CREATING HOPE IN CONFLICT:
A HUMANITARIAN GRAND CHALLENGE

LESSONS LEARNED FROM SUPPORTING LOCAL INNOVATION

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CONTENTS

EXECUTIVE SUMMARY

Funding local innovators offers the potential to tap into the insights of those most directly affected by conflict and to build long-term solutions. Over the past five years, Creating Hope in Conflict: A Humanitarian Grand Challenge ('CHIC') has funded 41 initiatives owned or led by individuals from affected communities, representing 46% of its entire portfolio of investments. As it embarks on creating a new 5-year program strategy, CHIC commissioned this review to reflect on what has already been learned. This paper aims to consolidate knowledge and identify key lessons relating to CHIC's efforts to effectively support local innovators and contribute to a broader understanding of innovation in conflict settings.

The review focused on local innovations funded by CHIC between 2018 and February 2024. The 30 projects, covering Energy, Health, Information, and WASH, included 22 seed-funded and eight transition to scale (TTS) funded investments supported across four funding rounds. The analysis process began with a review of project documents and a literature review on localization in humanitarian innovation. Ten projects were selected for a deep-dive review, representing a cross-section of CHIC's work. We examined 54 progress reports, conducted interviews with four local innovators, and held a focus group discussion with CHIC staff. Four key themes were identified from these sources, and these were discussed and refined through workshops, feedback, and additional input from the CHIC team.

THE IMPORTANCE OF LOCAL INNOVATION

CHIC has supported a diverse range of community-led and community-owned innovations, showcasing the rich potential for innovation within conflict-affected areas. These innovators vary widely in their structures, motivations, and expertise, including NGOs, for-profit companies, and grassroots organizations. The report showcases how teams have delivered a wide range of innovations, from solar-powered water infrastructure in South Sudan to locally manufacturing millions of PPE units for medical staff in Syria to bringing women doctors back into the workforce through the provision of telemedicine for Afghan refugees in Pakistan.

A comprehensive review of the literature on humanitarian innovation identified collaboration with the affected population as the most critical factor for success.[1] Local innovators funded by CHIC used their community knowledge to build trust and acceptance, allowing them to introduce new solutions and approaches into their communities. In times of crisis, they were often able to be nimble, adapting their work to rapidly changing situations. The CHIC team emphasized the benefits of investing in local economies, capacities, and resources.

IDENTIFYING, FUNDING, AND SUPPORTING LOCAL INNOVATION

Inclusive innovation

CHIC's commitment to funding local innovation strengthened with each funding round, with the proportion of local innovations in the portfolio increasing from 24% in Round 1 to 46% across Round 1-4. This included developing support structures that would actively foster a diverse group of innovators. Despite efforts, certain groups faced additional barriers to accessing innovation funding, including women-led organizations and those based outside of urban centers.

The CHIC team identified three lessons in this area:
- In order to increase funding to local innovation, it is crucial for funders to set clear intentions and track progress against their intentions.
- Given their rich knowledge of the local context and innovation ecosystem, local innovators should be engaged as experts when growing the innovation portfolio.
- Language barriers can surface at different points in the funding process, including the proposal stage, due diligence, grant negotiations, and M&E, and they can pose a significant barrier to local innovators.

Tailored support for overcoming barriers

Implementing projects within conflict zones presents many challenges, including access, insecurity, bureaucracy, and weak local governance. Innovators from the affected community were often able to use their relationships, understanding, and shared culture to navigate these

1 Bruder, M., & Baar, T. (2024). "Innovation in humanitarian assistance—a systematic literature review". Journal of International Humanitarian Action, 9(1), 2.

challenges and to build and protect their infrastructure. Tailored support allowed them to build the connections and skills they needed to navigate challenges.

The CHIC team identified four lessons in this area:
- Technical support and mentorship should be tailored to the specific needs of local innovation teams and delivered by those with regional expertise.
- Innovators should be involved in designing innovator support systems.
- Funders should respond flexibly to rapid and unpredictable changes in the innovator's situation and local humanitarian needs, supporting innovators to make adjustments as appropriate.
- Local innovation teams living and working in conflict-affected areas may be exposed to violence and loss. Funders should build strong relationships and open communication channels, and provide additional flexibility around reporting and milestones tied to payment release.

Navigating the humanitarian system

Innovators faced many of the same well-established challenges that affect the work of local humanitarians more generally, including limited access to funders, limited support for overheads, high administrative requirements, and short-term funding. The innovation teams employed various strategies to mitigate these, including establishing offices in the US or Europe, having Board or staff members with experience of Western donors, and using voluntary labour to cover shortfalls. Although CHIC has taken steps towards helping reduce

these challenges, innovators saw it as the main area where CHIC can strengthen its practices.

The CHIC team identified three lessons in this area:
- Innovators should be supported to meet donor requirements.
- CHIC should continue to advocate for funders to review and reduce burdensome requirements.
- Match funding should not be compulsory as it creates a significant barrier for those with limited resources and donor access.

Core funding and scaling support for local innovations in conflict

Some innovator teams that were supported at TTS have achieved notable scaling successes. However, overall, there are few funding sources for core operational costs and scaling initiatives for local innovators in conflict settings, hindering their long-term impact and growth. CHIC's limited resources and funding constraints mean it cannot provide follow-up funding to all of its seed (early-stage) innovators.

The CHIC team identified three lessons in this area:
- It is important to have early conversations with seed innovators to help manage expectations around future funding.
- One way to support the scale and sustainability of local innovations is to showcase them and facilitate connections to large donors or potential investors.
- Being the first funder for a local innovation - or the first funder of major scaling plans - can give other funders confidence to invest.

RECOMMENDATIONS

The report concludes with reflections on how the CHIC team can strengthen the localization of their initiative and four key recommendations:

