

TOOLS FOR INNOVATION PROGRAMMING

Step 1: Identify & Define the Problem



LIFECYCLE STEPS



TOOLKITS

About the USAID U.S. Global Development Lab

USAID's legacy of developing and implementing innovative breakthroughs—from the seeds of the green revolution, to microfinance and oral rehydration therapy—has saved lives, created economic opportunity, and advanced human development. For the first time in history, we have the scientific and technological tools to put an end to extreme poverty and its most devastating consequences within the next two decades.

Building on the belief that science, technology, innovation and partnership can accelerate development impact faster, cheaper, and more sustainably, USAID established the U.S. Global Development Lab (The Lab) in April 2014. The Lab is designed to experiment and test new ideas, models, interventions, and approaches and to accelerate the ones that work across the Agency and in Missions around the world.

The Lab's mission is twofold:

- To produce breakthrough development innovations by sourcing, testing, and scaling proven solutions to reach hundreds of millions of people.
- To accelerate the transformation of the development enterprise by opening development to people everywhere with good ideas, promoting new and deepening existing partnerships, bringing data and evidence to bear, and harnessing scientific and technological advances.

To learn more about The Lab, visit: www.usaid.gov/GlobalDevLab

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This collection of tools was informed by in-depth interviews and discussions with the champions and the managers of the following USAID programs: *Securing Water for Food: A Grand Challenge for Development*; *All Children Reading: A Grand Challenge for Development*; *Saving Lives at Birth: A Grand Challenge for Development*; *Powering Agriculture: A Grand Challenge for Development*; *Higher Education Solutions Network (HESN)*; and *Development Innovation Ventures (DIV)*.

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Step 1: Identify & Define the Problem



KEY LEARNINGS

Articulating the problem statement and drafting the Concept Note is an iterative process that requires flexibility and targeted outreach to stakeholders for problem validation.

The Barrier Analysis is a research-based exercise that provides a deeper understanding of the barriers to solving a problem, helps to validate and refine the hypothesis through research and expert consultation, and shapes the Concept Note.

The Challenge Statement makes it easy for a general audience to understand what the program hopes to achieve. It will serve as the basis for the brand, key messages, and communicating program objectives to a diverse audience of partners and solvers.

USAID's grant and prize competitions and open innovation programs engage a global community of innovators and solvers to apply science and technology to find high-potential innovations to overcome critical barriers to development challenges. These programs stand apart from other programs for their problem-set orientation, global scope and reach, and use of open innovation models for sourcing and accelerating innovations. These features create unique opportunities, challenges, and considerations for the design process and implementation approaches.

Articulating a problem that inspires innovation is a critical first step in these programs because it constructs a solid foundation upon which to build the program objectives and make design choices. By defining the problem clearly and presenting the barriers based on evidence and research, USAID can galvanize a broader, more diverse community of solvers to develop innovative solutions and create new pathways to achieve impact on a grand scale.

This document will explain and offer guidance on the following activities:

- **Assembling the Team.** Begin with a lean team and build staff and resources as needed to ensure success of the program over the long term.
- **Identifying the Problem.** In the problem identification phase teams will identify, assess, define, and select the problem by conducting research, ideation workshops, and stakeholder engagement.
- **Drafting the Concept Note.** The Concept Note is the first articulation of the problem statement and is a critical document throughout the program design process.
- **Conducting the Barrier Analysis.** The Barrier Analysis is a research-based exercise that helps to validate and refine the problem statement by gathering evidence about the specific barriers that hamper progress.
- **Finalizing the Challenge Statement.** Following these efforts, the team will draft a concise Challenge Statement that articulates the problem, the critical barriers that need to be overcome, and what the program hopes to achieve.



TIP

Key Terms

Open Innovation refers to USAID activities that drive innovation and progress toward a development outcome by inviting the public or a targeted community to contribute knowledge, ideas, and resources in ways that reveal new solutions or approaches. Open innovation is an approach to problem-solving emphasizing openness, networks, transparency, and cooperation.

Crowdsourcing is a means of obtaining needed services, ideas, or content by soliciting contributions from a large group of people.

Prizes and Challenges are structured one-off or serialized activities that offer opportunities for people or organizations to compete for an award. These may be grant competitions or prize competitions.

