation projects. There are also examples of how the Innovation Fund has learned from research, other initiatives within the Innovation Service, and other Innovation initiatives in the public and private sectors. However, limited staff capacity at both project and Fund levels meant that there were few systematic approaches to sharing this learning. Opportunities to improve how learning is captured and shared were described at all levels. Within the Innovation Service, the plan to implement an assessment of the Innovation Fund to guide senior management (noted in the report to the IKEA Foundation) was never written. As a result, there have been insufficient opportunities to formally reflect on and generate learning around stakeholder relationships, Innovation Fund management and impact. There was a lack of awareness among teams of the work each was doing and no systematic opportunities for disseminating ideas with other parts of UNHCR. This represents an important opportunity for future work. For example, 12 of the 34 projects included a focus on testing new approaches to feedback, access to information or inclusion of affected people; learning from these projects would be valuable in enabling UNHCR to continue to innovate in its approach regarding Accountability to Affected People (AAP).

Recommendations

The evaluation offers the following recommendations, with additional detail and sub-recommendations in the main body of the report.

Recommended actions	Responsible Unit	Anticipated time frame
Increase staff resourcing for the Innovation Fund. The evaluation highlights the remarkable achievements of the Fund given its small implementing team. However, it also identifies a range of opportunities to increase the non-financial support and post-project support to grantees. The evaluation recommends increased staffing, in particular to allow the Fund to invest in communications, innovation support, in building peer networks among grantees, and in supporting grantees beyond the project lifecycle. This should also include clarifying the	Innovation Service	Complete by Q4 2020 to support the next Fund

² It is too early to provide this analysis for Round 2 projects.

roles and expectations of Innovation Service staff situated in other offices globally in promoting the Fund.		
<p>Clarify the strategic objectives of the Innovation Fund.</p> <p>Respondents interviewed during this evaluation had different perspectives on the purpose and objectives of the Innovation Fund. This lack of clarity is also reflected in Fund documents. The Innovation Service should narrow and clarify the objectives for Round 3, including clarifying whether the primary purpose of the Fund is to invest in potential innovations with the aim of testing them and supporting them towards sustainability and diffusion, or whether the primary aim is to help a broader cross-section of staff to learn about innovation by doing. In the longer term, the objectives of the Fund should be protected from frequent changes in the Innovation Service management, staff and other initiatives. The objectives should be defined within the Innovation Service's strategy and should complement other components of this strategy as well as UNHCR's strategic position on innovation.</p>	Innovation Service and strategy endorsers	Complete by Q4 2020 ahead of the next iteration of the Fund
<p>Revisit application criteria for the Fund, including requiring innovators to work with persons of concern to UNHCR. The evaluation highlighted an important tension between innovations that include persons of concern to UNHCR as end-users versus innovations that focused on data analytics and performance. The review of other innovation funds also highlighted a prevalence of top-down approaches to problem definition that has been critiqued in the literature. The original focus on operational challenges and involvement of persons of concern to UNHCR resulted in a geographically diverse portfolio and built on operational priorities. In several instances this built on teams' capacities and priorities for meaningful participation of persons of concern to UNHCR. The evaluation recommends that the Innovation Service narrows the scope of the Fund by revisiting the application criteria, including reintroducing the criteria for team members to engage with persons of concern to UNHCR and promoting whole-of-society approaches. At the same time, the Innovation Service should invest in its capacities to support stronger engagement of persons of concern to UNHCR in innovation processes.</p>	Innovation Service	Complete by Q4 2020 ahead of the next iteration of the Fund
<p>Develop approach to supporting innovators in defining problems.</p> <p>Defining clear and narrow problem areas for innovators can improve learning between grantees, help identify synergies and promote peer</p>	Innovation Service	Complete by Q1 2021

<p>support. At the same time, senior interviewees articulated opportunities for future iterations of the Fund to address challenges more closely aligned to UNHCR's strategic priorities. The evaluation recommends that the Innovation Service develop an approach to working with potential innovators (outside funding rounds) to formulate clear problem statements based on their operational priorities. To promote synergies and ensure a cohesive portfolio, the Innovation Service should also refocus its support on connecting projects with other parts of UNHCR, brokering partnerships, and generating and sharing learning.</p>		
<p>Systematize support for innovation projects, including for mentorship, technical support and brokering partnerships. Mentoring support was highly valued by the innovators but limited by resourcing within the Innovation Service. The evaluation recommends building on the existing, highly valuable non-financial support, including codifying the approach and developing a way to resource it. The approach should include support for peer learning, a mechanism for grantees to “graduate” from the Innovation Fund, and clarity on the support that innovators can expect afterwards. The Innovation Service should also incorporate provisions for face-to-face support where that is needed.</p>	Innovation Service	Complete by Q1 2021
<p>Leverage the Innovation Fund’s position in UNHCR to identify potential pathways for grantees to scale. Many of the projects supported by the Innovation Fund did not obtain ongoing funding after the first grant and very few projects have been implemented in a second location. Resourcing and extending non-financial support beyond the lifetime of the implementation period is vital to help ensure that projects continue after the first year. The Innovation Service should also explore supporting projects to scale, including identifying ways of sharing successful project ideas through the divisions and other internal structures.</p>	Innovation Service	Complete by Q2 2021
<p>Extend the project implementation period. Grantees struggled to implement their projects in short time periods of four to nine months. Long procurement processes and inflexible end-of-year deadlines exacerbated this problem and resulted in some underspends. The evaluators recommend extending the implementation period to at least 9 to 12 months. Given the administrative restrictions around spending cycles, this could be through a phased approach where projects are</p>	Innovation Service	Complete by Q4 2020 ahead of the next iteration of the Fund

first supported to design their innovations and then provided with funding to implement their innovations in a second phase. More flexible resourcing of grantees will require the Innovation Service to secure multi-year funding.		
Clarify internal communications objectives and channels in ways that facilitate access to the Innovation Fund from UNHCR's diverse workforce. The language used in the Call for Proposals was relatively technical, particularly in Round 2, and the interviews suggest that this may have been a barrier to some innovators applying. The evaluation recommends reviewing the Fund's approach to communications with the aim of making the language as simple as possible and promoting access to the Fund across the organization.	Innovation Service	Complete by Q2 2021
Clarify administrative requirements at the outset. During interviews, project team members noted significant procurement and administrative challenges involved in implementing their projects. Interviewees felt that greater clarity regarding administrative requirements and timelines at the Call for Proposals stage would help to prepare for implementation and engage programme administrators. The evaluation recommends updating the Terms of Use for the Innovation Fund to include information regarding procurement and contracting processes, as well as continuing to encourage teams to include staff with a programme background, where possible.	Innovation Service	Complete by Q4 2020 ahead of the next iteration of the Fund
Invest in learning. Limited staff capacity at the project and fund levels meant that there were few systematic approaches to documenting or sharing this learning either at the grantee or the Innovation Fund level. Investment in learning might include developmental evaluation approaches, annual reviews of stakeholder relationships, fund management and impact, or other approaches to encourage reflection. It might include establishing and nourishing a community of practice.	Innovation Service	Complete by Q2 2021