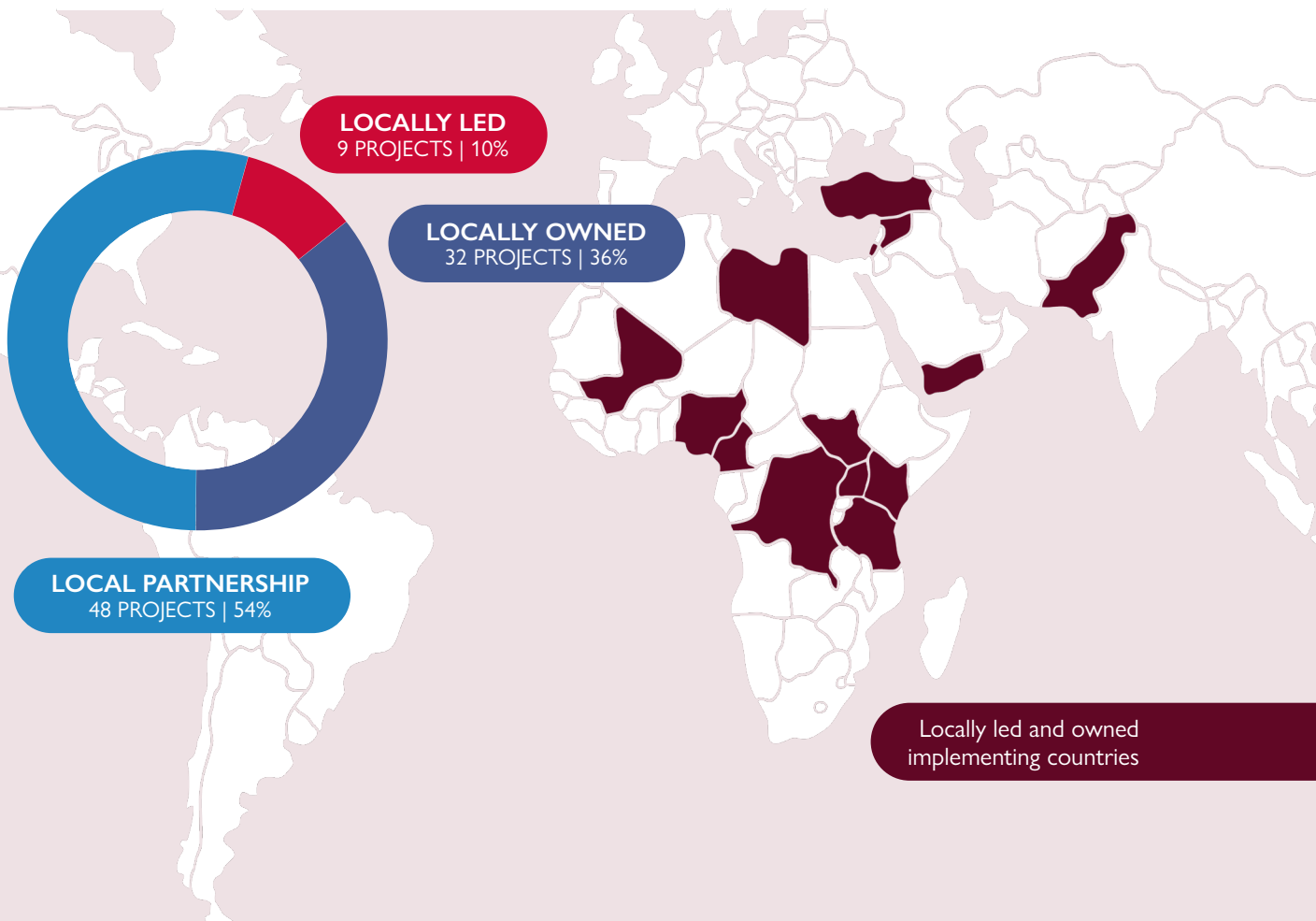| 1	2	3	4
Continue to seek out and support women and gender-diverse innovators, and those from marginalized groups	Simplify funding processes, make funding more flexible and predictable, and increase available overheads	Collate data on innovators' priorities for support	Invest in relationships to find collective solutions to overcoming funding barriers

INTRODUCTION

BACKGROUND

Local innovators, deeply embedded within conflict-affected communities, play an indispensable role in crisis response. Supporting these individuals and organizations has become a focus of Creating Hope in Conflict: A Humanitarian Grand Challenge ('CHIC'). CHIC is dedicated to supporting solutions that enhance humanitarian responses in regions that are hard to reach and severely impacted by conflict.

Since CHIC launched in 2018, 46% of CHIC-funded innovations have been either led (10%) or owned (36%) by conflict-affected community members. The funding amounts have a similar split (14% of funding has gone to affected community-led innovations, and 32%

of funding to affected community-owned innovations). The majority of these projects were implemented in five countries: northwest Syria, the Democratic Republic of Congo (DRC), Yemen, Nigeria, and South Sudan (see Figure 1).

This research focuses on 30 projects funded before the report was commissioned in February 2024, of which 9 were led by the affected community and 21 were owned by the affected community. In early 2024, CHIC selected a new cohort of seed finalists. The contract negotiations for this new cohort of seed projects took place during the research period for this learning paper and are therefore not included in its qualitative analysis.

Figure 1. Breakdown of CHIC-funded projects 2018-2024, by connection to affected community and implementing country.

LOCALLY LED
9 PROJECTS | 10%

LOCALLY OWNED
32 PROJECTS | 36%

LOCAL PARTNERSHIP
48 PROJECTS | 54%

Locally led and owned implementing countries

Box 1. Definitions of 'affected community-led' and 'affected community-owned' innovations

DEFINITION	EXAMPLE
Affected community-led: At least one person in a senior management position identifies as being from the conflict-affected community they are seeking to reach. This may also include individuals who are part of the diaspora.	Syrian American Medical Society (SAMS) Foundation is a global medical relief organization spearheaded by members of the Syrian diaspora that is working on the front lines of crisis relief in Syria and neighboring countries. The innovation involved training and supervising Syrian women to deliver mental healthcare to vulnerable children and is led by Syrian staff.
Affected community-owned: An organization whose leadership and governance teams are comprised mostly of individuals who identify as being part of the conflict-affected community they are reaching and who are based in or around the conflict-affected region.	Altech's co-founders Malango Washikala and Iongwa Mashangao were born in poor off-grid households and grew up in refugee settlements for over ten years. They returned to the Democratic Republic of the Congo (DRC) in 2012 to build Altech, the most profitable and impactful PAYGo solar business in the DRC. Altech´s business philosophy is based on deep market knowledge and a unique understanding of customers' needs. The TTS grant was for geographical expansion to take Altech's solar products into 130 sales shops, consolidating their position as the only PAYGo company in the DRC with national reach.

OBJECTIVES

This report was commissioned to explore CHIC's approach to funding local innovations over the past five years and aims to:

- Identify common lessons and challenges from across CHIC's portfolio of affected community-led and affected community-owned innovations (also referred to as 'local innovation')
- Consolidate CHIC's learning on supporting local innovations
- Highlight recommendations for further adapting the program to better support local innovation

METHODOLOGY

The purpose of this learning review was to consolidate knowledge, reflect and analyze what has been learned, and identify strengths and areas for improvement. The perspectives and experiences of CHIC staff and funded innovators are woven through the report.

This review focused on 30 CHIC-funded innovations that were led or owned by affected community members and funded as of February 2024. Of these, 22 received seed funding while eight received transition to scale (TTS) funding. The projects covered all four of CHIC's thematic areas: Energy, Health, Information, and Water, Sanitation and Hygiene (WASH).

The project began with an inception phase to refine the research questions, followed by a structured document review of existing publications to document CHIC's approach to localization. A literature review explored the wider issues around localization in humanitarian innovation.

Ten projects were selected for a deep-dive review. These represented a cross-section of CHIC's affected community-led and owned innovations in terms of the type of project, the geography of the project, and the level of funding. We reviewed 54 progress reports and

then conducted interviews with four of the innovation teams. We also held a focus group discussion with CHIC staff members. The four lessons discussed in this report were identified from across the documents, interviews, and focus group discussion.