Assembling the Team

The team may begin with an individual champion or a small team, but as the program evolves to include implementation plans and funding, additional team members are required to meet the growing needs and skill requirements of the program. In addition to the core program team, leadership buy-in and agency support from offices such as General Council (GC), Office of Acquisition and Assistance (OAA), Legislative and Public Affairs (LPA), other technical bureaus, and Missions is needed to launch and sustain the program.

During the initial program design and development phase, the following people or roles are needed:

- **Team Lead** drives the process forward, manages team, manages work plan, acts as main point of contact; can also play the role of Technical Expert or Champion.
- **Technical Expert** brings deep understanding of the problem, lends technical credibility, and holds connections in the sector and other experts outside USAID.
- **Champion** works within agency to get buy-in and approval from leadership, acts as a visionary, problem solver, and spokesperson in outreach to potential partners. The champion should come from the sponsoring operating unit.
- **Innovation Program Expert** understands open innovation models and program design and is from the Lab. Offers support to the Team Lead or Champion to access people, resources, and learning that will benefit the program.
- **Liaisons in OAA, LPA, GC** and elsewhere are necessary for approvals and effective and coordinated execution of the program.
- **Short-term Consultants** to support research, communications, workshop facilitation, and surge capacity.
- Consider augmenting the team with a **communications lead, M&E support, acceleration experts**, and others as you implement the program.

Identifying the Problem

USAID's innovation programs, in particular the Grand Challenges for Development (GCD), are built on the foundation of a problem statement that focuses attention on and incentivizes innovation for a major development challenge. Identifying and articulating this problem statement can happen in many ways. In some cases, the problem statement is identified by partners and proposed to USAID. In other cases, the problem is identified through an agency or bureau strategic planning exercise or through a single champion who can rally others within the agency around the idea. Regardless of the point of origin, the problem statement will go through an evolution as it is tweaked and refined based on research and engagement with partners and external experts.

During the problem selection phase, teams typically start with a very broad topic and several potential problem areas. Answering the following questions can facilitate the elimination of some problem areas that don't fit the criteria, while others will rise to the top of the list.

<p>Strategic: <i>Is there strategic alignment with agency and/or bureau priorities?</i></p>	<p>Is it in USAID's five year strategy? Is there budget allocation for this topic? Is there Mission interest and funding? Is USAID leadership talking about the topic? Is/are there an indicator(s) to report against?</p>
<p>Critical: <i>Does USAID bring value to addressing the problem?</i></p>	<p>Are there dedicated staff members who are knowledgeable about the issue? Does USAID Headquarter or Missions have programs in this area? Is USAID credible in this area?</p>
<p>Engaging: <i>Is the topic able to convene partners, catalyze co-investment, and attract a diverse set of solvers?</i></p>	<p>Can a wide range of actors understand and engage on this topic? Does it require a high degree of specialization? Does it have the potential to capture imaginations and inspire on a grand scale? Are other development organizations or private foundations investing in this topic? Are there gaps in the marketplace? Is there unmet demand for new solutions for the problem? How large is the market or impact potential?</p>
<p>Innovative: <i>Is Science, Technology, Innovation, and Partnerships (STIP) required to address the problem?</i></p>	<p>Is this a problem ripe for new solutions and innovation? Would STIP enable impact at scale? Is there an opportunity to incentivize solver communities to kick-start or drive innovation in the field?</p>
<p>Catalytic: <i>What is the potential for large scale development impact?</i></p>	<p>Is the problem global or localized? How many people, communities, etc. are affected by the problem? Does the problem prevent other development goals from being achieved? What is the ripple effect of solving the problem on other development challenges? Will new solutions enable other actors to achieve greater impact?</p>



RESOURCES &
REFERENCES

A worksheet titled “Building the Problem Statement” is provided in the Resources section to help teams work through these questions. A second worksheet titled “Problem Definition Hypothesis Development” offers another tool for working through your hypothesis about the problem statement and barriers to solving it.

