



## **DEVELOPMENT INNOVATION VENTURES (DIV) – *Testing Promising Solutions: Scaling Proven Successes***

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**“At USAID we’re pursuing market-driven solutions that really look to see how to involve the business community and we just unveiled a new venture capital style fund called Development Innovation Ventures (DIV), which will invest in creative ideas that we think can lead to game-changing innovations in development.”**

- Secretary Of State Hillary Clinton, October 15, 2010

The President’s Global Development Policy, the Quadrennial Diplomacy and Development Review, and USAID Forward all emphasize the importance of investing in innovation – identifying, testing, and scaling development solutions that can drastically improve outcomes and at a lower cost. Development Innovation Ventures (DIV) seeks to do just that.

**DIV emphasizes producing development outcomes more effectively and more cost-efficiently while managing risks and obtaining leverage by focusing on scale, rigorous testing, and evidence.** DIV is a mechanism for working with partners to identify and test potential development solutions, and helping to scale those that are proven to produce development impact.

**Breakthrough Solutions:** DIV encourages entrepreneurs, innovators, businesses, academics, NGOs, and others to submit proposals for cost-saving development solutions. DIV seeks proposals with the potential to *substantially* improve development outcomes, rather than only produce incremental changes.

**Cost-reduction and Leverage:** DIV seeks applications that have innovative ideas for addressing development challenges more effectively and more cheaply. DIV utilizes staged financing to maximize cost-effectiveness and minimize risk. In supporting projects with the potential to reach wide-scale, DIV also seeks to leverage other partners in the private, non-profit and public sectors.

**Rigorous Testing and Evidence of Impact:** The DIV model emphasizes testing potential solutions and rigorously evaluating impact – often through randomized control trials – in order to identify what works and what does not, and helping scale only those solutions proven to produce development outcomes.

**Scale:** Even at the first stage of funding, DIV is explicitly interested in development solutions that have the potential to reach wide-scale, i.e. tens of millions of beneficiaries.

## HOW DIV WORKS:

**DIV seeks applications through an Annual Program Statement.**

**DIV provides funding at three stages or levels.** Applicants can apply at any stage, and those who have received funding at a prior stage do not automatically advance to the next stage.



**Stage 1** focuses on proof of concept and projects must demonstrate that their innovative solution cost-effectively addresses core development challenges and has the potential for mainstream adoption.

**Stage 2** focuses on testing and rigorous evidence collection, and projects must demonstrate clear evidence of cost-effective development impact for thousands of people.

**Stage 3** focuses on transitioning solutions to scale once they've been proven successful. Projects must demonstrate cost-effectiveness, and be widely scalable to tens of millions of beneficiaries. The most competitive Stage 3 projects replicate solutions across multiple countries and leverage substantial resources from additional partners.

For more information visit: <http://idea.usaid.gov/organization/div>