A workshop with CHIC staff was used to share and discuss emerging findings and staff provided additional input on the identified lessons.

LIMITATIONS

This paper is based on a review of ten projects and interviews with four project teams. The relatively small sample limited our ability to fully capture the breadth of experience and perspectives of all local innovator teams in the portfolio. In addition, we did not review the whole CHIC portfolio, and did not compare the experience of community-owned and community-led innovations with those of non local projects. Relatedly, the sample was too small to determine whether there were differences (in terms of strengths, weaknesses, challenges, or lessons learned) between community-led and community-owned innovations.

Box 2. CHIC funding and support

SEED FUNDING

Seed grants are up to $250,000 CAD and are designed to allow organizations to pilot and test a new innovation. Funding is accompanied by support from CHIC staff as well as group workshops, mentorship and peer learning opportunities.

TRANSITION TO SCALE FUNDING

TTS funding is between $300,000 CAD and $1,500,000 CAD. It is accompanied by tailored support throughout the grant period, strategy labs and workshops, networking and mentorship and peer learning opportunities.

WHY IS LOCAL INNOVATION IMPORTANT AND IMPACTFUL?

Local innovators have significantly contributed to the humanitarian sector. For instance, local innovators have created scalable technologies like Dimagi, Ushahidi, and Mpesa. They have also influenced the sector through numerous smaller-scale entrepreneurial activities. These range from refugees in Kenya solving supply chain issues to local innovators in the Philippines addressing natural hazard risks with the bottle-net lifejacket.[2]

The CHIC portfolio includes a wide array of 'affected community-led' and 'affected community-owned' innovators with different structures, histories, and expertise. A selection of these initiatives are described on page 8 and 9.

The innovators include residents of conflict-affected areas, refugees/IDPs in nearby areas, and members of the diaspora. They are a mix of Non-Governmental Organisations (NGOs) and for-profit companies, entities founded both within and outside conflict-affected communities, and range from grassroots organizations to rapidly expanding for-profit enterprises. This broad group of teams illustrates the rich potential of innovation within conflict-affected communities.

A comprehensive review of the literature on humanitarian innovation found that **the single most important factor for successful innovations was collaboration with the affected population**.[3] Local innovators used their knowledge of the community to build trust and acceptance. This was especially important in cases where the innovation team was introducing new types of support or needed active participation in the community. In South Sudan, for example, the Rainmaker Organization for Sustainable Development worked with community leaders, local authorities, and the local private sector to determine the best systems for managing water access. The project stemmed from a survey on local needs and from the outset they recognized that buy-in would be essential to ensure the security of the project. During the design phase, the team consulted on how to protect the installation and

to distribute water, and community evaluations were conducted every few months.

The innovators' **deep understanding of the local challenges and needs gave them the ability to navigate barriers and uncertainty.** During COVID-19, for example, the White Helmets adapted their local manufacturing plants to deliver 10 million masks and 96,095 medical protective gowns in Syria (see box on page 9). Similarly, in the weeks following Libya's devastating floods in September 2023 Speetar's team – in partnership with Ali AlRowai Psychiatric and Mental Health Hospital in Benghazi - conducted over 1,000 free mental consultations in the area of northeastern Libya ravaged by flood waters and collapsed dams. Despite widespread infrastructural damage, Speetar was able to offer data packages to affected communities with intermittent internet access.

> **"In the face of adversity, we don't just adapt; we innovate. When the storms of life come, we rise, taking each challenge as a stepping stone toward a stronger, more resilient tomorrow."**
>
> *Speetar Founder & CEO*

In some contexts, **innovators were able to build organic partnerships with local or national government agencies based on meaningful, long-term connections and mutual understanding**. Speetar, is now scaling telemedicine access for conflict-affected communities in southern Libya. They have built relationships across local government and a key partnership with the Ministry of Health (MoH). At the onset of the COVID-19 pandemic, they were called on by the MoH and the

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2   Komuhangi, C., Mugo, H., Tanner, L., & Gray, I. (2023). "Assessing the Promise of Innovation for Improving Humanitarian Performance: A 10-Year Review for the State of the Humanitarian System Report". London: ALNAP/ODI.

3   Bruder, M., & Baar, T. (2024). "Innovation in humanitarian assistance—a systematic literature review". Journal of International Humanitarian Action, 9(1), 2.

National Center for Disease Control (NCDC) to create a platform as part of the government's National Response Plan.

The innovators were **highly resourceful and often delivered significant impact while also investing in local economies, capacities, and resources**. For example, İyilik İçin El Ele Derneği ('Hand in Hand for Aid and Development' or HiHFAD) is a non-profit led by Syrian-British diaspora that has provided health, nutrition, and WASH programmes across Syria since 2011. CHIC awarded this team seed and TTS grants to support the creation of a rehabilitation center that provides locally manufactured prosthetics and orthotics to amputees. Before the center was set up, access to prosthetics and orthotics was limited to imports from other countries (in which case test socket fittings would not be possible) or to those that could afford to travel abroad multiple times for assessment, measurement, fittings, and post-rehab support. HiHFAD's model of localized manufacturing and distribution has led to a 40% time reduction and 35% cost reduction and is accompanied by wrap-around care to patients, including physical rehabilitation assessments, mental health assessments, referrals, other nursing needs, transportation assistance, and post-rehabilitation support. The center trains and employs local Syrians and has targeted efforts to engage women and individuals with disabilities as prosthetic technicians to foster a more inclusive environment. Through its TTS funding, HiHFAD is aiming to provide 285 people with a prosthetic or orthotic device and wrap-around care, providing life-improving impact for some of the most marginalized community members in the region.

In addition to these benefits, **prioritizing local solutions is important for local leadership**. The humanitarian sector remains largely exclusive, with local organizations receiving only a minimal proportion of overall funding and facing numerous structural barriers. Investment in these organizations enhances their capacity to innovate and can also boost the effectiveness and sustainability of humanitarian efforts in hard-to-reach areas.

"I think when you want to work in these very remote settings, it's very important to have buy-in and you wouldn't be able to get buy-in if it weren't a locally-led or locally-owned organization."
Innovator in South Sudan

Examples of innovations supported by CHIC.

SEHAT KEHANI, ('story of health'), employing women doctors and democratizing healthcare for Afghan refugees and host communities in northwest Pakistan

Sehat Kahani's telemedicine platform employs qualified women doctors who otherwise face barriers to entering the workforce after marriage due to cultural and social norms. This holistic telemedicine solution consists of a mobile application, a 24/7 helpline for patients lacking reliable internet connectivity, and nurse-assisted e-clinics for populations living in remote locations that do not have easy and consistent access to doctors. Sehat Kahani has worked with the community and local government to develop a digital healthcare policy, upgrade underutilized nurse-led health facilities, and increase sensitization on vital health disparities. Through this innovation, 79,748 Afghan refugees and internally displaced and low-income Pakistanis across Pakistan are now able to access high-quality and affordable primary healthcare.

