



IMPACT REPORT 2020

GIF invests in entrepreneurs and innovators with the potential to improve the lives of millions of the world's poorest people.





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It gives me great pride to present this summary report of the Global Innovation Fund's impact in 2020, a year of unprecedented economic and societal hardship across the world. In addition to impact, the report details GIF's commitment to generating and measuring evidence, responding to COVID-19, and placing gender at the heart of its investing.

GIF is a non-profit investment vehicle that backs innovations that improve the lives of low-income people around the world. GIF takes an evidence-based venture capital approach – not to maximise its own profits, but to maximise the social benefits it creates. GIF does this by investing in early-stage innovations that are risky but which, if successful, offer prospects of large benefits to millions of people. Through grants, loans and equity investments ranging from \$50,000 to \$15 million, GIF investments have the potential for social impact at a large scale, whether they are new technologies, business models, policy practices, or behavioural insights. As our portfolio grows and matures, we are beginning to see some exciting results, and these are featured in this year's report.

The support of our funding partners, including their advocacy for the innovators and entrepreneurs we back within the development community, is critical to our success. Among many examples of this, under USAID's leadership of the Million Lives Club, which celebrates innovations that have benefitted 1,000,000 people or more, GIF's partners BRAC, Simprints, Educate! and One Acre Fund have been recognised as examples of taking innovation in international development to scale. We are especially pleased that this scale comes with rigorous evidence of impact alongside randomised controlled trials backed by GIF in several cases.

I am delighted to have joined the GIF Board and to welcome two exceptional colleagues – James Habyarimana, the Provost Distinguished Associate Professor at Georgetown University's McCourt School of Public Policy, and Kathryn Kaufman, former Chief Strategy Officer for the US International Development Finance Corporation. I also want to

take this opportunity on behalf of everyone at GIF to thank our departing board members including Jack Hawkins, former senior advisor from USAID, for his wise guidance and Elizabeth Peak, from the Australian Department for Foreign Affairs and Trade, or DFAT. Elizabeth's insight and expertise enabled us to deepen and develop our focus on the Indo-Pacific region as we move towards the launch of our Singapore office, and we look forward to working with her successor, Robert Christie, to continue to advance GIF and DFAT's joint commitment to investing for social impact.

I must also acknowledge the tremendous contribution of my predecessor as Board Chair, and one of the original founders of GIF, Sal Giambanco, who completed his term as Chair and retired from the Board at the end of 2020. It is due in large part to his passion and guidance that GIF has delivered on its mandate to accelerate innovation for development impact.

A handwritten signature in black ink, appearing to read 'James R. Clark', written in a cursive style.

James R. Clark
Chair, Board of Directors

Message from the CEO



As I look back on the past 12 months, I feel a great sense of pride for the way in which the GIF team has responded to one of the most unique and challenging crises in modern history.

The impact of COVID-19 has been, and continues to be, profound. The health and economic effects of the pandemic have been felt throughout the world, with no country spared, but it is clear that the worst consequences have been borne by the poorest and the most vulnerable. As we look towards driving recovery and improving livelihoods in the months and years ahead, the importance of evidence-backed innovation has never been greater.

We worked to protect our portfolio as part of our strategic pandemic response. Innovators across the GIF portfolio have been hit hard by COVID-19, whether through more or less demand for their products and services, the health and wellbeing of their staff and their customers, or in some case broader economic or regulatory factors. It is with this in mind that we focused in 2020 on working closely with the organisations in our portfolio to support them as they navigate these unprecedented challenges. We have carried out this work based on the needs of individual portfolio organisations rather than through a ‘one size fits all’ approach – in some cases we’ve provided more venture support or technical assistance, and in other cases it has been funding, depending on the specific needs of the innovators. We have also changed our grant timelines to ensure that our grantees can pivot and respond directly to the pandemic through specific COVID-19 activity in the countries in which they are operating.

We leveraged the GIF model to respond to the pandemic. We redirected our energy and resources towards investing in innovation that explicitly responds to the worst effects of the pandemic, working with partners to combine behavioural nudges with stay-at-home messaging, to improve the quality of information that

pharmacies have about the virus, and to track infections and outbreaks in novel ways in low-income settings, to give a few examples.

Alongside our pandemic response work, I am also hugely proud of the progress we have made in advancing our commitment to gender equality including our progress in integrating gender into our Practical Impact methodology for measuring impact, which you can read about in this report. I want to take this opportunity to thank Global Affairs Canada, whose partnership through the Innovating for Gender Equality Fund, which invests in scalable innovations that empower women and girls by targeting social norms and structural underpinnings of gender inequality, has inspired us to challenge ourselves to ensure that a commitment to gender equality runs through all that we do.

Looking towards 2021 and beyond, we know that the challenges ahead are as great, and perhaps even greater, than those that we have overcome. With our flexible model, sector agnosticism, and appetite for experimentation and smart risk, GIF will continue to play its part in the worldwide response to the pandemic. Our underpinning philosophy, improving the lives of the world’s poorest people by accelerating innovations and measuring impact, remains the same.

A handwritten signature in black ink, appearing to read 'Alix'.

Alix Peterson Zwane PhD
Chief Executive Officer

Year in review



51 innovations
delivering impact



4 percent
expected annual
improvement in livelihood
of beneficiaries



7 companies
have raised \$ from
strategic/commercial
investors



\$100 million
committed to
investments



\$4.40
additional capital
mobilised per \$1 of GIF
for-profit investment



>400 million
social value generated
in \$ by five GIF
investments alone



130 million
people expected to
benefit from GIF
innovations by 2030



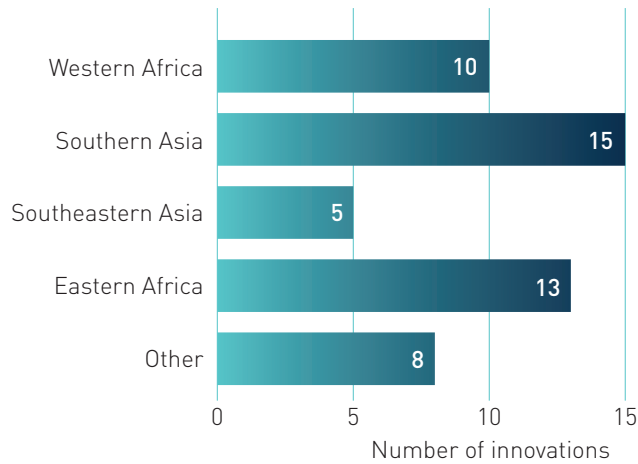
1.7x
average exit multiple on
first two exits (19% IRR)



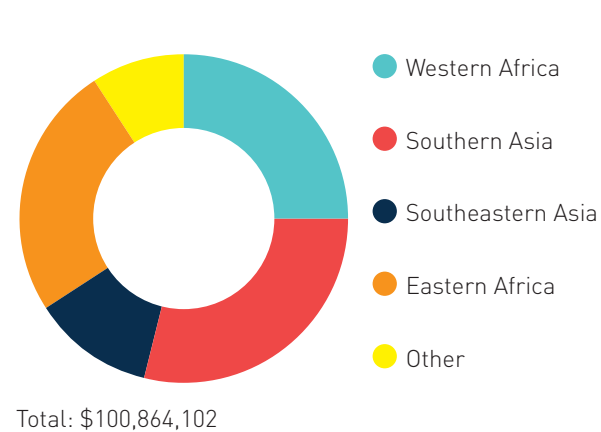
~200x greater
projected catalytic
impact of GIF portfolio
vs. cash transfers

