The COVID-19 Adaptation Fund

LEARNING AGENDA REPORT

Executive summary

In response to the COVID-19 pandemic, Instiglio, a donor, and the Global Development Incubator (GDI) launched the COVID-19 Adaptation Fund. The aim of this initiative was to support service providers (SPs) in Kenya and Rwanda find innovative, nimble, fast-acting, and effective solutions to the challenges they faced meeting beneficiaries' needs at the beginning of the pandemic. The goal of this report is to provide valuable insights and proof of concept to guide how governments, SPs, and donors can best utilize resources to improve the design and delivery of poverty alleviation programs and services, especially when faced with challenges and shocks, like those brought by health pandemics and economic recessions.

The innovations implemented by the SPs can be categorized in two groups: digital innovations and social protection innovations. The former includes Short Message Service (SMS), Unstructured Supplementary Service Data (USSD), Interactive Voice Response (IVR), mobile banking and Savings and Loans applications, and other digital training approaches. The latter includes community-led social protection innovations and adaptations to savings groups aimed at extending and improving access to government social protection.

During the six-month implementation period, all nine SPs successfully developed, launched, and implemented their innovations, and met their objectives. This outstanding performance was achieved despite difficult working conditions they experienced due to the pandemic, including travel restrictions and government-imposed lockdown measures, which further necessitated adaptation to the circumstances.

- *Reach results*: Over the course of six months, the COVID-19 Adaptation Fund innovations reached a total of 789,960 beneficiaries. The expansive reach was mainly driven by two organizations: One Acre Fund and Precision Agriculture for Development. One Acre Fund reached 642,860 beneficiaries (81% of the total) while Precision Agriculture for Development reached 137,000 beneficiaries (17% of the total).
- *Skills building results*: Early results on the effectiveness of the skills-building components of innovations are positive, as highlighted by indicators tracked by SPs. For instance, African Entrepreneur Collective included an end-of-module test on its IVR platform to assess beneficiary comprehension after provided training; 82% of participants passed the test. Send a Cow Kenya tested farmer satisfaction with the use of digital gadgets and content to supplement in-person training, finding that 90% of farmers stated being satisfied with the training materials and 85% stated being satisfied using the gadgets (tablets).
- *Financial support results*: SPs providing financial support disbursed USD 203,906 to beneficiaries in the form of small grants and low-cost loans. Injection of much-needed funding was critical to help alleviate challenges that businesses and households faced due to the depressed economic environment.

Based on SP experiences, the implemented innovations present strong benefits for service delivery. Digital innovations allow for remote service delivery, which can improve the cost-effectiveness of social protection programs by freeing resources otherwise required for in-person interactions. In addition, they allow organizations to reach remote populations, as well as presents the possibility to adapt services "on the run" thanks to real-time data collection. Social protection innovations, in turn, can supplement government social protection services in regions where government reach is insufficient. In addition, they can complement and/or extend the reach of contributory social protection programs by actively giving populations the means to access them.

Resources, flexibility, monitoring and evaluation (M&E) systems, and addressing digital literacy were key factors that contributed to these results.

- *Resources*: the shift from business-as-usual required organizations to commit financial and non-financial resources and upfront investments. Consequently, access to funding at the right time, such as funds provided by the COVID-19 Adaptation Fund, can be key to help organizations kickstart and boost the design and implementation of innovations. And, once organizations could leverage the implementation experience, they could harness opportunities to access funding and support from additional partners. Last, specialized technical capacity was a key, non-financial resource for the design and implementation of digital innovations. To access specialized technical capacity, SPs either developed this in-house or partnered with specialized organizations.
- *Flexibility*: flexibility to design, pilot, and iterate was critical for SPs to design and rollout innovations. Grantees could adjust their scope, timeline, expected results, and expenses, allowing them to adapt to changing situations. In addition,

SPs could implement pilots while limiting costs and could adapt to the needs of beneficiaries thanks to their capacity to iterate innovations and incorporate nimble, human-centered design approaches.

- *M&E systems:* these systems generated data to help organizations better understand beneficiaries, the needs of beneficiaries, and program performance. Essentially, this allowed SPs to make data-driven adjustments in real time during program implementation.
- *Digital literacy:* limited access to digital technologies and digital literacy of beneficiaries are key barriers that organizations must overcome when designing and implementing digital solutions. Multiple SPs worked in contexts with limited access to digital technologies, like cellphones. In addition, SPs faced the challenge of low digital literacy among the beneficiaries, limiting beneficiary access to services. To overcome such challenges, SPs employed three approaches:
  - o Adapting technologies and activities to fit the context by using tools with less demanding requirements for digital literacy, such as IVR, SMS, and USSD, and by using platforms that beneficiaries were already familiar with.
  - o Improving the existing access to digital technologies by, for example, providing phones to beneficiaries or providing portable technologies to trainers.
  - o Improving the digital literacy of beneficiaries through trainings and on-going support.

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Acronyms

GDI	Global Development Incubator
IVR	Interactive Voice Response
MSME	Micro, Small, and Medium-sized Enterprise
M&E	Monitoring and Evaluation
PI	Performance Insights
REAP	Rural Entrepreneur Access Project
RFP	Request for Proposals
SHG	Self Help Groups
SMS	Short Message Service
SP	Service Provider
USB	Universal Serial Bus
USSD	Unstructured Supplementary Service Data
VSLA	Village Savings and Loans Association

1. Introduction

1.1. Adaptation Fund overview and objectives

In response to the COVID-19 pandemic, Instiglio, a donor, and the Global Development Incubator (GDI) launched the COVID-19 Adaptation Fund to support SPs in Kenya and Rwanda find innovative, nimble, fast-acting, and effective solutions to challenges meeting the needs of beneficiaries at the onset of the COVID-19 pandemic. The COVID-19 Adaptation Fund is designed to support SPs in innovating and adapting their interventions, evolving from "business as usual" to pandemic-responsive services for beneficiaries.

The COVID-19 Adaptation Fund was structured as a challenge fund. A donor committed an USD 800,000 grant to SPs, GDI served as the fund trustee, and Instiglio served as the technical advisor on fund design, project manager, and authored this learning agenda. To launch the fund, Instiglio publicly released and disseminated a Request for Proposals (RFP). Instiglio received 156 proposals, of which 140 met the eligibility criteria, and 9 were selected to receive grants.