PRADO POWER, a solar energy supplier in Nigeria

The innovators at Prado Power "know what it is to live with incessant power outages" and how a lack of power can perpetuate poverty. They decided to change this by delivering clean electricity to off-grid, under-served communities in Nigeria. In the past five years, they have built 100 operational micro-grids, a solar panel manufacturing plant, and a battery recycling facility. They received innovation funding to build irrigation farming and post-harvest storage and processing for four of the major products in the region (rice, maize, cassava, and milk) across multiple sites in conflict-affected parts of northern Nigeria. By the end of their seed grant, 2711 people had signed up to receive a solar health system or to access agricultural processing and storage equipment. In addition, over 3200 people in the community reported increased incomes as a result of the program, including job opportunities for women and youth in agricultural produce processing.

RAINMAKER ENTERPRISE, a local pioneer of regenerative agriculture

South Sudan is one of the countries worst affected by climate change and over half of the population faces food insecurity. Rainmaker Enterprise installs solar-powered water infrastructure to supply clean water for household use and for drip irrigation water systems. Rainmaker Enterprise's model is underpinned by deep community buy-in and collective responsibility to ensure water security and the protection of community resources. Since their funding from CHIC, Rainwater Enterprises has secured additional investments and partnerships from the UN Development Programme (UNDP), the World Food Programme (WFP) Accelerator, and WFP South Sudan.

WHITE HELMETS, a local manufacturer of essential health products in northwest Syria

Healthcare infrastructure has been deliberately targeted in the conflict in Syria, and cross-border humanitarian assistance has been vital for people's survival. COVID-19 significantly exacerbated these challenges, and in 2020 the White Helmets responded by repurposing their uniform manufacturing unit to establish the first PPE factory in Syria. By the end of the grant, the White Helmets had repurposed an underutilized garment factory to manufacture 10 million masks, 96,095 medical protective gowns, 189,700 face shields, and 1,890 body bags. 101,000 kg of medical waste was safely disposed of using newly set up medical waste incinerators (CHIC 2023 Annual Report).

WHAT HAS BEEN LEARNED ABOUT FUNDING AND SUPPORT?

1. INCLUSIVE INNOVATION

Innovator experiences

Despite the importance and impact of their innovations, community-led and owned innovators **often struggle to access funding and support**.

Collaborating with local innovators in conflict zones can be a challenge due to **multiple restrictions on funding and operations**. Sanctions imposed on certain countries, such as Syria, severely limit the ability to financially support grassroots innovators. Additionally, regulatory hurdles, security risks, and limited access to financial institutions can further complicate funding efforts. Political instability and volatile security environments also often hinder the ability to establish reliable partnerships and sustain long-term projects.

CHIC aimed to invest in locally led and owned innovations from the outset of its program. This commitment has strengthened with each funding round, with the proportion of support for local innovations increasing from 24% in Round 1 to 46% across Round 1-4 (see Figure 2). Because of the constraints of working in conflict areas, CHIC adapted its approach to prioritize funding innovations that, while not entirely local, were as close to the local context as possible. This st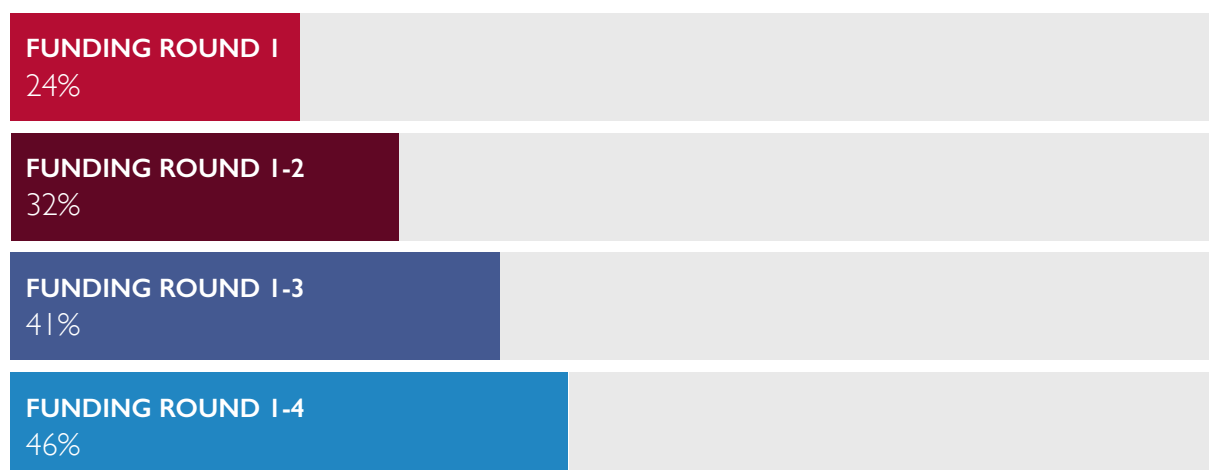rategy aimed to maintain the spirit of local innovation while navigating the complex landscape of international sanctions, regulatory barriers, and security concerns.

There is relatively **limited data on the demographics of the innovation teams**. One factor that was tracked from when the program launched was the gender of the innovation team's project lead. Twelve (29%) of the locally owned or led projects were women-led (see Figure 3), and only one of these had accessed TTS funding. This number remained stubbornly low despite efforts to increase it.

Although small in number, the **women-led projects are an impressive cohort of projects** including projects to deliver water solutions and community-centered data collection in South Sudan, mental health support for children in Syria, and primary healthcare through telemedicine in Pakistan.

The relatively small size of the cohort reflects the wider innovation landscape, with **women-led innovations across many sectors facing additional barriers to funding, support, and especially investment for scaling.** Crunchbase, a leading industry support platform for business innovation, finds that only 3% of start-up venture capital goes to women. Unsurprisingly, this experience is mirrored at the local level, particular-

Figure 2. Cumulative percentage of locally led and owned innovations as a proportion of total CHIC funded projects over time
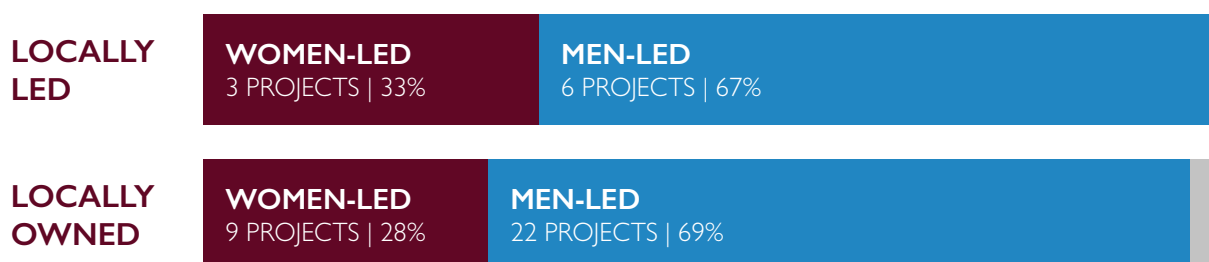
FUNDING ROUND 1
24%