Measuring impact

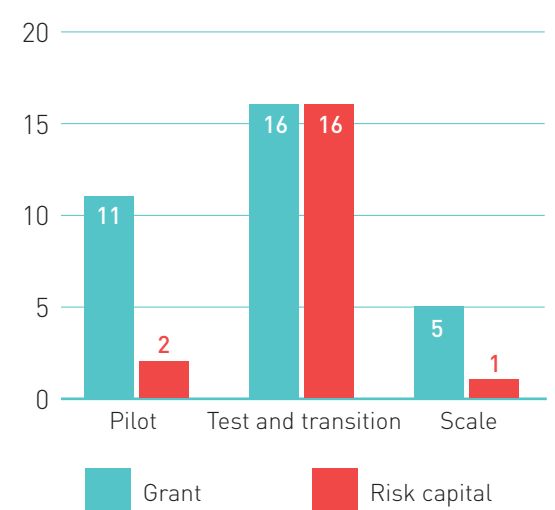
Innovations by region



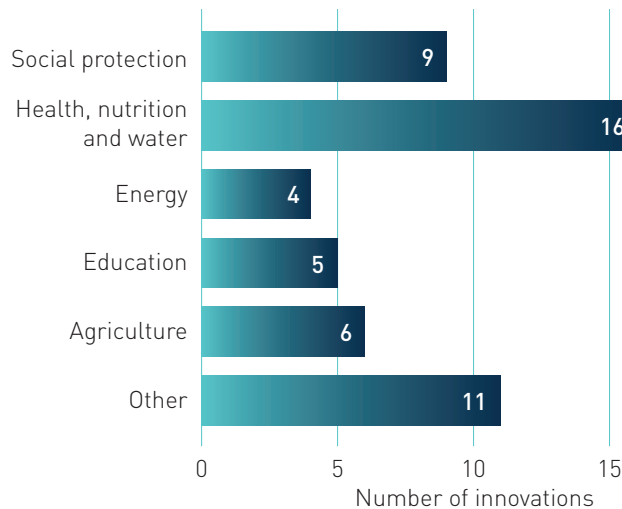
Value of GIF commitment by region



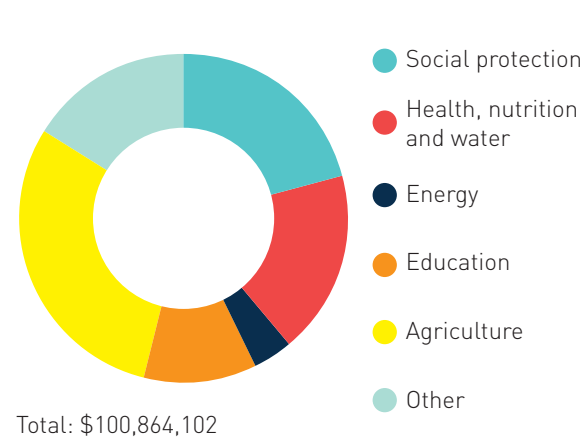
Funding stage and instrument



Innovations by sector

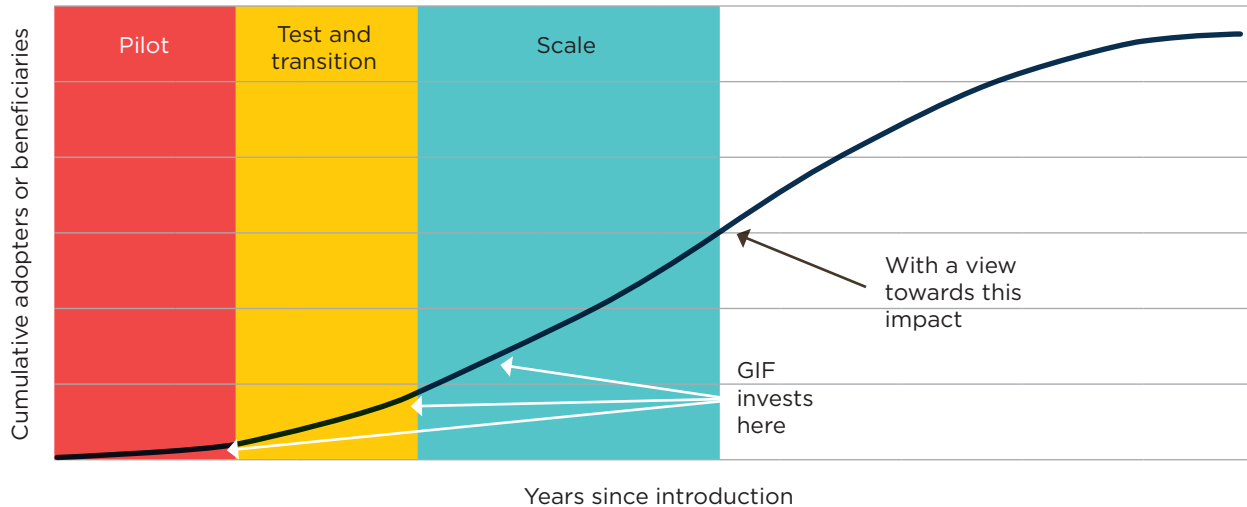


Value of GIF commitment by sector



Investing in innovations to catalyse long-term impact

GIF supports early stage innovations that have the potential to make a difference in the lives of millions of people. Today, our investees are focused on testing and proving their innovations, but always with an eye to scale and far reaching impact. Reflecting our catalytic role, GIF uses disciplined, evidence-informed methods to project an innovation's impact ten years after investment. The forecast impact is updated over time as the trajectory of the innovation becomes clearer.



GIF's Practical Impact methodology helps it focus on long-term impact

To select and manage investments, GIF's Practical Impact methodology uses a single yardstick to forecast the long-term, risk-adjusted impact of innovations across all outcomes, including health, education, and livelihoods, drawing on prior evidence. Investments generate new evidence, which is used to update the forecasts and to report on achieved impact.

The Practical Impact methodology helps GIF catalyse large-scale impact by allowing it to track impact at the portfolio level, allowing GIF to choose investments which, though individually risky, have high expected returns and then diversify the portfolio for maximum social benefit.

In assessing a prospective investment, GIF starts with a theory of change focused on who will be impacted through what mechanisms, and how the innovation will be scaled up or replicated. GIF then reviews the evidence supporting the theory of change and quantifies the magnitude of impacts, starting with **breadth** of impact: the number of people expected to benefit, ten years after investment, if the innovation successfully scales.

Practical Impact = low-income people impacted at year 10 x depth of impact x probability of success



Breadth of impact

The number of low-income people who will benefit at year 10

X



Depth of impact

Benefit per person relative to annual income

X



Probability of success

The likelihood that the innovation will be successful in 10 years

Breadth is then adjusted by expected **depth** of impact measuring the average predicted improvement in each beneficiary's well-being. This improvement could be represented by a boost in income, an enhancement in health, an improvement in women's agency, or even an avoided death. The last step is to adjust the calculated impact by the **probability** the innovation will successfully reach scale and in this way, GIF is able to calculate a unit of measure called Persons Year of Income (PYI). See box:

One Person-Year of Income =

One person gets an additional 100 percent of income (consumption) for one year, or

Ten people get an additional ten percent of income for one year, or

100 people get an additional one percent of income for one year.

How to calculate Practical Impact: A case study

Breakthrough, an Indian non-profit GIF backed in 2020, addresses gender inequality and violence against women through its innovative Taaron ki Toli curriculum, shown to drive positive changes in adolescents' gender attitudes and behaviours. Changing gender attitudes can have long term impact on girls' own sense of agency and decision making and also help girls navigate critical decisions.

Practical impact places a value on improved women's and girls' agency as not just a means to better education, health, and income, but an end in itself.

A **randomised controlled trial** showed that the TKT programme is successful in changing attitudes for boys and girls. Gender attitudes remain positive even after three years and the impact for boys is high compared to girls.

Depth of impact represents the average benefit per programme participant. We convert the measured change in gender attitudes to our PYI units, using a conversion factor that places high value on women's agency.

Breadth of impact is calculated by taking the total number who receive the TKT programme in government schools between grades 6-8 and project a range of breadth over the innovation's next 10 years then estimate a scale up of the programme between two to five states in India, with breadth ranging from four to 12 million children enrolled in 2030.

Probability of impact that the programme indeed scales over ten years is assessed and, in this case, although the programme is well-demonstrated and Breakthrough is a well-run organisation, there are risks that must be overcome to reach the ambitious breadth projection including whether adequate funding will be available and if teacher training and supervision can assure fidelity of the programme's execution as it expands.

We can project benefits, therefore, of 380,000 to one million PYI/year by 2030 if scaling is successful. After adjusting for scaling risk that shrinks to 56,000 to 164,000 PYI/year. However, there is substantial upside potential and as the projections are adjusted overtime, we expect to see impacts on improved social norms, delayed age at marriage, longer school attendance, and reduced violence against women and girls.



Breakthrough

GIF's projected long term impact

Innovations are inherently risky; some will most certainly fail, and forecasting the future is, of course, imperfect. GIF invests in innovations because the rewards justify the risks. A few flourishing innovations can outweigh those that fizzle. By taking a portfolio view, GIF remains fixed on maximising total impact.

The bar graph opposite shows different breakdowns of the total expected impact. Each bar shows the low to high range of risk-adjusted impact for a different sub-portfolio.¹

The first breakdown is by GIF's funding window. GIF's staged funding approach offers funding levels tied to the innovation's level of development and supporting evidence. **Pilot stage** investments are still testing the viability of the innovation. Because these pilots are few, only 13, small, with total funding of \$3.3 million, and very risky because unproven, their risk-adjusted impact is low. The left side of the bar shows the possibility they all fail to achieve traction, with the result that the group's impact will be zero. These investments are a low-cost way of identifying viable candidates for scale with the potential that the social benefits of those that graduate will more than compensate for the cost of pilots that stall. The 32 **Test and Transition** investments, with total funding

of \$58 million, are more advanced and focus on establishing impact and cost-effectiveness. Their collective impact is higher, but the forecast range of impact, from 500,000 to two million PYI per year, still reflects a discount for the risk they will fail. Finally, the six innovations that are in **Scale stage**, representing a total funding of \$40 million, have been substantially de-risked and have a predicted impact of about two to four million PYI per year.