The COVID-19 Adaptation Fund had two objectives:

1. Provide support to SPs to continue serving the most vulnerable. Funding was awarded to SPs that faced challenges caused by the COVID-19 pandemic. Funds intended to help SPs innovate and adapt their programs to ensure continued delivery and help protect the populations they serve from falling further into poverty.

2. Generate relevant learning and data to inform social protection programming and policy. Governments, SPs, and donors faced information gaps as they adapted respective programming to the pandemic. Learning gathered from the Adaptation Fund will inform SPs, governments, and donors.

1.2. Grantees

Through an extensive selection process, Instiglio, the donor, and GDI selected nine SPs in Kenya and Rwanda that, while working across multiple sectors, align with the Adaptation Fund's objective of poverty alleviation (e.g., poverty graduation, trade, agriculture, cash transfers). Table 1 briefly describes the participating SPs, their respective sectors, and their proposed innovations funded by the Adaptation Fund.

Table 1. Participating service providers

Organization	Sector	Proposed innovation
Kenya		
African Entrepreneur Collective	Poverty graduation	Support refugee entrepreneurs and develop internal capacity to monitor impact.
The BOMA Project	Poverty graduation	Use Interactive Voice Response (IVR) and radio technology to enhance cost-effective adaptive mentorship delivery at scale for marginalized, last-mile, and illiterate populations in graduation programming.
Green Agri Ventures	Trade/enterprise development	Create a digital group lending application, transform all its operations to the paperless digital platform, and use this technology to support informal rural entrepreneurs.
Precision Agriculture for Development	Agriculture	Expand a digital platform to offer agricultural information relevant to the COVID-19 operating environment.
Send a Cow Kenya	Agriculture	Provide support and training to farmers via a digital platform.

Village Enterprise	Poverty graduation	Use of digital platforms/technology in program implementation.
Rwanda		
One Acre Fund	Agriculture	Implement a digital platform for remote client enrolment in Rwanda.
Tearfund	Cash transfers	Adapt loans geared towards assisting Self Help Groups.
Women for Women Rwanda	Cash transfers	Provide conditional digital cash to be used for health insurance by marginalized women at risk of becoming uninsured.

1.3. Objectives of the learning agenda

One of the two objectives of the COVID-19 Adaptation Fund was to generate relevant learning and data to inform social protection programming and policy. Towards this objective, the learning agenda assesses the project experiences and consolidates key findings for dissemination to the wider ecosystem. Insights and learning drawn is to inform the overall social protection space, government and non-government alike, to improve the quality of interventions. Further, insights and learning drawn aims to narrow current information gaps around social protection programming during crises, such as the COVID-19 pandemic. Therefore, the learning agenda specifically aims to:

1. Assess how SPs implemented technology to improve their outcomes and organizational learning;
2. Assess if/how each SP achieved their goals based on their innovations and the potential results of the innovations beyond the implementation period;
3. Assess which innovations achieved better outputs and lower costs (per output) while allowing operations to continue during the COVID-19 pandemic; and
4. Assess which innovations are scalable and replicable.

2. Methodology

To develop this report, Instiglio collected and analyzed quantitative and qualitative data, conducting digital surveys with the nine participating SPs in January 2021 and again in April 2021. Each round of surveys was followed by semi-structured remote interviews, in March 2021 and April-May 2021.

The surveys were tailored to each SP as needed and aimed to gather the following core information:

- Self-reported **qualitative data** regarding:
  - o SP performance implementing the proposed innovation and achievement of proposed objectives,
  - o Factors and/or constraints contributing to or impeding performance, and
  - o The potential of the innovation to be replicated and scaled by the SP, as well as by others (e.g., governments or other SPs).
- Self-reported **quantitative indicators** for each SP and each output.
  - o SPs reported on the progress of indicators initially proposed by SPs and monitored during program implementation.
  - o SPs reported on progress on quantitative indicators not initially proposed, but developed during program implementation (e.g., the number of participants reached, amount of funds provided to beneficiaries through loans and grants).

The semi-structured remote interviews were intended to ask clarifying questions based on survey responses, validate hypotheses with SPs, and identify emerging points of interest not identified through the digital surveys.

3. Innovations

Innovations developed by the awardees of the COVID-19 Adaptation Fund fall into two main categories:[1]

1. Digital innovations to reduce in-person interaction and leverage digital platforms in service delivery.
2. Social protection innovations to develop community-led social protection programs.

3.1.   Digital innovations

Before the COVID-19 pandemic, digital transformation was often mentioned as a potential driver for future innovation, economic growth, and job creation in Africa.[2] When the COVID-19 pandemic started, government measures to limit the spread of the virus restricted movement and reduced in-person interaction, further raising interest in digital innovations that could allow programs to continue operating under these new conditions. As the pandemic put at risk the development gains made over the past decades, SPs also became interested in using digital innovations to mitigate the socioeconomic effects of the pandemic.[3] Therefore, in response to the need for digital solutions, many of the COVID-19 Adaptation Fund awardees focused on digital innovations. These are described below.

3.1.1.   Short Message Service (SMS) and Unstructured Supplementary Service Data (USSD)

SMS and USSD allow SPs to quickly interact with users via text messages without needing smartphones. These services can also be used to easily send content to beneficiaries and to gather data. With funding from the COVID-19 Adaptation Fund, Green Agri Ventures and One Acre Fund used USSD to enroll clients remotely and provide them access to services (e.g., business support, ordering products). Precision Agriculture for Development used both methods through a system to provide farmers with digital agricultural extension services, including information on farm input availability and real-time, pandemic-related disruptions (e.g., road and market closures to help farmers avoid post-harvest losses).

Table 2. Summary of SMS and USSD innovations

Service provider	Description
Green Agri Ventures (Kenya)	Green Agri Ventures developed a USSD code to allow beneficiaries to register and access business services remotely.
One Acre Fund (Rwanda)	One Acre Fund improved its USSD-based enrollment platform and provided critical training to farmer group leaders to support farmers in enrolling and ordering products through the platform. USSD enrollment allows farmers to place orders and pay for high-quality inputs through One Acre Fund's program – all without direct contact with a field officer.
Precision Agriculture for Development (Kenya)	Precision Agriculture for Development adapted its two-way SMS platform, MoA-INFO[4], to include agronomic advisory services to address emerging challenges brought on by the pandemic. The new services within the platform include: • a market information tool for connecting farmers with information about farm input availability, • advisory information on how to maintain farm productivity with alternative soil management, and • a COVID-19 disruption information tool to alert farmers when markets or other parts of the supply chain may be disrupted (e.g., road closures or curfews related to COVID-19).