REFINING THE PROBLEM STATEMENT

Once a short list of potential problems is developed, it's time to consult with both internal and external experts. This step will happen at different times for each team but it is a best practice to engage experts, both inside and outside the agency to prioritize, refine, and validate the topic. When sharing potential problem statements with others, it is important to be very clear that you are in the early stages of defining the problem. Be clear about the type of feedback you are seeking and include key questions for experts to consider:

The process for defining the problem typically spans several months and teams should use the following tactics to narrow down from a broad issue to a specific problem:

- Convene meetings within the agency
- Host ideation workshops within the agency, with external experts, and with potential program partners
- Research and review latest reports and related research
- Review current investments and funding commitments by USAID and other funders



RESOURCES &
REFERENCES

The Securing Water for Food GCD convened a round-table of experts as a side event during World Water Week to get feedback on the problem statement they were pursuing. The Agenda and Facilitator Guide is provided in the Resources section.

Ideation Workshop

In the design process it is useful **to organize an ideation workshop to test and refine a Challenge Statement with key actors who may be engaged in future program activities.** Ideation workshops convene a collection of potential stakeholders to participate in a facilitated, outcomes-driven meeting (an agenda is provided in the activity box). Examples of important stakeholders include: peer organizations and partners operating in this space, potential funding partners, end-users, intermediaries or implementers, analogous stakeholders, and participants who can bring expertise in communications, law, intellectual property, and commercialization. Participants may have a role later in the prize competition as partners for co-publicity, judging, prototyping/testing, or funding.

ACTIVITY



A TYPICAL IDEATION WORKSHOP WILL SPAN ONE TO TWO DAYS AND IS ORGANIZED FOR GROUPS OF 35 PEOPLE OR LESS. THE AGENDA STRUCTURE BELOW HAS BEEN USED BY USAID INNOVATION PROGRAM TEAMS.

DAY 1

- **Goals** for the workshop **Introductions** (1 hour)
- Why the hosting organization is interested in this topic and their **preliminary findings in the field** (1 – 2 hours)
- Take **audience feedback on findings** (1 hour)
- How other organizations are operating in this space and the challenges they face (half day)
- Audience feedback and re-orientation
- Identifying optimal outcomes (Breakout groups followed by report back)
- Building consensus around optimal outcomes (Breakout groups) (facilitators will aggregate comments after the day concludes)
- Evening Reception

DAY 2

- Recap of Day 1 (based on consolidated findings from facilitators) and reorientation around workshop goals
- Addressing how end-users might interact with those outcomes/refining problem statements (Break out groups followed by report back)
- Developing a problem statement (Plenary or Breakout Groups)
- Refining what success looks like (Plenary or Breakout Groups)
- Securing commitments and next steps (Plenary)



A well-run ideation workshop will take certain steps to ensure that the workshop achieves its goals. The host organization should ideally have a draft problem statement, a preliminary analysis of the barriers (the barrier analysis is elaborated in the following section), and a collection of potential partners interested in advancing the program (via advising, co-publicity, reviewing applications, implementation, prototyping/testing, or funding). Follow-on activities to an ideation workshop should include a common set of findings and next steps and follow up with participants.



TIP

Ideation Workshop: Civil Society Innovation Initiative (CSII)

In response to a presidential commitment to using technology to strengthen civil society, particularly in areas where civil society is still weak or is under attack, USAID and Sida launched the Civil Society Innovation Initiative (CSII). The CSII used a co-creation process to enable civil society organizations (CSOs) to voice what strategies, technologies, and partnerships would bolster CSO efforts. USAID published an addendum to the Development Innovation Accelerator Broad Agency Announcement (DIA BAA) seeking co-creation partners from organizations to contribute ideas about the formation and potential services of regional, technology-enabled civil society hubs. The final product of the workshop was a validated concept note that USAID used as an application to the DIA BAA's STIP (Science, Technology, Innovation, and Partnerships) Board to obtain approval for programming.

Drafting the Concept Note

The **Concept Note**, a three to five page document that becomes the foundation for describing and advocating for the program to get Agency buy-in, makes the case for operational resources and engages potential partners. The Concept Note should include:

- Clear, concise articulation of the **problem statement**.
- Identification of **key barriers** preventing the problem from being solved.
- **Hypothesis** about how overcoming the barriers will contribute to solving the problem.

The draft of the Concept Note is often initially overpopulated with ideas and editing is an iterative process with many benefits:

- Brings the program team together around a specific problem statement and approach.
- Enhances and facilitates concrete discussions within the agency and with potential program partners.
- Helps program teams lay out a vision and gain support to pursue the idea.
- Prompts early and ongoing thinking about size and scope of the problem and the individuals who affect or are affected by the problem.