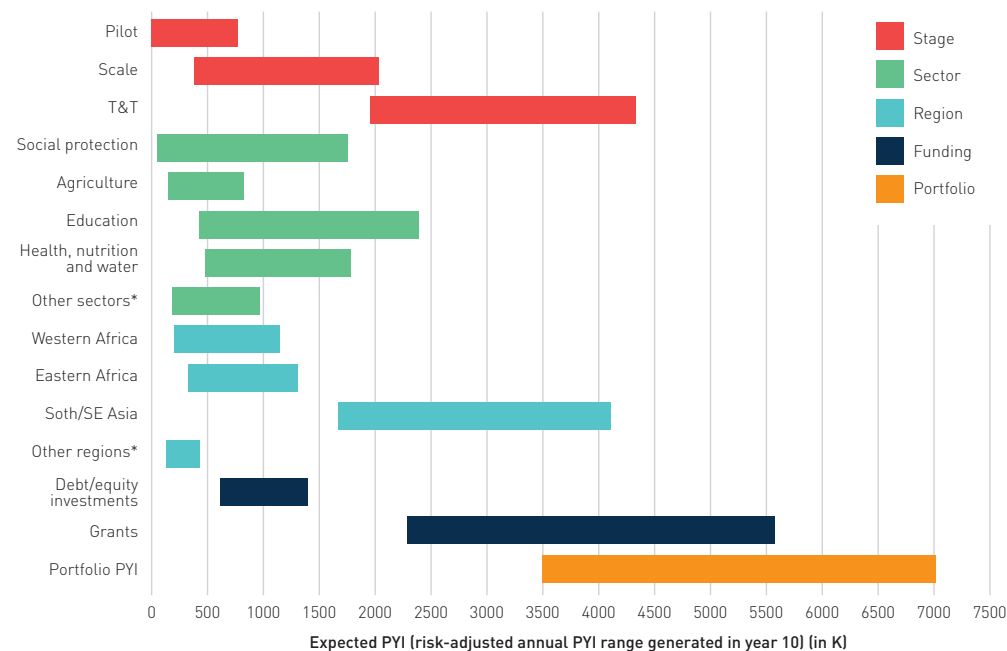
The second breakdown is by sector. 16 innovations are in public health, nutrition and water and five in education show, on average, the largest expected impact, but there are a wide range of possible outcomes. Third, the regional breakdown shows that innovations in South and Southeast Asia, which account for about a quarter of the portfolio by funding, represent the largest regional contributor to impact.

Finally, the breakdown by financial instrument. Grant-funded innovations account for more of the total forecast impact than those funded through debt and equity. However, as noted elsewhere in this report, the debt and equity investments can be highly cost-effective because, unlike grant funding, these funds are returnable and can be recycled for more impact.

GIF is on track to achieve a risk-adjusted 3.5 to 7.0 million PYI each year by 2030, improving the living standards of 130 million people by about four percent each year.

This impact estimate represents the annual flow of benefits, ten years after our investment. In most cases we expect impact to continue to expand.

Expected impact of innovations (low to high range)



¹ The uncertainty range on each of these breakdowns is large, relative to the uncertainty range for the portfolio as a whole, because uncertainties are averaged out over larger, more diverse portfolios.

* Other sectors include energy, financial services, government effectiveness and transport. Other regions include Northern Africa, South Africa and Central America.

Creating impact through education

We know there is a 'learning crisis' in low-income countries as more children than ever are enrolling and attending school, but for too many children, school attendance does not translate to meaningful learning



Educate!

Educate! tackles youth unemployment in Africa by partnering with stakeholders to help students attain further education, overcome gender inequities, start businesses, get jobs, and drive development in their communities. In 2016, GIF invested \$300,000 in Educate! for implementation in 800 schools and to conduct a randomised controlled trial. GIF funding also helped advise the Ugandan government on improving the national curriculum and teacher training. To date, Educate! has reached a total of 46,000 scholars across Uganda and Rwanda, with an additional 431,000 youth



reached indirectly. Participants improved their soft skills relative to non-Educate! graduates and were more likely to complete high school, virtually closing the high school graduation gender gap. Women and girls were 25 percent more likely to enroll in tertiary education. We have seen positive social spillovers from the programme with shifts in social norms around women's role outside of home and reduced acceptability of intimate partner violence.



Educational Initiatives – Mindspark

Educational Initiatives is seeking to address the learning crisis in developing countries through its software known as Mindspark, a computer-based learning method that adjusts to each child's needs and pace. The software showed a two-fold increase in math learning and 2.5 times increase in math and language abilities compared to the control group. The relative impact of the programme was much greater for low-achieving students. In 2017, GIF made a \$2.3 million grant to Educational Initiatives to explore how Mindspark could be used effectively in government schools and is enabling the roll-out of Mindspark in 40 government schools in Rajasthan with the goal of improving the learning outcomes of 5,000 children. The grant also supports the company's development of public goods intended to accelerate the adoption of other personal learning software providers. Educational Initiatives has reached over 100 schools in Rajasthan and 200 schools in eight other states reaching a total of over 60,000 children. GIF has contributed to procurement policy changes that have resulted in an additional 1,000 schools reaching over 200,000 children across India taking up the personal learning software procurement.



Lively Minds

Lively Minds works at the nexus of two of the most important pillars of effective early childhood development: involving parents in early years education and using play to promote cognitive development and prepare children for school. GIF's grant, awarded in 2016, has enabled Lively Minds to support over 250 play schemes in Ghana, reaching 50,000 children and training over 11,000 mothers and 600 teachers and was also used to conduct a randomised controlled trial, which demonstrated the Lively Minds programme provided a low-cost way to improve the school readiness of children driven by significant improvements in early understanding of numeracy, better memory, focus and fine-motor skills. Lively Minds has shown to be particularly successful in raising cognitive abilities for children coming from poorer households, with children from the bottom socio-economic quintile seeing more than twice the increase in cognitive development. There was also a decrease in acute malnutrition for children and, for parents, improved general knowledge about child development. Lively Minds developed and tested an operational model which could be scaled up through government systems, and the RCT findings were instrumental in securing the government's support for this expansion across 4,000 schools in 60 districts reaching close to 500,000 children each year. In 2020, GIF awarded a \$2.7 million grant to Lively Minds to support Ghana's efforts to scale up the Lively Minds programme in 1,600 kindergartens in eight of the country's poorest regions and pivot to adapt to the threat posed by the COVID-19 virus. By the end of 2020, Lively Minds supported hundreds of hours of radio content in 16 languages, reaching an estimated listenership of two million people.



SmartStart

In 2020, GIF added to its education portfolio with SmartStart, a non-profit company creating social franchises aimed at scaling up quality early childhood education across South Africa. SmartStart currently reaches roughly 35,000 children a year through 3,500 practitioners in all nine of South Africa's provinces, and is targeting 10,000 practitioners with the aim of reaching 100,000 children a year in its 2020-2022 phase. GIF's \$1.46 million grant will be used to design and build a mobile-enabled practitioner management and support platform that GIF expects to eventually allow the government of South Africa to incorporate data from to inform its broader health and education information management systems.



Comparing the effectiveness of catalytic investing

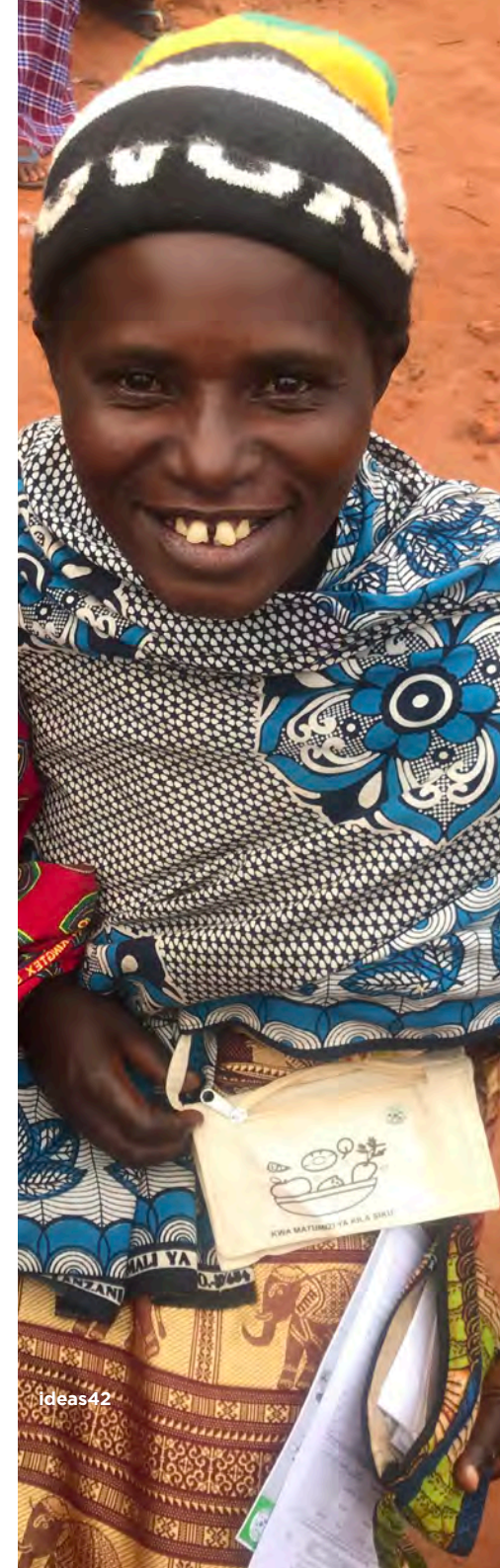
The catalysing effect of innovations can produce enormous impact. To assess differences in cost-effectiveness among investments and ensure investments are on track to achieve meaningful value for money at the portfolio level GIF uses a natural benchmark that comes from our unit of impact, the person-year of income equivalent, or PYI.