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[1] Note that these two groups do not encompass the full set of activities carried out by the SPs. For more details on their innovations, see Appendix 2.

[2] ECA (2021) https://www.uneca.org/stories/digital-transformation-could-be-a-game-changer-for-africa-driving-innovation%2C-economic

[3] World Bank (2021) https://www.worldbank.org/en/news/feature/2021/01/11/interview-now-is-the-time-for-africas-digital-transformation

[4] MoA-INFO is a two-way SMS mobile platform develop and implemented by Precision Agriculture for Development on the behalf of the Kenyan Ministry of Agriculture, Livestock, Fisheries, and Irrigation. The platform offers a wide range of agriculture advice including crop production and pest control.

3.1.2. Interactive Voice Response

IVR systems allow beneficiaries to access content through interactive menus using phone keypads and voice recognition. African Entrepreneur Collective and The BOMA Project used IVR to deliver business resiliency training and poverty graduation mentorship, respectively.

Table 3. Summary of IVR innovations

Service provider	Description
African Entrepreneur Collective (Kenya)	African Entrepreneur Collective used IVR to provide business advice to its target population, refugee entrepreneurs. Content focused on helping clients weather pandemic-related economic shocks, revise cash-flow scenarios, and learn money management skills.
The BOMA Project (Kenya)	The BOMA Project integrated IVR into its content delivery model (mentorship and program monitoring) through a pilot with 400 participants over five locations.

3.1.3. Mobile banking and Savings and Loans applications

These applications support the operation of community savings and loans groups (e.g., bookkeeping) and individual members' financial management (e.g., tracking cash transfers). Organizations can also use these applications to monitor the financial performance of beneficiaries. African Entrepreneur Collective, Green Agri Ventures, Tearfund, and Women for Women Rwanda implemented various mobile applications (e.g., DreamSave[5], MTN MoMo[6]) to provide and track loans remotely, helping savings groups operate more safely and efficiently.

Table 4. Summary of mobile banking, and savings and loans applications

Service provider	Description
African Entrepreneur Collective (Kenya)	African Entrepreneur Collective developed online and mobile loan applications to allow participants to apply for loans with limited in-person due diligence and through a streamlined process.
Green Agri Ventures (Kenya)	Green Agri Ventures developed a group lending mobile application targeting informal rural entrepreneurs. This allowed Green Agri Ventures to remotely offer services to its clients despite travel/movement restrictions.
Tearfund (Rwanda)	Tearfund used mobile banking to transfer funding to beneficiaries and track all transactions at both group and individual levels.
Women for Women Rwanda (Rwanda)	Women for Women Rwanda provided feature phones to beneficiaries through which they could receive digital cash payments and conduct individual and business transactions via mobile money.

3.1.4. Other digital training innovations

Other innovations include creating (i) pre-recorded radio modules and videos, (ii) phone mentoring services, and (iii) interactive applications. These allow organizations to provide trainings remotely, which helps optimize the use of staff time and ensures consistency between trainings. For instance, The BOMA Project tested radio-based mentorship delivery, Village Enterprise piloted training videos and phone mentoring services, and Send a Cow Kenya implemented interactive trainings via the Yielder application.[7]

Table 5. Summary of other digital training innovations

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[5] DreamStart Lab's DreamSave app is a FinTech app for informal community banks and savings groups. DreamSave makes it easy for groups to manage financial records, achieve savings goals, build credit history, and connect to formal financial services.

[6] MTN's Mobile Money (MoMo) service lets customers store, send, and receive money using their phones without the need for a bank account or a smartphone – its USSD platform is compatible with feature phones.

[7] The Yielder app is a free smartphone app that offers farmers information by digitally bridging the gap between farmers and existing agriculture information centers, such as NGOs and universities.

Service provider	Description
The BOMA Project (Kenya)	In extremely remote areas, mobile phone reception is unreliable or non-existent. To better serve these areas during times of restricted access, BOMA tested the use of solar/crank radios that could also play custom audio content from a Universal Serial Bus (USB) stick to reinforce messaging in the absence of mentors.
Village Enterprise (Kenya)	Village Enterprise used video programming for both empowerment and technical training. Videos offered two different training modules and were disseminated using projectors and were sent to beneficiaries' phones.
Send a Cow Kenya	Through the Yielder application, Send a Cow Kenya created a virtual learning environment where farmers could access various interactive learning materials (e.g., videos, audio files, cartoons, posters).

3.2. Social protection innovations

Social protection programs, (e.g., cash transfers, social insurance, financial inclusion) have been shown to be an effective means of sustainably reducing poverty and protecting individuals emerging from poverty from falling back into poverty.[8] However, less than half of Africans benefit from any type of social protection programming. Only 11% of the poorest households are covered by social assistance, compared to 21% in South Asia and 58% in Latin America.[9] The lack of social protection has been further compounded by the pandemic, which has impacted the livelihoods of informal workers across Africa. Informal sector employment is estimated to account for over 70% of hours worked in Africa and is the main source of income for most households.[10] Without access to social protection, informal workers (e.g., daily-wage laborers, market vendors, domestic workers) and their dependents have limited means to cope with the economic, social, and health impacts of the pandemic.[11]

The COVID-19 Adaptation Fund supported two innovations aimed at increasing access to social protection and helping communities increase their capacity to cope with future crises: one utilized community-led social protection innovations and the other utilized savings groups.

3.2.1. Community-led social protection innovations

Community-led social protection innovations allow self-help groups to support vulnerable community members outside government social protection programs. Tearfund tested a model that used revolving loans offered to Self-Help Groups (SHGs)[12] to incentivize group members to support vulnerable community members through social protection grants. SHGs that engage in social protection, specifically inclusion of elderly and most vulnerable groups through cash grants, are (i) exempt from paying interest on the loan and (ii) receive a 20% discount on the initial loan.