FUNDING ROUND 1-2
32%

FUNDING ROUND 1-3
41%

FUNDING ROUND 1-4
46%

LOCALLY LED	WOMEN-LED 3 PROJECTS | 33%	MEN-LED 6 PROJECTS | 67%
LOCALLY OWNED	WOMEN-LED 9 PROJECTS | 28%	MEN-LED 22 PROJECTS | 69%

Gender not known
(1 project)

Figure 3. Proportion of locally led and locally owned innovations led by women and men

ly in conflict areas, where women leaders often face additional social stigmas and women humanitarians face challenges crossing borders, frontlines, and checkpoints.[4]

CHIC does not collect data on other demographic factors in its innovation portfolio. However, we know that many social and political factors including race, ethnicity, sexuality, and disability add additional layers of complexity to the process of innovating.[5] The ability of leaders to navigate the international humanitarian system hinges on several factors which include the leader's charisma and background, the organization's relationships with its funders and international NGOs, and the organization's geographical proximity to capital cities.[6] Indeed, anecdotal data shows that CHIC innovators were most likely to be situated in capital cities or other large urban centers.

"When we talk about shifting the power and about localization, it will mean something different in each of the individual countries' contexts."

Innovator in South Sudan

Approaches and learning from CHIC

CHIC staff describe three lessons relating to identifying and promoting local innovators:

- **In order to increase funding for local innovation, it is crucial for funders to set clear intentions and track progress against their intentions.** CHIC established specific targets to support innovations led and owned by affected populations from the start. Idea submissions and RFPs explicitly prioritized these organizations, and additional points were awarded to them in the quantitative review process.
- **Given their rich knowledge of the local context and innovation ecosystem, local innovators should be engaged as experts when growing the innovation portfolio.** Funding decisions were made using a peer-review process that included a repre-sentative from the diaspora.
- Language barriers can surface at different points in the funding process, including the proposal stage, due diligence, grant negotiations, and M&E, and they can pose a significant barrier to local innovators. Like other humanitarian innovation initiatives, CHIC has taken steps towards improving language accessibility to ensure more local actors can access the calls for proposals. In 2021, it began publishing multi-lingual Requests For Proposals (RFPs) including Swahili and Arabic, and provided webinars for potential applicants in French and Arabic. CHIC recognizes that there is more work to be done to support innovators working in other languages throughout the innovation support process.

4   Grand Challenges Canada (no date). "Political and social barriers to scaling humanitarian innovation"

5   Grand Challenges Canada (2022). "Creating Hope in Conflict: A Humanitarian Grand Challenge, Annual Report 2022".

6   N. Konda, K. Mansour, F. Mwenda, L. Tanner and I. Gray (2019). Support models for local humanitarian innovation: How to provide impactful support for grassroots solutions. DEPP Innovation Labs

2. LOCALLY-ORIENTED INNOVATION SUPPORT SYSTEMS

Innovator experiences

The interviews with innovators underscored the **importance of bespoke support** for implementing their innovation projects. Some innovators emphasized the benefits of specialist monitoring and evaluation (M&E) coaching and methodology advice, while others sought administrative guidance. Many also needed support to overcome implementation challenges, which were particularly pervasive and included economic restrictions, access problems, systematic attacks against the innovation teams, and the proliferation of misinformation in their communities, creating real-world security threats (see Box 2).

For example, **access problems in hard-to-reach areas posed significant challenges across multiple aspects of the innovations**. Poor infrastructure led to difficulties in maintaining consistent communication, with unreliable internet connectivity hampering coordination and information exchange. Limited or risky transport routes further complicate the movement of materials and personnel, causing delays and increasing project costs. These logistical hurdles also affected the ability to conduct regular site visits, monitor progress, and provide necessary support to local teams. Consequently, project timelines were often extended, and budgets were strained as additional resources were required to overcome these barriers.

Trusting relationships with members of the community helped increase acceptance of the projects and ensure the security of the site and equipment. In conflict-affected settings with high crime rates and looting, gaining community acceptance was critical to ensure that the equipment associated with the innovation was kept safe. Innovators in both DRC and South Sudan attributed the community-led/ owned nature of their innovations to high levels of community trust which resulted in key infrastructure being protected in times of conflict, including hospital buildings and boreholes (see Example 1 on page 13).

Many of the project teams also experienced rapid changes in the situations where they worked. For one organization in South Sudan (see Example 2 on page 13) the humanitarian situation completely changed, leading to reduced opportunities to access future funding and new priority humanitarian needs. Other innovator teams were affected by changes in regulation and by organizational uncertainty. These changes are hard to predict and require an agile and flexible approach from funders.

Box 3. Types of challenges faced by the innovation teams

ACCESS	SECURITY	BUREAUCRATIC	SOCIAL	UNCERTAINTY
• Very poor roads • Limited internet and phone connectivity • Climate changes leading to flooding, blocked roads, and other impacts	• Ongoing violence and destruction of critical infrastructure • Looting	• Delays related to obtaining customs clearances • Delays in permissions from local government • Navigating multiple authorities in weak governance systems • International sanctions and restrictions	• Fostering mindset changes among communities relating to new ways of delivering support	• Adapting to rapidly changing needs and conditions

Example 1. An affected community-led innovator implementing an energy project in a remote part of DRC.

Insecurity was a major barrier to this project. An outbreak of violence caused a temporary break in activities, delays to deliveries, and, therefore delays to the project timeline. The innovators were unable to visit the site and had to make additional arrangements for the logistics to deliver materials, which took a substantial proportion of the operational budget. However, while most humanitarian project sites in the area were looted or destroyed by armed actors, this site remained undamaged. The innovator believed this was due to the trust and confidence of the community in the project.

Example 2. Community-led information sharing in South Sudan.

Poor infrastructure affected the planning and delivery of this project. Limited mobile connectivity in South Sudan made communications difficult and led to high costs to cover basic internet access to upload the collected data. Similarly, transport to remote areas was expensive, with long journeys on poor-quality roads. Partway through the project, security conditions improved, and the community's needs completely changed. IDPs were no longer trapped, and people were free to move again, shifting the community's needs towards resettlement.

Approaches and learning from CHIC

CHIC staff describe four lessons relating to innovation support systems:

- **Technical support and mentorship should be tailored to the specific needs of local innovation teams and delivered by those with regional expertise.** At the outset of funding, the CHIC innovation support platform team conducted needs assessments for innovation teams and collected periodic feedback to iterate and improve their support. Feedback from periodic innovator surveys and innovator progress reports were used

to identify opportunities to better meet the needs of community-led and owned innovations. Tailored technical support and mentorship covered topics such as business development, fundraising, gender equity, and monitoring and evaluation. In the midst of a global pandemic, the CHIC innovation support platform also tested ways to foster connections online, such as through geographically-based networking opportunities for innovators. The CHIC team is now fostering more in-person connections and networking, with priority given to local innovators. Anecdotally, the CHIC team reports that these types of opportunities have been well-received.