Because one PYI can be interpreted as the benefit a person living on less than \$5 a day would experience if given an extra 100 percent of their total consumption for one year, GIF compares how the overall catalytic impact per dollar compares to the benefit that same recipient would have if given cash instead.

This important comparison is why GIF seeks to support innovations at a relatively early stage. While a successful innovation will eventually require many years and attract many funders in achieving its full scale, GIF's strategy is to help the innovation get it off the ground and on that trajectory.

To compute value for money in an investment, GIF starts with the total long-term impact expected to be catalysed - adjusted for risk - and divide credit for this impact between GIF and any co-funders in proportion to funding. Then divide GIF's share of impact by the cost of GIF's funding to determine the catalytic impact per dollar.

The catalytic impact of GIF's portfolio is ~200 times greater than the cash transfer benchmark



Achieved impact

While GIF's long-horizon strategy means that most of its impact is still to come, its early investments are already yielding tangible benefits at scale and are further evidence that investing in innovation for development pays off. With modest assumptions, projecting out five years, five GIF investments will have generated \$209 million in social value. This corresponds to a social rate of return on GIF of 34 percent

During the three years leading up to 2018, GIF made investments in 38 innovations, committing nearly \$80 million to companies operating throughout Africa and Asia and across a diverse set of sectors such as agriculture, health, education, and energy.

22 of these innovations were financed through grants, 12 were risk capital investments using equity and/or debt, and four were a hybrid of both. With five years of implementation experience now yielding on-the-ground results, GIF is able to calculate the social return on investment – that is, the ratio of achieved social benefits (in dollar terms) to investment costs.

A lower bound for the social rate of return to GIF's investment can be established from just five maturing investments: SafeBoda, One Acre Fund, Paga, Educational Initiatives, and Development Media International. The strategy to get this lower bound social rate of return for GIF's investments involves allocating to GIF a share of the total social benefits from these five innovations based on GIF's share of their overall funding. When calculating the cost side of GIF's contributions, we include not just the

funding that went to these five innovations, but also the funding of GIF's other 33 early investments, many of which are still on their path to scale.

Between 2015 and 2020, these five early investments have generated more than \$400 million in social benefits. We calculate that \$84 million in social benefits is directly attributable to GIF's investment. The cost of GIF's early 38 investments totaled \$109 million, which means that just five of GIF's investments have already returned social benefits equivalent to three-quarters of the portfolio costs. Of course, these figures are dynamic and change as the economics becomes clearer, and we are committed to [updating our website with the latest figures](#) as the portfolio matures and we are able to make better assumptions and projections.

The table that starts of page 17 lists each innovation in GIF's portfolio and the number of people benefiting or reached to date. To date, six investments have reached over one million people and 10 investments have reached between 100,000 and one million people.

Social Rate of Return Case Study



One Acre Fund, or 1AF, has developed an innovative system for testing, evaluating and scaling critical farm technologies and practices to increase productivity and incomes of rural smallholder farmers across Sub-Saharan Africa by driving significant improvements throughout the entire agriculture ecosystem and working through national governments' extension services to drive countrywide adoption of their farmer training. This hybrid pathway to scale in both the public and private sectors, is nearly sustainable, covering between 70 and 75 percent of its programme costs through earned revenue.

GIF invested to fund key areas of 1AF's work that are both uniquely aligned to GIF's mission and also areas least likely to be supported by most donors. \$7.8 million of GIF's grant funded the testing and scale up of new farming innovations through 1AF's extensive farmer network across Kenya, Rwanda, Burundi, Tanzania, Uganda and Malawi. \$4.3 million of GIF's grant funded 1AF's model innovation team focusing on improving the efficiency of 1AF's model as it drives toward full sustainability. \$1.7 million of GIF's grant supported ecosystem adoption and improvements through either government partnerships and/or private sector agribusinesses and the final \$750,000 funded a randomised controlled trial, or RCT, in Kenya on 1AF's maize and bean operations, in addition to strengthening its internal evaluation capabilities.



By end of 2019, 1AF provided direct services to over one million farmers and indirect services to another 1,376,000 farmers in Kenya, Rwanda, Burundi, Tanzania, Uganda, Malawi and Zambia with another 670,000 farmers estimated to have benefited from learning spill overs. Results from the GIF funded RCT and 1AF's internal monitoring and evaluation found that 1AF farmers increased their capacity to withstand shocks and stressors and earned on average \$96 more per year than comparable farmers. Results also showed that non-participating, neighbouring farmers were learning from 1AF farmers and earned \$17 more income. Social benefits generated by 1AF from 2016 to 2019, the period

of GIF's investment, can be estimated as \$174 million in discounted net social benefits and, accounting for the fact other investors also invested in 1AF, we can estimate that \$24.5 million in discounted net social benefits was generated by GIF's investment of \$15 million. The 2015 discounted value of GIF's investment is \$11.5 million, which means GIF's investment in 1AF returned over \$2.12 to date in net social benefits per dollar invested.

GIF's investments and people reached to date

Innovation	Investment year	Description	People reached directly (by 2020) Total people benefiting (by 2020)	Country/region	GIF investment (USD)	Investment type
Development Media International	2015	Provides a mass radio campaign to promote adoption of modern contraception and rigorously assess its impact.	3.7 million people reached by radio; 225,000 adopting modern contraception	Burkina Faso	2,093,265	Grant
Educate!	2015	Provides leadership, entrepreneurship, and workforce readiness skills training and mentorship for secondary school students and rigorously assess its impact.	160,000 students	Uganda	609,674	Grant
Valid Nutrition	2015	Provides ready to use, fortified therapeutic foods to combat malnutrition. WHO approval pending before new generation product is rolled out to scale. Impact data reflects funded RCT.	853 children	Malawi	169,408	Grant
Born Project	2015	Developed low-cost pulse oximeter for newborns with the potential to detect sepsis, pneumonia and congenital heart defects earlier than standard practice.	Not applicable	China, Philippines	224,600	Grant
Segovia	2015	Provides software that improves the efficiency of cross-border payments making aid programmes and remittances faster, cheaper and more secure.	310,000 recipients	Kenya, Uganda, Pakistan	749,999	Equity

■ Pilot
 ■ Test and transition
 ■ Scale

Innovation	Investment year	Description	People reached directly (by 2020) Total people benefiting (by 2020)	Country/region	GIF investment (USD)	Investment type
PoaPower	2015	Making off-grid, affordable clean energy technology affordable for even the lowest-income households using a 'pay-as-you-go energy as a utility' model.	100 households	Kenya	238,053	Equity
One Acre Fund	2016	Provides smallholder farmers a package of credit, farming inputs, training, and market linkages and rigorously assess its impact.	1.1 million farmers 5.5 million people	Kenya, Rwanda, Burundi, Tanzania, Malawi, Uganda	15,000,000	Grant
SafeBoda	2016	A ride-hailing app, which provides boda (motorbike) drivers with a reflector jacket, two helmets and road safety training.	2 million riders per month 360 injuries and deaths averted	Uganda	230,000	Debt
mClinica	2016	Provides pharmacists access to information and training, cheaper and faster access to drug distributors, and facilitates patient referrals.	170,000 pharmacy professionals 150 million patients	Cambodia, Indonesia, Philippines, Thailand, Vietnam, Malaysia	3,120,000	Hybrid
Behavioural Insights Team (BIT)	2016	Helping governments use behavioural science to (re) design public services to improve their performance and support citizens to make better choices.	More than 11 million people	Guatemala, Bangladesh, Indonesia,	3,850,000	Grant
SparkMeter	2016	Provides smart metering technology to central grid utilities and micro-grids for real-time monitoring and pay-as-you-go electricity and outage prevention.	100,000 meters 400,000 people	Africa, South Asia, Latin America	657,688	Equity/Debt
Aquaculture Prize Design (Nesta)	2016	Designs a Challenge Prize to address market failures and accelerate innovation in aquaculture, currently awaiting funders.	Not applicable	India, Bangladesh	315,566	Grant
PayGo Energy	2016	Provides pay-as-you-go smart meters LPG cylinders, coupled with a distribution model adjusted to the needs of low-income households.	Commercially sensitive	Kenya	616,705	Equity/Debt
Afrimarket	2016	A low-cost, eCommerce cash-to-goods service for sending remittances and locally sourcing food, sanitation, and construction materials in West Africa.	18,000 Customers	Cote d'Ivoire, Senegal, Benin, Togo, Cameroon	3,125,233	Equity
MyAgro	2016	A scratch card system for smallholder farmers to save and finance activities by purchasing farm inputs (seeds, fertiliser, and training) using mobile phones.	30,000 farmers 150,000 people	Mali, Senegal	225,000	Grant
Simpa	2016	Installs solar electric systems in homes or business and allows customers to purchase 'energy days' using prepaid or pay-as-you-go mobile payments.	72,000 households 374,000 People	India	2,300,000	Equity