Table 6. Community-led social protection innovations

Service provider	Description
Tearfund (Rwanda)	Formalization of social protection grants by offering incentives (through a revolving loan) to SHGs for providing grants to the most vulnerable. SHGs that engage in social protection (i.e., inclusion of elderly and most vulnerable through cash grants) are exempt from paying interest and 20% of the loan.

3.2.2. Adaptations to savings groups to extend access to government contributory social protection

Organizations providing support to vulnerable populations through savings groups can incorporate components aimed at supporting members to save and pay for contributory social protection programs. Women for Women Rwanda

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[8] OECD (2017), *Social Protection in East Africa: Harnessing the Future*, OECD Publishing, Paris. http://dx.doi.org/10.1787/9789264274228-en
[9] OECD (2017), *Social Protection in East Africa: Harnessing the Future*, OECD Publishing, Paris. http://dx.doi.org/10.1787/9789264274228-en
[10] Brookings (2020), *COVID-19 and the future of work in Africa: How to shore up incomes for informal sector workers,* https://www.brookings.edu/blog/africa-in-focus/2020/05/26/covid-19-and-the-future-of-work-in-africa-how-to-shore-up-incomes-for-informal-sector-workers/
[11] UNDP (2021). Informality and Social Protection in African Countries: A Forward-looking Assessment.
[12] Tearfund define their self-help groups as a group of 15 to 20 people who meet each week to support each other financially. SHGs start with members saving small amounts regularly and then eventually issue small loans to members at a low interest rate. SHGs also receive small-business training.

provides conditional cash transfers to women who are members of Village Savings and Loan Associations[13] (VSLAs) to purchase health insurance, shielding them from health-related shocks during the pandemic. Further, to sustain the uptake of health insurance beyond the cash transfers, Women for Women Rwanda helped VSLAs establish a specific savings pool for health insurance. This allows members to save for health insurance in small monthly installments throughout the year rather than make one bulk payment when premiums are due.

Table 7. Summary of adaptations to savings groups to extend access to social protection

Service provider	Description
Women for Women Rwanda	Women for Women Rwanda provides conditional cash transfer payments to VSLA members to purchase health insurance for themselves and their dependents (approximately USD 18 per household). Further, Women for Women Rwanda provides support to VSLA members on how to establish health insurance savings groups.

4. Results

This section presents the overall results of the COVID-19 Adaptation Fund implementation period by describing the SPs' performance in three output areas: reach, skills building, and financial support. It also presents changes made to SP objectives, which occurred for two SPs.

During the six-month implementation period, all nine SPs successfully developed, launched, and implemented their innovations, and met their objectives. This outstanding performance was achieved despite the difficult working conditions they experienced due to the COVID-19 pandemic, including travel restrictions and government-imposed lockdown measures, which necessitated further adaptation to the circumstances.

While most SPs implemented innovations with little deviation from their original proposals, two SPs, Green Agri Ventures and Send a Cow Kenya, changed their objectives during implementation.

- **Send a Cow Kenya** changed its objectives in response to the low digital literacy levels among its target group (small-holder farmers). Rather than focus on getting large numbers of farmers to access and download the mobile application, Send a Cow Kenya switched to deliver a "blended learning" approach. Blended learning involved having Peer Farmer Trainers, who previously offered in-person training, use the application as a training tool and integrate it into their training model. Therefore, rather than replace in-person training, the app complemented the training by providing a more interactive tool for trainers and by providing more consistent training materials.
- **Green Agri Ventures** initially anticipated to use its USSD platform as a data collection tool. However, during implementation, Green Agri Ventures realized its USSD platform was not capturing new data beyond what was already being collecting through the mobile application. Therefore, Green Agri Ventures repurposed the USSD platform to serve clients who could not access the mobile application.[14]

Most SPs did not experience delays in the development and implementation of their innovations. The exceptions were African Entrepreneur Collective and Village Enterprise, which both experienced minor delays during implementation. African Entrepreneur Collective experienced a 60-day delay in developing its loan application. In retrospect, the African Entrepreneur Collective realized it underestimated the time and work required to launch and use the platform. Similarly, Village Enterprise experienced delays finalizing its pilot as its lean impact approach[15] involved the use of multiple iterations to extensively test and refine the innovation.

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[13] Village savings and loans associations use a micro credit model where 25-30 members meet in a self-managed group once a week to save and borrow money. Members of Women for Women Rwanda's VSLAs are women who graduate from its social and economic empowerment training program.

[14] There are two main factors limiting the use of mobile applications: (i) poor or no internet connection in certain regions and (ii) greater access to feature phones compared to smart phones among beneficiaries.

[15] The lean impact approach involves the use of time-bound iterative cycles for sourcing, ranking, and testing new ideas. The approach comprises a 5-part process: (i) alignment on the problem e.g., constraints posed by COVID-19; (ii) generation of solutions; (iii) ranking and shortlisting of solutions; (iv) testing the efficacy of identified solutions; and (v) settling on a proven solution to the problem.

The performance of the SPs in three categories, reach, skills building, and financial support, is described below.

4.1.   Reach

In six months of implementation, the COVID-19 Adaptation Fund innovations reached a total of 789,960 beneficiaries. During the COVID-19 pandemic, most SPs were under pressure to find ways to continue serving beneficiaries while facing stringent movement restrictions. Therefore, the COVID-19 Adaptation Fund aimed to surface alternative innovative service delivery options. Beneficiaries include individuals, small business owners, and groups (e.g., SHGs, VSLAs).

The expansive reach was mainly driven by two organizations: One Acre Fund and Precision Agriculture for Development. One Acre Fund reached 642,860 beneficiaries (81% of the total) while Precision Agriculture for Development reached 137,000 beneficiaries (17% of the total). One Acre Fund's USSD enrollment platform proved to be extremely effective in scaling up their operation in Rwanda, surpassing the target of 500,000 set at the beginning of implementation. This performance was mainly due to these two organizations focusing on leveraging and scaling-up existing platforms. The reach of other organizations was less extensive by comparison due to their individual objectives; namely those that used the COVID-19 Adaptation Fund to develop their digital innovations (e.g., Green Agri Ventures and African Entrepreneur Collective) or to target a core, established network of beneficiaries (e.g., Tearfund (100 SHGs) and Women for Women Rwanda (54 VSLAs)).