- **Innovators should be involved in designing innovator support systems.** CHIC recently held a focus group discussion with current innovators to collectively review bids and invite feedback to inform its decision on a new innovator support platform provider. Grand Challenges Canada (GCC), more broadly, has also recently formed an Innovator Council, which aims to engage local innovators from across portfolios who will advise GCC on strategic directions, including how it identifies, funds and supports innovators.

- **Funders should respond flexibly to rapid and unpredictable changes in the innovator's situation and local humanitarian needs** (see Box 4 on page 14). CHIC's adaptive solutions included the provision of no-cost extensions, budget supplements to meet specific costs, budget adjustments, ongoing communications with innovators through a variety of communication channels, and flexibility to make adjustments to project design.

- **Local innovation teams living and working in conflict-affected areas may be exposed to violence and loss.** Research has illustrated how a personal connection can intensify the emotional toll of the conflict for aid workers, as they may witness harm to friends, family, or their own homes.[7] In such instances, CHIC aimed to build strong relationships, foster open communication with innovation teams, and to provide additional flexibility where possible, such as approving revisions to milestones and/or project scope.

7   Mourtada-Sabbah, N., and Sabella, S., (2020). "Resilience and Stress among Palestinian Health Workers during COVID-19." The Lancet 396.10265: 1259-1260.

Box 4. Wound care in Gaza

The example of Pragmatic Innovation Inc. illustrates the need for rapid, adaptable, and flexible funding mechanisms. Pragmatic Innovation Inc is revolutionizing wound care in Syria and Palestine with its pioneering PragmaVAC device. The initiative was designed to meet urgent medical needs resulting from blast injuries as well as the increased prevalence of diabetic foot ulcers (DFU). The PragmaVAC device, a manual and non-invasive negative pressure wound treatment solution is an affordable, electricity-free alternative to conventional wound care methods, significantly enhancing the healing process in environments with limited resources. In 2023, Pragmatic Innovation responded to Syria's earthquake appeal by shipping devices and dressings to Syrian hospitals treating earthquake survivors. Following a promising clinical trial in northwest Syria, they were awarded a TTS investment to develop a scaling plan for Syria, Yemen and Palestine, with a goal to sell 3800 devices through distributors and NGOs. However, since October 2023, the security situation in Palestine, and particularly in Gaza, has taken an unprecedented turn for the worst, resulting in a catastrophic humanitarian situation for civilians. In addition, the diabetic foot clinic where PragmaVac was originally being distributed was destroyed. In response, CHIC was able to coordinate approval to award a 210% supplement to Pragmatic Innovation in less than 48 hours, and to facilitate connections with co-financing partners to enable the deployment of 10,000 PragmaVac devices and associated dressing to vulnerable patients across Gaza. The expediency of this particular example is an exceptional case that departs from the typical timelines and processes associated with CHIC funding for TTS projects. However, CHIC is exploring options to institutionalize a rapid response framework as part of its upcoming 5-year program strategy development.

3. NAVIGATING THE HUMANITARIAN SYSTEM

Innovator experiences

Local innovation teams often find it difficult to secure funding through traditional channels. Limited visibility means they often remain unnoticed by potential funders; complex funding mechanisms can be difficult to navigate, creating barriers to entry; and a lack of access to international networks restricts their opportunities for broader support and collaboration. On top of this, local humanitarian organizations are often perceived as more susceptible to risks compared to international actors, despite the lack of empirical evidence to support this assumption.[8,9] Analysis of the performance of local actors tends to focus solely on financial compliance and risk management rather than impact.[10]

Local innovators and organizations have **devised their own strategies to secure funding from CHIC and other large humanitarian funders.** Registering in another country outside of the conflict context was a common tactic, simplifying the logistical challenges of accessing humanitarian funds. At least five innovations reviewed in this study had registered in the US or UK for this purpose. Those not registered in North America or Europe often had strong support from, or a team member from, the Global North to assist with interpreting requirements, providing advice, and securing funding. Frequently, there was a hybrid element to the ownership of the project and idea. One of the innovators from South Sudan described:

"In the US, I will assign you to *[USA team member]* and *[they]* will say I am a US citizen and I know the culture here and this is what we are going to do. And in South Sudan, I am going as a South Sudanese and I know the culture itself. So I think we play that role very well there, and to our donors, we played to different cultures, and we are doing that."

8   Barbelet, V., et al. (2021). "Interrogating the evidence base on humanitarian localisation: a literature study."

9   Stoddard, A., et al. (2019). "NGOs and Risk: Managing Uncertainty in Local-International Partnerships (Global Report)."

10   Barbelet, V., et al. (2021). "Interrogating the evidence base on humanitarian localisation: a literature study."

These strategies entailed the individuals or organizations providing significant voluntary labor and sometimes absorbing additional costs. For example, while registering a US entity allowed one innovation team to access funding that wouldn't have otherwise been available, it also meant that they had to absorb significant international payment transfer fees to transfer funds from the US entity to their operational site. These fees were taken from their indirect costs, which were already significantly stretched.

"There's two sets of books, for instance, and there's reporting both in South Sudan and this reporting here in the US. So, there are some logistical and administrative challenges related to that."

Innovator from South Sudan

"And we always encounter very high transaction fees, which most donors are very reluctant to contribute to or cover. It's something that you know, usually then in one way or another rips a hole in our budget."

Innovator from Syria

Such strategies rely on connections in Europe or North America and funding to register in multiple locations, which makes them unavailable to many innovators in conflict-affected countries.

For local innovators, the issue is not only what percentage of funds local actors receive, but the terms and conditions under which they receive it.[11] Many organizations struggle to get by with funding that is short-term, heavily constrained, inflexible and that does not account sufficiently for organizational overheads. This is despite the recognition of the importance of overhead costs to organizational capacity and sustainability and to effective humanitarian programming.[12] As well as contributions to overheads, the literature describes high-quality funding as including short decision-making cycles, flexibility, simple reporting arrangements, and funding for administrative costs.[13,14]

Local actors often bear the brunt of administrative work required for funding partnerships between different entities.[15] Funding proposals and reporting templates are often tailored to donor needs and don't necessarily reflect local contexts and processes. In addition, local actors must manage multiple and varied due diligence and compliance requirements across donors.

While CHIC has attempted to simplify its processes, **compliance requirements were an ongoing source of frustration for some innovation teams** who felt that the requirements were disproportionate to the funding level. For example, the due diligence process absorbed significant staff time and stretched over many months. Small and private sector innovators found they had to go through time-consuming processes to reformat their internal accounts into the CHIC templates. The feedback processes associated with reporting sometimes introduced challenges with payment timelines and had a knock-on effect on innovators' cash flow.