■ Pilot
 ■ Test and transition
 ■ Scale

Innovation	Investment year	Description	People reached directly (by 2020) Total people benefiting (by 2020)	Country/region	GIF investment (USD)	Investment type
Younglove	2016	Pilot program seeing to empower young women to reduce their risks of HIV infection and unintended pregnancies by offering dynamic awareness classes in schools.	50,000 young adults	Botswana	362,426	Grant
CCT for immunisations (IRD)	2016	Provides small incentives to parents and vaccinators to encourage uptake and completion rates of child immunisation as part of a rigorous impact evaluation.	11,197 children	Pakistan	856,215	Grant
Lively Minds	2016 and 2020	Equips education services to engage parents in educational play-schemes in government run kindergartens and rigorously assesses impact.	1.1 million children by radio; 50,000 in person, and 11,000 volunteer mothers	Ghana	4,785,000	Grant
Simprints	2016 and 2020	Delivers mobile biometric hardware and software to address the challenges faced by the two billion people lacking formal identity.	380,000 users	Bangladesh, Nepal, Uganda, Kenya, Zambia	2,790,192	Line of credit
Educational Initiatives	2017	Delivers Mindspark personalised adaptive learning (PAL) software to students in government schools.	200,000 students	India	2,307,658	Hybrid
Talent Beyond Boundaries	2017	Matching highly skilled refugees with job vacancies in countries with occupational skills shortages.	22,000 refugees	Jordan, Lebanon, Canada, Australia	229,332	Grant
Labelled remittances (IPA)	2017	Enables migrants to label the remittances that they send home for a specific purpose, such as education or business activities as part of a rigorous impact evaluation.	4,000 remittance recipients	Philippines	1,700,000	Grant
EM3	2017 and 2020	A platform for smallholder farmers to access end-to-end farming services including machinery to which they would typically not have access.	24,000 farmers 96,000 people	India	8,780,000	Equity
TAG Africa	2017	Provides market linkage innovation in Africa for water utilities, technology providers and regulators to convene.	Not applicable	Africa	178,015	Grant
WhereIsMy Transport	2017	A transport technology company focusing on mapping informal transport routes that allow for the integration of formal and informal transit data.	300,000 people	Africa, S Asia, SE Asia, Latin America	1,140,000	Equity
Med Biotech Laboratories	2017	Pilot programme exploring how to malaria-proof traditional Ugandan huts by incorporating insecticide into the walls and surfaces and assess impact.	1,670 households	Uganda	230,000	Grant
No Lean Season	2017	Offers subsidies to low-income agricultural workers as an incentive to migrate to urban areas during the famine season, where higher wages can be earned.	130,369 travel subsidies provided	Bangladesh, Indonesia	2,461,901	Grant

■ Pilot
■ Test and transition
■ Scale

Innovation	Investment year	Description	People reached directly (by 2020) Total people benefiting (by 2020)	Country/region	GIF investment (USD)	Investment type
Reducing Anemia	2017	Distributes fortified rice via the already existing Public Distribution System that delivers free rice to all households and rigorously assesses impact.	Paused due to Covid	India	1,303,611	Grant
Babban Gona	2017	Comprehensive agriculture franchise model to sustainably improve the lives of smallholder farmers through the provision of end-to-end farming services.	38,000 Farmers 190,000 people	Nigeria	2,978,919	Debt/Grant
Improving Cash Transfers (Ideas42)	2017 and 2020	Behavioural additions to cash transfer programmes, aiming to optimise the design features to improve outcomes for beneficiaries.	1,800 recipients 9,000 people	Kenya, Tanzania and others	4,622,730	Grant
Paga	2018	A mobile platform that delivers person to person money transfers, transfers to bank accounts, bill payments, airtime purchases and remittances.	14 million unique users	Nigeria	6,000,000	Equity
No Means No Worldwide	2018 and 2020	Provides rape prevention training curriculum called IMpower, aimed at boys and girls aged 10-20 to teach mental, verbal and physical self-defence skills.	38,415 adolescents	Uganda, South Africa	2,105,399 1,900,000	Grant
IDinsight	2018	Producing cheaper, faster and user-friendly information for local officials on issues directly relevant to citizens, such as health, education or agriculture.	Approximately 25,000 people	Zambia	230,000	
Stanford Remote Sensing for Smallholders	2018	Design and test strategies to use satellite images to measure farm productivity for very small plots and in near-real time.	Not applicable	Kenya, Mali, Uganda, Tanzania, Malawi, India	461,846	Grant
Online Pajak	2018	A software platform that provides free tax compliance and filing technology for SMEs to encourage them to formalise their businesses.	1 million registered clients	Indonesia	1,750,000	Equity
CityTaps	2018	Allows residents to prepay for running water in the home with a mobile phone, at any time, and for any amount.	4,200 households 33,000 people	Niger, Kenya, Ecuador	500,000	Convertible debt
City Nudges (ideas42)	2018	Works with cities to use pay for performance mechanisms when applying behavioural nudges to increase tax revenues or save energy and water. Implementation pending.	Not applicable	various	300,000	Grant
Mr. Green Africa	2019	A tech-enabled plastics recycling company offering an end-to-end process for recycling by purchasing plastics from waste pickers at a higher price.	640 sourcing agents	Kenya	1,000,000	Equity/Debt
StrongMinds	2019	Addresses depression among low-income women by delivering facilitator and peer-led 12-week courses of group interpersonal therapy.	More than 71,000 patients	Uganda, Zambia	1,600,000	Grant

■ Pilot
 ■ Test and transition
 ■ Scale

Innovation	Investment year	Description	People reached directly (by 2020) Total people benefiting (by 2020)	Country/region	GIF investment (USD)	Investment type
Balloon Ventures	2019	Provides entrepreneurs with intensive, tailored support on management best practices alongside flexible loans, driving growth and creating jobs.	25 businesses	Kenya, Uganda	230,000	Grant
Drinkwell	2019	A combination of purification tech, filtration and pay-as-you-go cards in an easy-to-operate turnkey solution delivering safe and affordable water.	156,000 households 624,000 people	Bangladesh, India	500,000	Debt
GiveDirectly	2019	Provides unrestricted cash transfers to people living in refugee settlements via a mobile money payments platform as part of a rigorous impact evaluation.	4,840 households 30,864 people	Uganda	2,100,000	Grant
CrimeRadar	2019	A decision-support and crime-forecasting tool by the Igarapé Institute to help police and civilians.	Paused due to Covid	South Africa	1,408,359	Grant
PATH	2020	Building evidence for using environmental surveillance of wastewater to detect presence of the COVID-19 virus in low-income settings.	Not applicable	Nepal, Myanmar, Indonesia, Malawi	868,000	Grant
Kamatan	2020	Works with farmer produce organisations to source produce for direct supply to agricultural enterprises, processors and retailers.	25,000 farmers 100,000 people	India	2,291,815	Equity
DGMT-SmartStart	2020	Creates social franchises aimed at scaling quality early childhood education provision across South Africa.	78,000 children	South Africa	1,460,000	Grant
International Care Ministries	2020	Leveraging a network of pastors to deliver training and mentoring services without a large asset transfer or basic income support to last-mile locations.	200,000 families 1,000,000 people	Philippines, Uganda	5,400,000	Grant
Chrysalis (EZ Vidya)	2020	An activity-based learning program suited for supporting the development of young minds. Chrysalis also assists and builds the capacity of teachers, parents, and school administration through its learning transformation team.	289,000 students	India	1,600,000	Equity
J-PAL Health Insurance Project	2020	An innovative approach to enhance state capacity to use administrative data to make better decisions – focusing on health insurance – that will ultimately benefit the poorest segments of the Indian population.	Not applicable	India	700,000	Grant
Taaron Ki Toli (Breakthrough)	2020	A gender equality curriculum in government schools designed to shift discrimination against women and girls by empowering adolescents.	188,000 adolescents in schools, 500,000 people benefiting.	India	890,000	Grant

■ Pilot
 ■ Test and transition
 ■ Scale

GIF's portfolio shows emerging Impact



GIF achieves impact by finding and funding evidence-backed innovations with the potential to transform the lives of millions of the world's poorest people. A number of exciting innovations across GIF's young investment portfolio, focused on addressing major development

challenges such as bringing financial services to the poor, contributing to domestic resource mobilisation, improving livelihoods, and using biometric technology to improve access to critical services, are beginning to show emerging impact



Paga

Paga, a Nigerian mobile money platform, delivers a number of financial services such as person-to-person money transfers, transfers to bank accounts, bill payments, airtime purchases and remittances, all from a customer's linked eWallet or, for customers without a bank account, through a neighborhood Paga agent. Transaction costs, including fees and cost of travel, are a significant barrier to the use of traditional banking institutions and Paga's agent network provides a cheaper, more effective means of reaching poor and remote customers. GIF's investment in Paga was designed to grow its user base, promote the Paga agent network and invest in product innovation. GIF's investment in Paga has returned over \$1.13 in net social benefits to date for each dollar invested. Accounting for the fact that other investors also invested in Paga, GIF estimates that \$5 million in discounted net social benefits was generated by its investment alone.



OnlinePajak

OnlinePajak's suite of free and fee-based products allows companies and individuals to better comply with their tax responsibilities in Indonesia. GIF's \$1.75 million in funding was used toward sales, marketing and product and business development. To date, OnlinePajak has registered 1,062,994 users, both individual and corporate, and has, through July 2020, processed a total of \$13.9 billion in tax declarations and \$86.1 billion in invoice and sales transactions. In Indonesia, the average time taken for a company to prepare, pay and file taxes is estimated at 15.9 hours per month but OnlinePajak's services can reduce that to less than 30 minutes. The company estimates that a larger firm using their services can save \$60,000 a year through productivity gains, \$11,000 a year by reducing late payment fees and \$260,000 a year by reducing the costs of working capital financing via faster invoicing.