4.2.   Skills building

Early results on the effectiveness of the skills-building components of innovations are positive, as highlighted by the indicators tracked by SPs. For instance, African Entrepreneur Collective included an end-of-module test on its IVR platform to assess beneficiary comprehension after training, finding that 82% of participants passed the test. Precision Agriculture for Development noted via its end line survey with beneficiaries that farmers who received composting content were more likely (+5 percentage points) to use manure for the next agricultural season. Send a Cow Kenya tested farmer satisfaction with the use of digital gadgets and content to supplement in-person training, finding that 90% of farmers stated being satisfied with training materials and 85% stated being satisfied using the gadgets (tablets). Other organizations, though unable to test the effectiveness of their programs, still managed to roll out their skills-building platforms and reach target beneficiaries. For example, The BOMA Project (i) trained 100 business groups across three counties using its radio-based training model and (ii) 600 women across three counties received weekly IVR-based training messages.

Of note, long-term effects cannot yet be known given the short implementation period. It would be interesting for SPs to continue assessing these innovations and their effects to share learnings with the ecosystem in the future.

4.3.   Financial support

The three SPs providing financial support disbursed USD 203,906 to beneficiaries in the form of small grants and low-cost loans.[16] African Entrepreneur Collective offered 1,057 relief grants and 291 low-cost loans for USD 97,000 to support refugee-owned businesses in Kenya adapt to the pandemic. Tearfund offered USD 65,053 of grants and loans to SHGs to help them restore savings and reinvest in market linkages. The funding was a revolving loan with 2% interest to be repaid over 24 months, offered to an initial 100 SHGs and is expected to eventually cover 400 SHGs. Women for Women Rwanda gave participants grants and loans worth USD 41,853. These were mainly conditional cash transfers to 1,374 VSLA members to purchase health insurance for themselves and their dependents.

The injection of much-needed funding was important to help alleviate challenges businesses and households faced due to the depressed economic environment of the COVID-19 pandemic.[17] For instance, African Entrepreneur Collective helped more than 1,000 refugee business owners keep their businesses running and

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[16] The COVID-19 Adaptation Fund grant provided SPs with funding to develop and implement innovations and SPs used other funding sources to finance the loans and grants issued to beneficiaries.
[17] Brooking (2020), *COVID-19 and the future of work in Africa: How to shore up incomes for informal sector workers, https://www.brookings.edu/blog/africa-in-focus/2020/05/26/covid-19-and-the-future-of-work-in-africa-how-to-shore-up-incomes-for-informal-sector-workers/*

adapt to the new economic environment. Women for Women Rwanda helped to provide health insurance to 1,374 women and their dependents and protect them against health-related shocks when household incomes were low.

5. Lessons learned

Having presented the descriptive results of the COVID-19 Adaptation Fund implementation, this section presents lessons learned from this experience. First, it presents reflections from the SPs regarding the benefits derived from their respective innovations. Then, it describes the main factors of success in implementing the innovations.

5.1.   Reflections on the benefits of the innovations

As noted in the previous section, organizations used the innovations funded by the COVID-19 Adaptation Fund to continue their operation during the COVID-19 pandemic, as well as to improve their service delivery beyond the pandemic context. This section presents reflections on how SPs benefited from their digital and social protection innovations.

5.1.1.   Digital innovations

Using remote service delivery, social protection programs can be more cost-effective. Social protection programs are often designed in a way that requires in-person interaction (e.g., trainings, enrollment), which requires resources for travel and logistics, as well as time investment from staff. Digital innovations that build the capacity and ability to deliver services remotely may lead to cost savings, freeing up resources to be invested in beneficiaries and other organizational areas of need. For instance, African Entrepreneur Collective decreased travel costs associated with due diligence trips to assess the viability of potential businesses. Similarly, The BOMA Project noted that digitizing their services (e.g., mentorship and training components) decreased the cost of their poverty graduation programs.

While organizations can use digital innovations to deliver services in remote locations and to marginalized populations, they often still require some access to technology, training, and/or ongoing user support. SPs reported that IVR, SMS, and USSD services helped them reach population in distant areas where they lack a permanent, physical presence and that these tools can help them reach those with low levels of education or disabilities. IVR has the added advantage that, as it uses voice rather than text, it can reach illiterate populations. Organizations, such as Send a Cow Kenya and Green Agri Ventures, are exploring how to adapt remote training services to make them accessible to populations with disabilities, such as those with visual impairments. These services, however, do require participants to have feature phones and basic telecom coverage, and often require initial training and ongoing user support to maximize intended impact.

Despite the benefits of remote service delivery, most SPs do not expect to fully phase out in-person interventions. Digital innovations can increase the effectiveness of an intervention, but most SPs do not consider them a substitute for in-person engagement. Instead, they plan to have a blended system of in-person implementation supplemented by virtual support. The expectation is that blended learning provides a better learning experience and outcomes compared to exclusively virtual or in-person training. For instance, Send a Cow Kenya stated that it prefers a blended approach due to the limited digital literacy among its beneficiaries and the ability of trainers to deeply engage with farmers and provide tailored support.

Digital innovations allow organizations to adapt their services to improve their impact "on the run" thanks to real-time, data-driven decision making. Organizations can gather key data through digital tools, which help SPs understand the users and their needs, improve their digital services, focus on high-impact activities, and identify program/delivery bottlenecks. Thanks to these developments, SPs can gather rich information about their implementation processes and performance. For instance, some SPs are using data to identify trends in loan repayments and savings to monitor the health of savings groups or to identify which training material is most requested by users. This helps them focus future efforts to further develop these topics for continued improvement and impact. For instance,

The BOMA Project is exploring synergies between IVR data and its performance management tool, "Performance Insights (PI)".[18]

5.1.2. Social protection innovations

Community-led social protection initiatives have the potential to supplement government social protection services in regions where government reach does not meet local needs. Through SHGs, organizations can support communities to create self-sustaining social protection programs – both contributory and non-contributory – to support the most vulnerable. For example, Tearfund's innovation incentivizes SHGs to setup social protection programs to support vulnerable community members. This is a good example of community members coming together to provide social protection for other more vulnerable groups within their community.