11   Ramachandran, S., and Gisselquist, R.M., (2024). "Taking localisation beyond labels and lip service." ODI
12   Girling Morris, F, (2023). "Donor approaches to overheads for local and national partners" Development Initiatives and UNICEF
13   Wall, I., and Hedlund, K., (2015). "Localisation and Locally-led Crisis Response: A Literature Review."
14   ActionAid et al., (2019). "Accelerating Localisation through Partnerships: Recommendations for operational practices that strengthen the leadership of national and local actors in partnership-based humanitarian action in Nepal."
15   Peace Direct (2021). "Time to decolonise aid: Insights and lessons from a global consultation."

Approaches and learning from CHIC

CHIC staff describe three lessons relating to navigating the international system:

- **Innovators should be supported in meeting donor requirements.** CHIC's approaches varied between teams but included providing supplementary funding to address specific organizational capacity gaps and funding organizations to hire new roles to expand their capacity in finance or administration.

- **CHIC should continue to advocate for funders to review and reduce burdensome requirements.** CHIC staff have held discussions with funding partners in this regard, providing examples of the donor requirements that are creating barriers for local organizations.

- **Match funding should not be compulsory as it creates a significant barrier for those with limited resources and donor access.** The requirement can exclude promising grassroots innovations simply because they can't secure additional funds, stifling initiatives with high potential impact. Unlike other portfolios at Grand Challenges Canada (where match funding is required for more mature investments), the CHIC team has been able to internally negotiate this expectation with funding partners so that smaller organizations can instead compete on the strength of their ideas and their community insight.

4. CORE FUNDING AND SCALING SUPPORT FOR LOCAL INNOVATIONS IN CONFLICT

Innovator experiences

CHIC has funded 23 innovations to transition to scale (TTS), including four projects led by people from the affected community and six projects owned by people from the affected community. Innovations led and owned by the affected community represent 43% of the TTS portfolio.

There are several examples of innovator teams who have graduated from TTS and achieved notable scaling successes. One example is the women-led organization Sehat Kehani (also described on page 8) who provide e-clinics and a telemedicine mobile application for primary care in Pakistan. Sehat Kehani was awarded seed funding in July 2020 and a TTS grant in September 2022. In January 2024 they announced the successful closure of Series A funding totalling $2.7 million USD. The funding was led by Amaanah Circle, a Singaporean health tech fund, and investors included Epic Angels, Cross Fund, USAID, Augmentor, Impact Investment Exchange (IIX), and the Elahi group of companies. Sehat Kehani is planning to use the funds to continue scaling and to further optimize their model, including strengthening clinical decision support systems using predictive AI models.

A second example is Altech, which was awarded a TTS grant in May 2022 for its energy project in the Democratic Republic of Congo. It has raised $18 million USD in debt financing and grants to expand access to energy across the DRC. The funds will enable the Altech Group to open more than 30 new sales outlets in rural areas and distribute 180,000 solar products to extend clean, reliable energy access to another 900,000 people. The Energy Entrepreneurs Growth Fund (EEGF), Triple Jump and Rabobank mainly provided this debt financing. Altech is also receiving funding from a range of other social investors.

These stories capture the potential of funded innovations. However, innovators explain that there are relatively few sources of funding to transition to scale in conflict-affected settings. Innovation-specific funding is limited, and many local and national organisations lack entry points into humanitarian funding systems. Local government institutions and or local authorities may be unable or unwilling to engage, fragmented, or even non-existent. Although Sehat Kahani and Altech demonstrated great success at securing additional investment through the private sector, private sector channels and commercialization models remain difficult to acquire for most and may not be viable channels at the transition to scale phase in many high-risk conflict contexts.

CHIC's limited resources and funding constraints mean it cannot provide follow-up funding to all seed (early-stage) innovators. The requirements to qualify for TTS funding are high, and so far, only three (15%) of CHIC's 20 closed community-led or owned seed-funded innovations have received follow-on funding. Although CHIC conducts periodic follow-up surveys with past innovators to track post-funding achievements, it can be challenging to systematically track each innovation's follow-on funding journey from external sources once their CHIC funding period has ended.

Figure 4. CHIC-funded projects by type of funding and connection to the affected community.
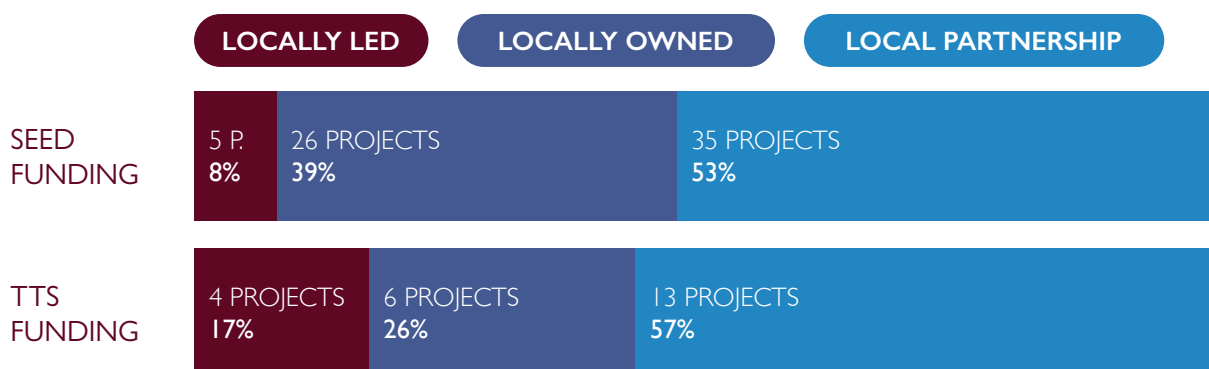
Wherever follow-on funding comes from, **managing the gaps between innovation grants is a significant challenge**. Many innovation initiatives (in the humanitarian sector and beyond) lack core funding, which leads to weaker organizational resilience. For the reasons discussed in Section 3, local innovators found it especially difficult to keep operating amidst funding gaps. In some cases, this led to low confidence from their own partners and end-users, very high staff turnover, and reduced trust in their key relationships. In some cases, delays arose during COVID-19; however, funding cycles themselves can be unpredictable and misaligned with the needs of ongoing projects. Gaps can disrupt progress, diminish morale, and ultimately hinder the impact of innovative solutions in conflict-affected communities.

"Before the end of the seed phase, we started preparation for the TTS and communication initiated at that time ... Then there was the discussion on compliance and ... completing the documents. We are talking about a gap of seven months. In that time we secured a small amount of money to keep activities functional but at a minimum level. So what we faced during these seven months was, first of all, only having human resources to work at a minimal level. And then having to enter into an annual framework agreement with suppliers (normally one year) but without any official agreement or official confirmation of securing the funding."