Talent Beyond Boundaries

Talent Beyond Boundaries, or TBB, works to connect the hidden refugee talent pool to fill the global skills gap that will cost the global economy \$8.452 trillion in lost revenue by 2030. GIF's \$230,000 in funding helped TBB expand its labour mobility solution by securing skilled employment and work permits in Canada and Australia for refugees living in Jordan and Lebanon and also enabled TBB to map processes to demonstrate the viability of improving access to labour mobility. TBB's Talent Catalog now has more than 22,000 profiles of refugees living in Jordan and Lebanon accessible to over 100 employers. By June 2020, 39 TBB candidates have received job offers and, when accounting for family members, 143 people have achieved a migration solution from TBB's programming to date. With GIF's support, TBB was able to develop relationships with the governments of Australia and Canada and implement successful pilot programmes resulting in commitments to scale up these programmes in both countries. A survey conducted with 15 TBB candidates relocated to Canada, UK, and Australia found that the average annual salary was \$40,000 with 60 percent of the relocated candidates sending remittances to their families in Jordan, Lebanon, Syria or elsewhere.



International Care Ministries

People living in ultra-poverty are often left out of government assistance programmes or market interventions while faith-based organisations often have extensive community networks and are in a favourable position to reach the poorest of the poor. To reach these populations effectively an intervention must include consumption support and social protection, as well as livelihood support through an income-generating asset, financial inclusion, and coaching on life and business skills. Provision of all these services in synergy is effective but expensive. Extensive human engagement is an additional barrier to scale. In the Philippines, International Care Ministries's Transform leverages an existing network of 12,000 pastors in 85 provinces with last-mile reach to deliver a programme focusing on training and mentoring services with a small asset transfer component. ICM believes leveraging this distribution network of pastors with deep community connections helps cultivate hope, optimism and social capital as integral pathways out of poverty. ICM has worked with more than one million ultra-poor families and GIF has provided a five-year \$5.4 million grant to optimise and scale its programme within the Philippines and other countries through effective use of technology.



Simprints

In 2016, GIF provided \$196,960 of grant funding to Simprints to fund the development and implementation of a sustainable delivery model of Simprints' biometric identity hardware and software products in Bangladesh and Nepal. Identification has become increasingly essential for people to access basic services and exercise their rights. A lack of formal identity perpetuates poverty by restricting access to welfare-improving social programmes and economic opportunities, and these challenges disproportionately affect those who live in the world's poorest countries where 36 percent of adults do not have any identification. Since that pilot grant, Simprints has deployed its technology in 12 countries in partnership with BRAC, Mercy Corps, UNICEF and the Ethiopian Ministry of Health, reaching more than 380,000 beneficiaries worldwide and achieving profitability. Building on this success, in 2020, GIF provided Simprints with a \$2,593,230 revolving line of credit to support the company as it transitions from pilot projects to working on scale-up projects in other countries such as Bangladesh and Ethiopia.

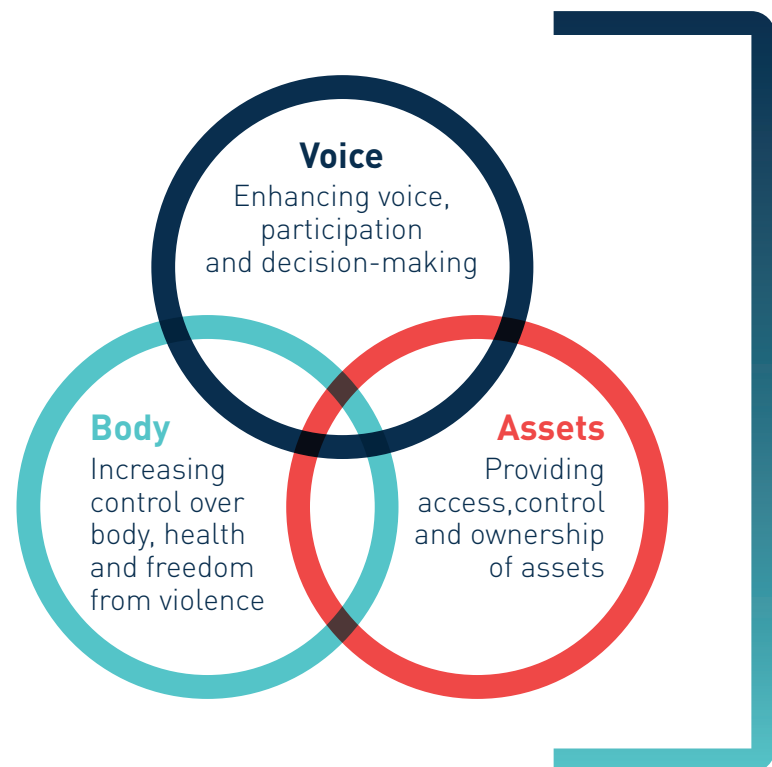


Making investments and quantifying impact for gender equality

Everyone should be the protagonist of their own story. Women and girls are disproportionately affected by discrimination and underlying barriers that prevent them from having a voice or having control over assets and even their own bodies

Gender equality interventions and impact measures

Areas of intervention to promote gender equality



Impact measures

Agency across domains

- Control of body/sexual and reproductive health and choice
- Household decision-making
- Social and political sphere



Reduction in violence against women and girls

Including but not limited to:

- Intimate partner violence
- Non-partner violence
- Child sexual assault



Wellbeing outcomes

- Income or consumption
- Health
- Education status



In 2020, GIF worked to quantify the gender equality outcomes of its investments and to promote learning about measuring for gender impact within the wider development community.

Innovating for Gender Equality Fund

GIF has partnered with Global Affairs Canada to pilot the Innovating for Gender Equality Fund, specifically focused on finding and funding scalable innovations to transform unequal gender relations and increase the agency of the world's poorest women and girls.

Increasing agency, the ability to identify goals or make choices and then act upon them, is the central goal of the innovations GIF backs, supporting people of all genders to make empowered and informed decisions, and to have control over their own voices, bodies, and income and assets. This means backing innovations that ensure freedom from violence for women and girls, which is of critical importance as COVID-19 has exacerbated the shadow pandemic of gender-based violence. It also means investing in innovations centered on changing social norms and opportunities around gender equality, including increasing women's earning potential and economic empowerment in industries with growth potential.

Investing for gender equality required GIF to expand its Practical Impact framework to appropriately account for women's agency – not just as a means to an end, but as a valuable end in itself. The figure opposite shows how the areas of intervention in GIF's gender equality framework are quantified by using three measures of impact.

In addition to its growing portfolio of gender equality-focused innovations, GIF now applies a gender analysis to all investments and in 2020 successfully incorporated gender considerations into every step of its process including the way all investments are sourced, due diligence, structured and measured for impact.

No Means No Worldwide

A \$1.9 million Test & Transition grant that followed a successful GIF Pilot grant supports the expansion of its successful IMpower curriculum taught in schools and clubs to both girls and boys aged 10-20 years. IMpower creates a system of knowledge, strategies and skills to end the cycle of sexual violence by teaching girls how to set boundaries and defend themselves while simultaneously shifting male attitudes and behaviors. The curriculum is designed to reduce violence against women and girls, empower girls to stand up for their rights and increase their agency. NMNW will strengthen its partnership model, expand to new countries in Sub-Saharan Africa, build an Innovation Hub in South Africa, and work towards longer term sustainability. It will also leverage learning from a remote delivery pilot necessitated by COVID-19.



StrongMinds

In 2020, GIF announced a \$1.6 million grant to StrongMinds, a social enterprise that treats depression in women in Africa with less than \$2 per day to spend on their families. StrongMinds will use the GIF funding to refine their therapy techniques by testing and rating its effectiveness in treating and reducing depression, and improvement on wellbeing. GIF investment will also go towards advancing plans to gain traction with governments and exploring the relationship between mental health and gender equality. The StrongMinds approach is a low-cost, proven methodology that has reduced depression symptoms for over 80 percent of the women treated in Uganda. Mental health has been given explicit focus in two Sustainable Development Goals targets and even though there are often not enough mental health professionals to treat everyone who needs it, the StrongMinds approach to use volunteers running group therapy sessions can have remarkable results.



Innovation in pandemic response

Throughout 2020, GIF devoted much of its resources to COVID-19-related grantmaking, accelerating innovation and learning about mitigating the health and economic costs of the pandemic in developing countries, as well as working to protect the social value of its existing portfolio of innovations





mClinica

By digitally connecting thousands of pharmacy professionals, mClinica is improving the access, affordability, and availability of medicines and enhancing the skills of the pharmacists who dispense them. SwipeRx is mClinica's mobile app that connects over 170,000 pharmacy professionals from 40,000 pharmacies across seven countries. mClinica was able to use their network to fight the COVID-19 pandemic and worked with international partners to exchange information to and from pharmacies about the virus throughout Southeast Asia by conducting digital polls

of more than 500 pharmacists, with the information gleaned being made available to public health officials and running COVID-19 awareness campaigns which received more than 400,000 impressions. When the pandemic hit, mClinica rapidly mobilised its network of pharmacy professionals to rapid education on COVID-19. Already an equity holder in the company, in 2020, GIF rapidly approved a \$140,000 grant to support mClinica's efforts to increase COVID-19 awareness and disseminate reliable information in Southeast Asia.