These initiatives can complement and/or extend the reach of government social protection programs. Organizations can develop structures to extend the reach of contributory social protection programs amongst vulnerable populations. For instance, SHGs can be designed to nudge members to save and pay for government contributory social protection programs (e.g., contributory national health insurance). Women for Women Rwanda provided training to VSLAs on the benefits of health insurance and how to save for it through the VSLA model, as well as provided a conditional cash transfer for them to purchase health insurance. The VSLAs now include a "health insurance wallet" where members save for health insurance throughout the year rather than making one bulk payment when premiums are due. As a result, 6,423 VSLA members and their dependents purchased health insurance. By including health insurance in a VSLA structure, Women for Women Rwanda provided women and their dependents an avenue to access the government's contributory health insurance scheme. Further, this increased the coverage of the national health insurance program and extended the reach of the government's social protection program.

5.2. Contributing factors

This section presents the main factors that contributed to materializing the positive results and benefits of the innovations as reported by participating SPs. Key contributing factors are resources, flexibility, monitoring and evaluation systems, and digital literacy.

5.2.1. Resources

To shift from business-as-usual and respond to new challenges like the COVID-19 pandemic, organizations must commit financial and non-financial resources and perform upfront investments. When faced with a challenge, such as the COVID-19 pandemic, organizations must quickly adapt and develop solutions to continue to serve their beneficiaries. This shift from business-as-usual is not an immediate one, and it may often require additional investments and capabilities.

Access to funding at the right time can be catalytic for SPs and can open the door to future impact opportunities. The funding provided by the COVID-19 Adaptation Fund allowed SPs to kickstart and boost the design and implementation of their innovations. Several SPs stated that their usual funders were reluctant to invest in new, untested approaches, especially in the uncertain COVID-19 environment. This limited the capacity of organizations to adapt and innovate, even before the deleterious effects of COVID-19 fully hit.

Although the COIVD-19 Adaptation Fund funding was catalytic, a few SPs required additional funding to successfully implement their innovations. Some SPs mobilized additional resources, including from other grants, organizational budget, non-monetary resources (e.g., staff time), and technical support from partners. For example, the COVID-19 Adaptation fund provided around 50% of the funding One Acre Fund used to develop and implement its innovation; the rest of the funding came from another funder who has been supporting their digital innovation. Green Agri Ventures, Tearfund, and Village Enterprise all spent additional funding to cover staff time and other organizational costs incurred in the design and implementation of their innovations.

Once innovations were underway, some SPs were able to leverage the experience to access opportunities for additional funding, support, and partnerships. These opportunities will support the

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[18] Performance Insights (PI) is The BOMA Project's proprietary innovative data management and visualization platform. PI provides real-time information on the progress of both program participants and field staff.

future for replication and scale. SPs highlighted the great interest throughout the wider development community in digitalization to increase access to services and enhance the resilience of vulnerable groups. This has allowed SPs to access funding to improve, replicate, and scale their innovations after the implementation of the initial pilots began.[19] Women for Women Rwanda, Green Agri Ventures, and Send a Cow Kenya developed partnerships with various digital technology providers who support and maintain their digital platforms.

Specialized technical capacity is a key resource needed for the successful design and implementation of digital innovations. All SPs that developed and implemented digital innovations had to obtain specialized technical capacity to do so. Doing so, they employed two main approaches:

1. **Develop the capacity in-house**. Some SPs chose to develop in-house capacity, either by training existing staff or hiring new staff before or during the COVID-19 Adaptation Fund implementation. These tended to be SPs who were scaling up or improving a mature innovation, instead of developing a new one, like One Acre Fund and Precision Agriculture for Development.
2. **Partner with specialized organizations**. Multiple SPs established partnerships with organizations experienced with the development and implementation of digital tools. For instance, The BOMA Project partnered with a firm to develop their IVR system; Green Agri Ventures partnered with Pesa Tech to develop their group lending platform; Send a Cow Kenya partnered with Yielder, which had already developed an app that suited their needs; and Women for Women Rwanda partnered with DreamStart Lab to implement their savings groups app. To establish partnerships, an important factor to consider was the opportunity of customizing the digital tool to the needs of the organization, while not having to develop it from scratch.

5.2.2. Flexibility

Flexibility to design, pilot, and iterate has been critical for SPs to successfully design and roll out their innovations. All SPs reported flexibility as a critical factor to develop and implement their innovation within the implementation timeframe. This includes two types of flexibility: (i) flexibility with program implementation and funding and (ii) internal flexibility to pilot and iterate the innovation during implementation.

Provided flexibility allowed SPs to successfully adapt during implementation to adjust objectives, activities, and the use of their resources. Grantees were required to submit an initial budget, timeline, and expected results as part of the selection process, which were verified via financial and narrative reports at midline and endline. However, SPs were given the flexibility to adjust on the run as they deemed necessary, as long as they did not deviate significantly from the high-level goal of their original proposal. For instance, Green Agri Ventures changed the purpose of its USSD platform from primarily being a data collection tool to a platform aimed at supporting beneficiaries who cannot access their app. During implementation, Green Agri Ventures realized that the USSD platform would not have provided it with any additional information beyond what it was already collecting through its mobile app. Hence, Green Agri Ventures adapted the USSD to be used to recruit and engage beneficiaries without smart phones or those based in regions with poor internet connection.

Internal flexibility was important to iterate innovations and incorporate nimble, human-centered design approaches, helping SPs offer services to best address beneficiary needs. A driver of SP success is the capacity to quickly test adaptations and make necessary adjustments. Village Enterprise, for instance, implemented a "lean impact" design approach. This methodology consisted of identifying crucial assumptions underlying the design of their innovations, testing if they were correct, and making the necessary adjustments. A nimble and flexible approach allowed Village Enterprise to develop and deploy successful innovations without incurring significant costs typical of a full-scale pilot. SPs also implemented human-centered design approaches, adapting their services to the needs and characteristics of beneficiaries. For instance, Precision Agriculture for Development continually adjusted the content offered through the MoA-INFO platform to ensure its relevance to farmers as they adapted to the COVID-19 pandemic.