Humanitarian innovator

Approaches and learning from CHIC

CHIC staff describe four lessons relating to core funding and scaling support:

- **It is important to have early conversations with early-stage innovators to help manage expectations around future funding.** Once in partnership with CHIC, many innovators hoped and expected to receive follow-on funding. Staff aimed to manage these expectations through webinars at the start of seed grants to talk about requirements for TTS and through one-to-one interactions with teams. Innovators with limited options for scale-up funding nevertheless hoped CHIC would continue to invest in them.

- **One way to support the scale and sustainability of local innovations is to showcase them to large donors or potential investors.** For example, in 2022, CHIC hosted a session at the Humanitarian Networks and Partnership Week (HNPW) in Geneva focussed on "top local innovators to fund". Another event in 2021 featured the innovation team Rainmaker, who piqued the interest of the World Food Programme. At CHIC-sponsored events such as the Grand Challenges Annual Meeting and HNPW, panels were curated to include innovators from affected communities. There isn't data on whether this has resulted in additional funding for any of the featured organizations, but it illustrates some of the efforts being made by the CHIC team to showcase and champion local innovation.

- **Being the first funder for a local innovation, or the first funder of major scaling plans, can give other funders the confidence to also invest.** In DRC, for example, CHIC funding helped Nuru to demonstrate that their energy innovation was viable in fragile, conflict-affected, urban/ peri-urban, growing markets in DRC. This gave other investors the confidence that Nuru could provide energy access to paying customers at scale and in other similar locations. To date, for every Canadian dollar CHIC invested in Nuru, Nuru has secured $55.02 CAD in additional funding, totaling $55M CAD.

- **Funders can create an enabling for adoption through partnership-building and innovation support platforms.** These can help address the risk aversion, power dynamics, and resource shortages that create challenges for scaling in the humanitarian sector. To this end, CHIC is currently piloting a new Ecosystem Catalytic Grant initiative aimed at matching promising CHIC-funded innovations with humanitarian scaling partners to accelerate adoption and scale.

NEXT STEPS IN CHIC'S SUPPORT FOR LOCAL INNOVATION

Over the past five years, CHIC has been evolving its innovation approach with the aim of funding more innovators from conflict-affected communities or with a lived experience of conflict. Over the last four funding rounds, CHIC has increased the proportion of its support for affected community-led and owned innovations from 24% in Round 1 to 46% across Round 1-4. CHIC intends to increase this over the next rounds and is reviewing its work to develop a more ambitious target for future funding.

This learning report reflected on the importance and impact of working with innovators from conflict-affected communities. **People living in conflict have the clearest understanding of their own challenges and can develop solutions that meet needs, deliver value, and achieve high levels of community acceptance.** The examples highlighted in this paper showed how the innovators were able to work in contextually appropriate ways to navigate significant cultural and logistical challenges to deliver impressive results. Working with innovators from conflict-affected communities also enabled ongoing investment into the local workforce and economy.

Yet humanitarian funding and support have not traditionally been well-designed to meet the needs of local innovators and organizations. This report therefore aimed to capture learning on CHIC's approach to funding and supporting local innovators. It captured reflections in four areas: inclusive innovation; the importance of tailoring innovation support to the needs and challenges of the context and team; the difficulties of navigating humanitarian funding systems; and how to better focus on scale.

GCC is currently drafting its next 5-year strategy, which includes a commitment to localization, including through investing in local innovation ecosystems. CHIC is exploring several new approaches aimed at making its approach more transformative, building from successes and lessons learned through GCC's more mature global health portfolios. These include supporting local Grand Challenge chapters (such as Grand Challenges Senegal) to lead on seed calls, and Ecosystem Catalyst Grants that aim to increase government system capacity to demand and scale health innovations. It is hoped that this type of work can be adapted to suit the needs of the humanitarian ecosystem and inform future CHIC funding rounds.

PHOTO SOURCE: HIHFAD

RECOMMENDATIONS

The following four recommendations are based on the reflections captured in this report, innovator perspectives, and the CHIC team's view on important next steps:

1 · **Continue to seek out and support innovators led by women, gender-diverse leaders, and innovators from marginalized groups**

The portfolio included an impressive range of innovators from conflict-affected areas. However, there were significant challenges in identifying and supporting women and gender-diverse innovators, those from outside urban centers, and other marginalized groups. CHIC should build on its current efforts:

- Identify other factors of marginalization in the contexts where CHIC works and collect data on the number of innovators supported from within those grounds (e.g., disability, ethnicity, or sexuality).
- Actively seek out innovators from these marginalized groups and engage with them to understand their specific needs. Continue to tailor the application process and support for these particular groups.
- Allow additional funding for travel to enable these innovators to build their networks both in-country and more widely (and support introductions where possible).
- Continue to invest in translation and in being able to engage with and support innovators who are not English or French speakers.

2 · **Simplify funding processes, make funding more flexible and predictable, and increase available overheads**

Funding processes, funding conditions, and reporting requirements are frustrating for local innovators across the sector, including those working with CHIC. CHIC should continue to work towards addressing the following challenges (including with its donors), which research has shown create additional obstacles:

- Provide resources to help innovators meet due diligence requirements. This may involve funding for legal, financial, and regulatory compliance support.
- Advocate for funders to allow for a larger proportion of funds to cover innovator overhead costs (currently 10%), to ensure that innovators have the necessary infrastructure and administrative support to deliver their projects effectively and increase organizational resilience. This could also account for the significant costs of international transfers for local innovators working across borders.
- Improve timeliness of reporting processes to minimize the knock-on effect on innovators' cash flow. Explore alternative reporting templates that would reduce the administrative burden for start-ups and other organizations for whom grant funding is a small proportion of their operational funds.
- Develop mechanisms to fill funding gaps between grants. This could involve creating a bridge funding program to ensure continuous support and prevent project disruptions.

3 · **Collate data on innovators' priorities for support**

CHIC has provided tailored support for local innovators through individual needs assessments and most lately, by involving some in the selection process for its new innovation support platform provider. CHIC should now collate (quantitative) data on the types of support requested by each innovator to understand and share patterns. It should include types of technical and mentoring support, as well as the kinds of support that CHIC is currently often unable to address (such as those above).

Establishing stronger formal feedback loops with innovators alongside this data collection would allow CHIC to document for innovators how feedback is being used to evolve the support offered.

4 **Invest in relationships to find collective solutions to overcoming funding barriers**

Over recent years, CHIC has had ad-hoc discussions with other innovation funders and with UN agencies and other large humanitarian organizations on 'the procurement, process, and political barriers to adoption'. Alongside its Ecosystem Catalytic Grants, CHIC should maintain and expand participation in these discussions, with the aim of finding better collective solutions to the challenges of scaling local innovations. A more formal collaborative structure, such as a working group may provide more consistency and focus.

- The data on innovators' priorities would provide a valuable source of information for donors and other funders. CHIC could use this data to advocate for funding strategies that align with innovators' requirements both to its own donors and more widely.
- Collaborate on creating and promoting policy recommendations that address procurement, process, and political barriers to adopting local innovations.
- Share best practices and successful case studies to promote learning.

PHOTO SOURCE: RAINMAKER ENTERPRISE