PATH

In 2020, GIF approved a \$868,000 grant to support PATH as they lead a series of research pilots to monitor the presence of COVID-19 in Malawi, Pakistan, Nepal, and Myanmar using fecal sludge and wastewater samples to detect pathogens. The public health community is still learning how best to apply environmental surveillance in low-income country contexts where inadequate or non-existent sewerage infrastructure complicates sample collection and analysis. In partnership with Michigan State University, PATH will also establish a data centre as a platform to analyse and share data and methods with the wider research community and public health authorities worldwide with the goal of supporting the integration of this monitoring into their long-term COVID-19 management plans. Importantly, PATH will be evaluating the cost-effectiveness of conducting the monitoring and produce data GIF expects to help drive future uptake of this innovation by public health authorities worldwide.



Using innovation to test what works

When measuring impact during the pandemic, we must recognise what we don't know about key parameters, both epidemiological and economic, and use interventions to test assumptions, reduce uncertainty, and guide future efforts and policies.

While GIF gathers the information needed to make forecasts, it is supporting innovators to learn what is working, and why, in fighting the pandemic. Supporting contact-tracing innovations, for

example, can encourage the innovators to monitor success rates in tracing and isolating contacts and use this information for adaptive management, establishing benchmarks on what is possible under different conditions and testing the efficacy of novel approaches to case identification and staff deployment. Supporting public health messaging can track whether messages change knowledge, attitudes and practice.

BIT

Human behaviour is at the heart of many public policy challenges, including the fight against COVID-19. A growing body of evidence show that humans use cognitive biases, such as following social norms by seeing what people around them are doing, to navigate the world and insights from studying these behaviours help us design more effective policies and interventions. BIT is working with the government in West Java, Indonesia, to help make their COVID-19 communications more evidence-based and thereby more effective. One of West Java's main concerns during the pandemic is ensuring compliance with social distancing advice, specifically during Ramadan and in relation to people moving from the city to their home villages where they might bring the virus to poorer and more vulnerable segments of the population. In response to the pandemic, GIF reprogrammed funding to enable BIT to shift focuses in West Java toward the COVID-19 rapid response. BIT is also working in partnership with the government of Bangladesh to apply behavioural science to tackle stigma associated with COVID-19 which may reduce health-seeking behaviour.



BRAC

As part of its effort to respond to the global COVID-19 pandemic, GIF provided BRAC, a leading international NGO with expertise in large scale programming in health, with \$1.05 million in grant funding to focus on Sierra Leone and Uganda's efforts to fight the virus. Leveraging the experience earned during the 2014-2016 Ebola Crisis, BRAC Sierra Leone and BRAC Uganda are working closely with the respective country governments in their COVID-19 responses. Whereas the focus of BRAC Sierra Leone's effort is emergency response work, in the form of behavioural change messaging reinforced by in-person support from community health workers, BRAC Uganda's work focuses on health system strengthening. In addition to the urgent need to disseminate valuable information to stem the spread of COVID-19 in Sierra Leone and Uganda, BRAC and others are adapting their tools for data collection and integration into the existing health system network and therefore not only saving lives during this pandemic but also on an on-going basis.



J-PAL

With widespread digitisation of data systems, there are large volumes of administrative data with untapped potential for use in policy decision making. J-PAL's South Asia's IDEA Lab is addressing this by developing a 'health insurance data use case' across three states in India to demonstrate the potential of using administrative data for decision making. J-PAL will use GIF funding to test and refine their government partnership, seeking to institutionalise effective data use. This investment will generate insights into both state capacity building and improving the lives of India's poor through the health insurance programme improvements. The momentum from governments building up for optimising data use has been accelerated by COVID-19. The pandemic has shown the importance of real-time and reliable data to plan and deploy response efforts and this crisis has spurred governments to use data creatively for planning and resource allocation with many sub-national governments developing track and trace apps. Against this backdrop, the J-PAL innovation will contribute to improving COVID-19 response in the medium to long term in India and build resilience in the health sector.



Innovator Spotlight

Chrysalis

The COVID-19 pandemic has led to school closures in nearly every country in the world, putting approximately 1.5 billion children and youth out of school. School closures due to COVID-19 are expected to have a bigger impact on the economically disadvantaged students than their peers, making the attainment gap even wider. In 2020, GIF made a \$1.6 million equity investment in Chrysalis, an early childhood education organisation reaching low-income children in India. Chrysalis has adopted an activity-based learning programme keeping children and their development outcomes at the core of its work. Its programme assists and builds the capacity of teachers, parents and school administration and uses blended technology tools, which have proven critical to ensure continuity in children's learning and development, particularly in the affordable education space and with an explicit focus on emotional support during this period of uncertainty and school shutdown.

In the last eight years, Chrysalis has reached over 300,000 students and 6,000 teachers across 800+ schools in India. Chrysalis' growth over the GIF investment period forecasts that, by 2024, Chrysalis will reach close to 700,000 children (across 2,555 schools) and at Year 10, an expected 1.6 million children will be reached.



Chitra Ravi, Founder and CEO:

"Improving educational standards is very personal to me as a mother. When my children left kindergarten and entered formal schooling, even though they came from one of the best schools in the city, I still found that there was something missing in the whole experience. In particular, I noticed that while knowledge is gathered, curiosity is subdued: that spark of creativity that we see in toddlers ends up being dulled down as children pass through school. I am a believer in the idea that when someone sees a problem that needs to be solved, they have a duty to get to work trying to fix it. This is what I decided to do when I set up Chrysalis, and I have not looked back since.

"India has for many years had two channels of work when it comes to education: one is increasing and improving access, and the other is improving quality. Chrysalis is focused on the latter. How do we move past rote learning methods and actually deepen conceptual understanding? Why shouldn't quality education, which encourages thinking and creativity, be available for everyone? Chrysalis is working to bring these approaches to mainstream schools: not just learning to read and write, but to solve problems, become independent thinkers, and seize opportunities, focusing on children in their formative years.

"Alongside learning to walk, basic literacy is the first step in liberating a child. Chrysalis' pedagogy is focused on ensuring that children don't just learn to read the words, but realise context. As well as quantitative success, we also measure success in terms of the engagement we see from the child: are they asking questions? Do they seem confident? There are many organisations in India which talk about moving away from rote to activity-based learning, but Chrysalis is unique in the richness of its method, and in the way that teachers are inspired to help students to think about how they approach life. Seeing children move past grade five and say how much they will miss our teaching is a source of immense pride for me.

"Eight years into our journey we are seeing some really exciting results, both in terms of the number of students and teachers reached, and in terms of the transformative impact we are seeing in the lives of individual children. I am so excited about our partnership with GIF and bringing together our shared passion for achieving educational impact."

Innovator Spotlight

Kamatan

In 2019, GIF announced a £1.6 million equity investment in Kamatan, an agriculture-technology start-up leveraging supply chain technology to ensure better pricing for farmers and reduce waste. Based in India, Kamatan works with cooperatives known as farmer produce organisations (FPOs) to source produce for direct supply to agricultural enterprises, processors and retailers. Kamatan helps these FPOs in procuring, storing, quality control and logistics and increases farmers' incomes by offering higher crop prices, lowering logistic costs, reducing waste, and improving productivity and quality of output.

Supply chain infrastructure is a key bottleneck in the agriculture sector even without a global pandemic as farmers and producers in India have limited direct access to the end buyers resulting in tremendous market inefficiencies. As COVID-19 turned into a global crisis, widespread lockdowns hampered traditional supply chains and marketing avenues, but Kamatan is working to help keep the gears of the food supply chains in India moving.

To date, Kamatan has reached more than 30,000 small and marginal farmers through 17 farmer cooperatives, procuring over 25,000 metric tons of farm produce with direct marketing to large institutional buyers. The resulting improvement in price realisation, waste reduction, and cost efficiencies is expected to increase farmer incomes by 10 percent. As Kamatan's technology platform facilitates smooth transactions between buyers and sellers across India, the company is also piloting an app to include price updates for key commodities and value-added services.

Pravesh Sharma, Founder and CEO:



"I was a civil servant in the Indian Administrative Service for three-and-a-half decades where I spent the first decade or so carrying out a wide range of jobs in sectors such as development, regulation, law enforcement, and land management, before deciding to specialise in agriculture. During this time, I became aware of the fact that, despite the enormous numbers of farmers throughout India - the largest number of farming households in the world, agriculture accounted at the time for only around 17 percent of national GDP, and that low incomes largely centred around rural households. This led me to ask: why, despite an abundance of resources such as plentiful water, did this deficit exist?"

"I developed various insights into the problem but realised one significant issue was the poor quality of institutional arrangements at the ground level. There was an absence of farmer-owned institutions and therefore a big deficit in the localised economy where farmers are producing, which takes away a lot of the value they could generate.

"I began to work on the idea of strengthening institutions that could help agriculture such as marketing and rural credit, and then ten years ago decided to focus on farmer-owned institutions as a way to overcome the limitations imposed by small average working size farms, around one hectare, and find a way to collectivise farmers so their joint bargaining power could be deployed.

"This is how the idea of the FPO came about - and it found a lot of resonance among smallholder farmers.