5.2.3. Monitoring and evaluation (M&E) systems

M&E systems were essential to allow SPs to understand their performance and the needs of beneficiaries, as well as to help them to make adjustments on the run. As previously mentioned in the case of digital

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[19] In a survey conducted by Instiglio, all SPs indicated plans to replicate or scale up their innovations internally. Further, SPs expressed confidence in replicability and/or scalability of their innovations by other NGOs or the government.

innovations, M&E data can be used to better understand the beneficiaries, the needs of beneficiaries, and the organization's performance. These inputs may help identify challenges, improve program services and delivery, and focus the SP on high-impact activities. The implementation of digital tools allowed SPs to strengthen their M&E and performance management capacities, which allowed them to adapt their implementation on the run. This includes, for example, gathering data on the financial health of savings groups, the use of services offered by the SPs, the performance of trainers and mentors, and overall program efficacy. For example, The BOMA Project integrated their PI platform with the IVR system under the COVID-19 Adaptation Fund. This tool allowed them to upload, access, and visualize data related to the performance of business and savings groups and field staff, which informs data-driven decision making.

5.2.4. Digital literacy

Limited access to digital technologies and digital literacy of beneficiaries are key barriers that organizations must overcome when designing and implementing digital solutions. When piloting their innovations, multiple SPs faced contexts where access to digital technologies, such as cellphones, was limited due to geographical remoteness or population characteristics (e.g., low-income populations, communities where women are not allowed to own mobile phones). They also faced the challenge of low digital literacy among the target population, which limited their capacity to access services. SPs overcame these barriers in multiple ways, namely:

1. **Adapting technologies and activities to fit the context**. Using IVR, SMS and USSD tools, instead of more sophisticated smartphone apps, responded to conditions of limited digital technology since these tools have low technological requirements.[20] In addition, IVR, SMS, and USSD can be easily accessed by users with limited digital literacy. When faced with situations where the digital tools were not appropriate, multiple SPs adjusted their approach. Send a Cow Kenya, for example, adapted its approach given lower digital literacy levels than expected among its target population. Rather than focus on getting large numbers of farmers to access and download the Yielder app, Send a Cow Kenya adjusted to deliver a "blended learning" approach whereby motivated Peer Farmer Trainers used the app to complement their training. Send A Cow Kenya also changed its plans, replacing the Yielder chat function with WhatsApp, an app that farmers were already familiar with.
2. **Improving the existing access to digital technologies**. Women for Women Rwanda provided feature phones to VSLA groups so they could access the mobile money app. Similarly, Village Enterprise provided feature phones and smart phones to business groups so members can access video trainings outside of the sessions, as well as portable mini projectors to business mentors so they can conduct complementary video training sessions.
3. **Improving the digital literacy of beneficiaries**. SPs provided beneficiaries with trainings and on-going support to access services and use them correctly. Women for Women Rwanda, for example, trained VSLA group leaders who, in turn, trained VSLA members in their communities.

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[20] The use of smartphone apps tends to be more complex compared to IVR, SMS, and USSD. For instance, smartphone apps require more expensive and sophisticated gadgets (e.g., smartphones, tablets), internet connection, and higher levels of digital literacy, which often excludes low-income / vulnerable populations from accessing services.

Appendices

Appendix 1. COVID-19 Adaptation Fund Stakeholders

Multiple stakeholders engaged to develop and implement the COVID-19 Adaptation Fund. This section presents these stakeholders, outlining their roles in the project.

Table 8. COVID-19 Adaptation Fund stakeholders

Organization	Role	Description
Instiglio	Project manager	• Create and disseminate the Request for Proposals for the Adaptation Fund and implement the service provider selection process. • Coordinate stakeholders and facilitate needed project management functions. • Design and implement the Adaptation Fund Learning Agenda, including coordinating SPs, gathering lessons learned, and analyzing findings and results. • Write and disseminate a final Learning Agenda report for public consumption.
Anonymous donor	Donor	• Provide funding for the Adaptation Fund. • Review and approve selection of participating service providers and proposed innovations. • Approve the design of the Learning Agenda and receive the final Learning Agenda report.
Global Development Incubator	Trustee	• Manage the contracting of selected service providers, conducting due diligence, legal review, and other activities as necessary. • Support the evaluation and selection of received proposals. • Manage the financial management (reporting) and payment disbursements with participating service providers.
Governments of Kenya and Rwanda	Indirect / low-touch engagement and thought partnership	• Thought partnership and low-touch engagement to (i) help align Adaptation Fund objectives with related pandemic efforts by the government and (ii) guide Instiglio's development of the learning agenda.

Appendix 2. Description of service providers

A. Kenya

African Entrepreneur Collective

Description: African Entrepreneur Collective supports entrepreneurs with micro, small, and medium-sized enterprises (MSMEs), including refugee entrepreneurs across East Africa. From "idea-stage" businesses to established companies, African Entrepreneur Collective engages with entrepreneurs wherever they are based.

Innovation: Adapt its regular operations to support refugee entrepreneurs to rebuild and mitigate the disruptions of COVID-19. African Entrepreneur Collective proposed to:

1. Develop resiliency-focused content for businesses with a focus on COVID-era advice.
2. Transition businesses to digital record keeping and mobile payments.
3. Develop digital financial inclusion/capital platforms (e.g., online, and mobile loan applications for participants to apply for loans without in-person due diligence).

4. Improve its M&E processes and impact tracking.

The BOMA Project

Description: The BOMA Project supports ultra-poor women in Kenya through its poverty graduation programs, notably its Rural Entrepreneur Access Project (REAP). Through REAP, The BOMA Project helps ultra-poor women (i) start and build businesses and savings groups, (ii) increase household financial security and food security, (iii) build resilience to emergencies and shocks (e.g., droughts), (iv) invest in the health and education of their children, and (v) increase their voice, choice, and agency in households and communities.

Innovation: Support in-person and remote mentorship for REAP through the use of digital approaches. The BOMA Project proposed two digital innovations:

1. Pilot Interactive Voice Response technology, paired with PI, to 500 women across three counties in Northern Kenya.
2. Test radio-based mentorship delivery with 100 REAP business groups (composed of 300 women) in locations without reliable mobile phone networks.

Green Agri Ventures

Description: Green Agri Ventures is a social enterprise that has worked in Kenya since 2016. They focus on poverty alleviation and improving livelihoods of informal rural entrepreneurs by offering financial literacy training, credit, and business coaching and mentorship to informal, rural entrepreneurs who are organized in groups.