The idea was that it doesn't matter how much land a farmer owns: each of them has an equal vote, and through this platform they can collaborate on issues of mutual benefit such as production and diversification.

"When GIF came on board, we were dealing with around 20 FPOs at the pilot stage. In the time since, we have touched around 150 FPOs, whether to access credits, access markets, or some other service. We have now reached the point at which numbers alone don't define us. We want to work with a smaller number of FPOs to converge a larger number of services - in the next six months, we hope to work with 50 FPOs in a more intensive manner and we hope to commission a third-party assessment of how this work has fared.

"Alongside the direct impact that Kamatan is having, I am also proud of our indirect impact on the sector. Since Kamatan was founded more than four years ago, thanks to the FPOs we support and the investors who support us, this idea has become mainstream. Institutions such as non-banking institutions and agritech start-ups are setting out to solve other problems such as localised weather information, maintaining soil moisture and quality control of crops, in partnership with FPOs. When we started out there were not more than about a dozen start-ups talking about doing business with FPOs and now there are hundreds. Seeing the balloon come up in this way is perhaps the greatest compliment we get and we are excited for the possibilities that the future holds."

Water innovation

Over one billion people living in cities worldwide lack access to running water in their homes, and a significant number of the three billion people in developing countries with basic water connections experience extended shortages, either because of failure to pay and/or general water utility mismanagement

Drinkwell

Drinkwell is a social enterprise working to provide access to affordable and clean drinking water for millions of underserved urban customers through Water ATM-enabled systems. Their utility-based water filtration technology can filter unsafe drinking water and therefore help avoid diseases.

Drinkwell's innovative approach has the potential to improve the lives of low-income urban slum dwellers in Bangladesh where there is a low rate of piped clean drinking water. A combination of patented purification technology, filtration, and pay-as-you-go cards underpin an easy-to-operate turnkey solution. Each system serves between 200-2,400 households, employs one to three people, and lasts for at least 10 years. The investment is supported by ADVANCE, GIF's partnership with Unilever and Anglo American that seeks to unlock private sector investment needed to scale new business models for the UN Sustainable Development Goals. With GIF's \$500,000 convertible loan investment in 2019, Drinkwell has been working towards installing more than over 200 new systems with the Dhaka Water Supply & Sewerage Authority (DWASA), the utility in charge of water and sanitation in Bangladesh's capital. To date, 156,000 households and 624,000 people have been impacted by this investment.





The **Water Innovation Engine**, launched by the Government of Australia to foster coordination, sourcing, investing and scaling water sector innovation, tackles pressing challenges for households, cities, watersheds and countries with a focus on advancing the well-being of the less-advantaged populations of low- and middle-income countries. GIF was selected as a partner to build a portfolio of innovations that address issues and opportunities around the innovative role of data in the provision and use of water in developing countries. It is one of the initiatives arising from the High Level Panel on Water established in 2016 by the UN Secretary General and the President of the World Bank, in which Australia played a leading role.



CityTaps

CityTaps has developed a solution to water scarcity that bridges the gap between water utilities and the urban poor: a pre-payment service that comprises the world's only smart and pre-paid water meter and billing software. Customers use mobile money to pre-pay for running water with any mobile phone, at any time, for any amount. Running water in the home is substantially cheaper, more convenient, and healthier than any alternative.

GIF's \$500,000 equity investment is enabling CityTaps to roll out new meters as part of an ongoing pilot in Niger and other countries such as Kenya, Rwanda, Mali and Ecuador. Data on the usage and reliability of the meters will be collected to build evidence for utilities to use going forward. So far, 4,200 households have been directly impacted by this investment, with 33,000 people benefiting and completely new subscribers having accounted for roughly 10% of those connected to water and another 13% are re-connected users disconnected by the utilities due to outstanding arrears. New subscribers save on average 86 minutes every day and up to \$3.14 per kiloliter of piped water compared to other sources. Because users immediately get notified by SMS when there is a leak on their plot, they are able to save more in lower bills and avoid paying reconnection fees or overdue surcharges. Before the City Taps suite, any water bought was primarily reserved for drinking purposes, with water used for hygiene kept at a minimum. With cheaper and easier access to water through the prepaid meters, users report more water availability which results in improved hygiene, especially in homes with young children.

Creating impact by exiting investments

When trying to maximise social impact with limited resources, determining when, and how, to exit an investment successfully is as important as weighing when to enter one. Entering an investment with an exit mindset allows for an investment to be catalytic by providing impact in the short term and helping crowd-in other money later. This lets the private sector economy grow without distortion and provides liquidity without dilution to existing shareholders

For GIF, seeking to maximise impact rather than just financial gains, the decision to exit an investment involves answering several questions. What is the impact thesis of the company? Where is it on its path to growth? What type of capital does it need to continue growing, while also being focused on preserving and deepening impact?

Before each investment, GIF dedicates time and resources to assess if its capital can be catalytic to the company's innovation agenda. This consideration of "additionality" must, in turn, be weighed against the potential for a higher long-term financial return, while also enabling new investors to participate in a company's success. An understanding of the incentives of these investors is important to ensure that impact focus will last through changes in ownership.

The primary consideration for GIF when looking at current and future investments is whether the company continues to need GIF's risk-tolerant and patient capital to grow in a way that preserves impact. It is important to us whether our additionality in terms of both finance and impact remains significant.

SafeBoda

SafeBoda, which has created an innovative model for differentiating itself by saving lives and limiting injuries through improved safety in Uganda's motorbike taxi sector. The for-profit company was able to grow and attract new investors after GIF supported its seed round and now there are over 15,000 SafeBoda drivers in Uganda offering an estimated more than two million rides per month. GIF was a co-funder of the seed round and instrumental in getting the start-up running by covering 37 percent of SafeBoda's costs between 2016 and 2017. GIF provided a \$230,000 convertible note to SafeBoda in 2016 which returned over \$9.86 in net social benefit per dollar invested by GIF - taking into account the financial contributions of other funders. SafeBoda-affiliated drivers are 39 percent less likely to be involved in a road traffic crash than non-SafeBoda drivers and an estimated 200 deaths were prevented between 2016 and 2020. During the period of GIF's investment, SafeBoda generated an estimated \$13 million in discounted net social benefits. Accounting for the fact that other investors also invested in SafeBoda, an estimated \$2 million in discounted net social benefits was generated by GIF's investment.



Taptap Send

Taptap Send is a peer-to-peer money transfer platform that allows immigrants to send money back home to Africa and Asia. Taptap Send's solution is elegantly designed to provide customers with instant, safe, user-friendly and low-cost transfers. Taptap Send has experienced tremendous growth in transfer volumes through its current payment corridors in West Africa (Ivory Coast, Mali, Senegal, Mali), East Africa (Kenya, Zambia, Madagascar) and South East Asia (Bangladesh, Vietnam). GIF invested \$750k of equity in the development of Taptap Send's technology in 2015 and successfully exited as part of Taptap's 2020 Series A round. GIF's exit helped bring in new investors into the funding round and highlights the results of our approach with respect to investing in market innovators - particularly early-stage, high-risk innovations - and mobilising capital for emerging market business.



Open innovation

In 2020, as in every year since inception, GIF was committed to championing open innovation – the idea that great ideas can come from anyone and anywhere

We have an [open application window](#) on our website, and are always on the lookout for applications from innovators addressing any development challenge, as long as there is a clear pathway to scale, a focus on people living on \$5 per day or less and a commitment to generating rigorous evidence of impact.

Once we identify an innovation with the potential for outsized impact, we rely on a decision-making process that combines the best of rigorous academic peer review with a venture capital style approach to investment selection. Decision panels, our majority-external investment committee, are a big part of this. They maximise transparency and accountability and help us to ensure that we are directing our resources towards innovations that have the greatest potential for transformative social impact. We would like to take this opportunity to thank all our 2020 decision panelists for their time, expert insight and collaboration.

Stevie Smyth Valdex, Executive Director, SVX.MX

Natalia Gavrilita, independent consultant, former Minister of Finance, Moldova.

Monica Mehta, EVP, Wadhvani NEN and Inspire

Varun Sahni, Founding Partner, Impact Investment Partners LLP

Sean Blaschke, Technology for Development, Business Analyst, Eastern/Southern African Regional Office

Anup Malani, Lee and Brena Freeman Professor of Law, The University of Chicago Law School

Anit Mukherjee, Policy Fellow, Center for Global Development

Birguy Lamizana Diallo, Programme Officer, UNEP – UN Environment Programme

Anju Malhotra, Principal Adviser, Gender and Development, UNICEF

Peter Benjamin, South Africa Country Director, Co-founder, HealthEnabled

Harvey Koh, Managing Director, FSG

Jamie Martin, Co-founder and CEO, Injini

Amitav Virmani, Founder and CEO, The Education Alliance

Gopal Naik, Professor, IIM Bangalore

Eric Ikoona, Team Lead and Technical Advisor Global Health Security Agenda, Africa Field Epidemiology Network (AFENET) Sierra Leone.

Srikant Nagulapalli, Secretary, Energy, Government of Andhra Pradesh

Emrys Schoemaker, Research Director, Caribou Digital

Vimala Ramachandran, Managing Director, Educational Resource Unit Consultants Pvt Ltd

Peter Barron, Public Health Specialist

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