Innovation: sustainably provide support to clients during COVID-19 and help them adapt to value chain and market disruptions. Green Agri Ventures proposed to:

1. Develop internal capacities to serve clients virtually while complying with COVID-19 regulations.
2. Support linkages and networking among entrepreneurs in similar value chains and support the formalization of businesses.
3. Implement a financial resilience program for informal rural entrepreneurs.
4. Create and implement a digital group lending platform.

Precision Agriculture for Development

Description: Precision Agriculture for Development supports smallholder farmers in developing countries by providing customized information and services that increase productivity, profitability, and environmental sustainability.

Innovation: mitigate the agricultural market disruptions brought by COVID-19 pandemic through information services for farmers. Precision Agriculture for Development proposed to incorporate the following services to its farmer information platform:

1. A tool to connect farmers by providing information about the availability of farming inputs.
2. Advisory services on how to maintain farm productivity through alternative soil management.
3. A tool to alert farmers when markets, or other parts of the supply chain, experience disruptions.

Send a Cow Kenya

Description: Send a Cow Kenya implements African-designed solutions developed with, and for, the communities they support. Families are trained on the skills needed to get the most from their land, grow enough food, earn a living, and achieve their dreams.

Innovation: provide beneficiaries with remote access to agricultural information to maintain pre-COVID levels of food and income security while maintaining social distancing measures. Send a Cow Kenya proposed to develop an agriculture engagement platform that would allow it to:

1. Digitize training materials and capacity building,
2. Provide remote mentoring and monitoring of trainees, and

3. Form a trainee association.

Village Enterprise

Description: Village Enterprise equips and empowers first-time entrepreneurs in Africa with resources and skills to start sustainable businesses and savings groups. These entrepreneurs use the income and savings earned from their businesses to lift themselves and their families out of economic hardship, build resilience, and break the cycle of poverty.

Innovation: reduce face time between business mentors and clients in its poverty graduation model without compromising program quality. Village Enterprise proposed to test digitization solutions currently being designed through its design challenge, including video programming, financial education apps, and phone-based training and mentoring.

B. Rwanda

One Acre Fund

Description: One Acre Fund is a non-profit social enterprise that supplies financing and training to help smallholders grow their way out of hunger and build lasting pathways to prosperity.

Innovation: support smallholder farmers threatened by the disruption of supply chains and credit markets due to the pandemic without the use of face-to-face interaction. One Acre Fund proposed to:

1. Implement a platform for remote client enrollment by improving their USSD-based enrollment platform.
2. Train farmer group leaders to support farmers to enroll and order products through the platform.

Tearfund

Description: Tearfund works to tackle poverty and injustice through sustainable development by responding to disasters and challenging injustice. Its livelihoods work falls into three categories: access to affordable community-level financial services, resilience, and food security and income generation.

Tearfund delivers programs through self-help groups, cash transfers, and voucher assistance and economic empowerment, leveraging the influence of local social institutions and leaders and equipping them to promote resilience and social transformation.

Innovation: mitigate the effects of COVID on the decline of economic activity and on savings groups. Tearfund proposed to:

1. Inject cash into existing savings groups through revolving loans together with trainings on business development provided to members.
2. Incentivize savings groups to provide grants for social protection (e.g., paying health insurance) through loan repayment exemptions for savings groups.
3. Incentivize "savings for disaster" funds by proving matching funds in case of disasters and injecting loan repayments into these disaster funds.

Women for Women Rwanda

Description: Women for Women Rwanda, uses an integrated approach to bring women together to overcome social, economic, and cultural barriers that prevent them from reaching their full potential. Through groups, women learn to build support networks with each other, share experiences, learn critical social and economic skills, and access resources.

Innovation: ensure the continuation of the Village Saving and Loan Associations (VSLA), which were disrupted by COVID-19 restrictions, and help beneficiaries meet the mandatory health insurance payments established by the Government of Rwanda. Women for Women Rwanda proposed to:

1. Provide members with phones and training to digitize their VSLA group management and transactions.
2. Provide VSLA members with conditional cash transfers to create savings pools for mandatory health insurance.

Appendix 3. Description of the selection process

The selection process involved the assessment of proposals submitted by potential SPs active in Kenya and Rwanda. Proposals showcased innovative solutions related to the delivery of poverty alleviation interventions. The selection process was conducted across four stages:

1. **Development of the Request for Proposals** – Instiglio, the donor, and GDI developed an RFP and budget template. Stakeholders agreed on eligibility criteria for potential service providers.
2. **RfP release** – The RFP was released on July 9, 2020, with a proposal submission deadline of August 7, 2020.
3. **Proposal assessment** – 156 proposals were submitted by interested SPs. Of the received proposals, 140 (90%) met the eligibility criteria. Of the 140 eligible proposals, 88 (63%) were from organizations based in Kenya, 49 (35%) were from organizations based in Rwanda, and 3 (2%) were from organizations with a presence in both countries. Eligible proposals were assessed using the selection criteria below.

Table 9. Summary of proposal selection criteria

Criteria	Description and weight	Requirement to achieve the highest score
Technical	Articulation of barriers/ challenges (15%)	SP articulates a compelling and precise explanation of how barriers/challenges affect their organization or its core programs.
	How the proposed innovation will catalyze improvements (15%)	SP articulates a convincing argument on how the proposed innovation(s) will catalyze improvements to programming in the given timeline.
Capacity	Ability or capacity of SPs to achieve stated goals (20%)	SP exhibits having all required knowledge, processes, skills, systems, etc. to implement the innovative activities proposed.
Value for money	Potential impact of innovation is large compared to size of investment (30%)	SP articulates a compelling argument on the potential impact and cost-effectiveness of the proposed innovation.
Strategic	Alignment with government innovation needs (10%)	SP articulates a convincing argument on the value add of the proposed innovation by outlining how innovation can be sustained during and after COVID and contribute to building capacities to PAOF.
	Alignment with government innovation needs (10%)	SP "learning agenda" is strongly linked to government priorities and learning interests.

4. **Selection finalization** – In September 2020 Instiglio, GDI, and the donor selected the final nine participating SPs, of which three operated in Rwanda and six in Kenya.