TIP

The Concept Note will evolve over time. While the team should aim to finalize a version for sharing, be aware that potential partners will want to adapt the concept to fit their own priorities and align with their own strategy. Additionally, through the Barrier Analysis, State of Innovation analysis, and solver mapping (which come later in the design process), the concept will need to change to incorporate new evidence.



RESOURCES & REFERENCES

The step-by-step guide for drafting a Concept Note is included in the Resources section along with an example of a proposed Concept Note for “Family Care First, a proposed Grand Challenge for Development,” which did not ultimately move forward as a GCD initiative due to lack of leadership buy-in.

Conducting the Barrier Analysis

The Barrier Analysis provides a deep understanding through research and expert consultation and will help teams to refine the Problem Statement and enhance the Concept Note. This process ensures that the resulting Call for Innovations will target the most critical barriers and achieve maximum impact. Barriers will likely be identified in these categories:

- Technological
- Market/pricing/distribution
- Economic/financial/demand
- Policy/regulatory
- Capacity/know-how
- Cultural/social/behavioral

Once defined, each barrier undergoes comprehensive analysis to better understand topics such as:

- **Mechanism:** How is this barrier preventing current efforts from having an impact on the problem? For example, some barriers might prevent efforts from reaching the right population while others prevent the population from adopting the solution even when given access.
- **Identification:** Who are the primary influencers and stakeholders connected to this barrier? Which subset of beneficiaries is affected most by the barrier and stands to benefit most once the barrier is removed? Which actors stand to lose should the barrier be removed?
- **Location:** Is the barrier global, regional, national, local?
- **Incentive structures:** What are the incentives currently enabling/perpetuating this barrier? What incentive structures are required to remove this barrier?
- **Impact:** What is the potential impact on the problem should this barrier be removed? What kind of multiplier effects would occur with the removal of the barrier?
- **Relevance:** What role might science, technology, innovation, and partnership play in overcoming the barrier?

Rigorous analysis for each barrier can include some combination of expert interviews, stakeholder gatherings, desk research, and review of relevant data. Ultimately, the Barrier Analysis will be used to enhance and validate



the hypothesis presented in the Concept Note. The Barrier Analysis will also inform future design decisions about programmatic activities such as prize and grant programs. Your team may decide to share the Barrier Analysis with industry experts, development practitioners, or potential solver communities for feedback and validation. Be aware that such consultation is time intensive and should only be undertaken if there are resources and staff available to manage the process. The output from this process is a concise document that describes the barriers and evidence of its effect on the problem, indicates the sources of data/evidence used (including expert consultation), and prioritizes based on each program team's primary objectives.



RESOURCES &
REFERENCES

A sample Scope of Work for a Barrier Analysis is included in the Resources section along with an example of a barrier analysis conducted for Counter-Trafficking in Persons (CTIP).

Finalizing the Challenge Statement

A Challenge Statement serves as a call to action and makes it easy for a general audience to understand what the program hopes to achieve and how. The Challenge Statement should be simple and inspirational, ranging in length from one to three paragraphs. The Challenge Statement will help to build an “identity” or brand, convey key messages, and communicate the program objectives to a diverse audience of stakeholders (see *Communications Toolkit*).

When drafting the Challenge Statement, teams should draw from the hypothesis used in writing the Concept Note and incorporate the barrier analysis (but not simply restate them). The Challenge Statement should be agnostic about the program options because design choices may change over time and the Challenge Statement needs to remain relevant throughout the life of the program. This will provide cohesion throughout the various rounds and open calls. It can be helpful to consult with a communications expert or your communications team as you finalize this document.

The Challenge Statements for the existing GCDs can be found on the programs' websites.



RESOURCES &
REFERENCES

Saving Lives at Birth (SL@B)

- “Challenge” www.savinglivesatbirth.net/challenge
- “Call for Innovations” Round 4 www.savinglivesatbirth.net/sites/default/files/round_4_saving_lives_at_birth_grand_challenge_rfa.pdf

All Children Reading (ACR)

- “Problem” www.allchildrenreading.org/wordpress/problem/
- First Call for Innovations www.allchildrenreading.org/wordpress/innovation/
- Second Call for Innovations using a different RFA www.allchildrenreading.org/challenge/

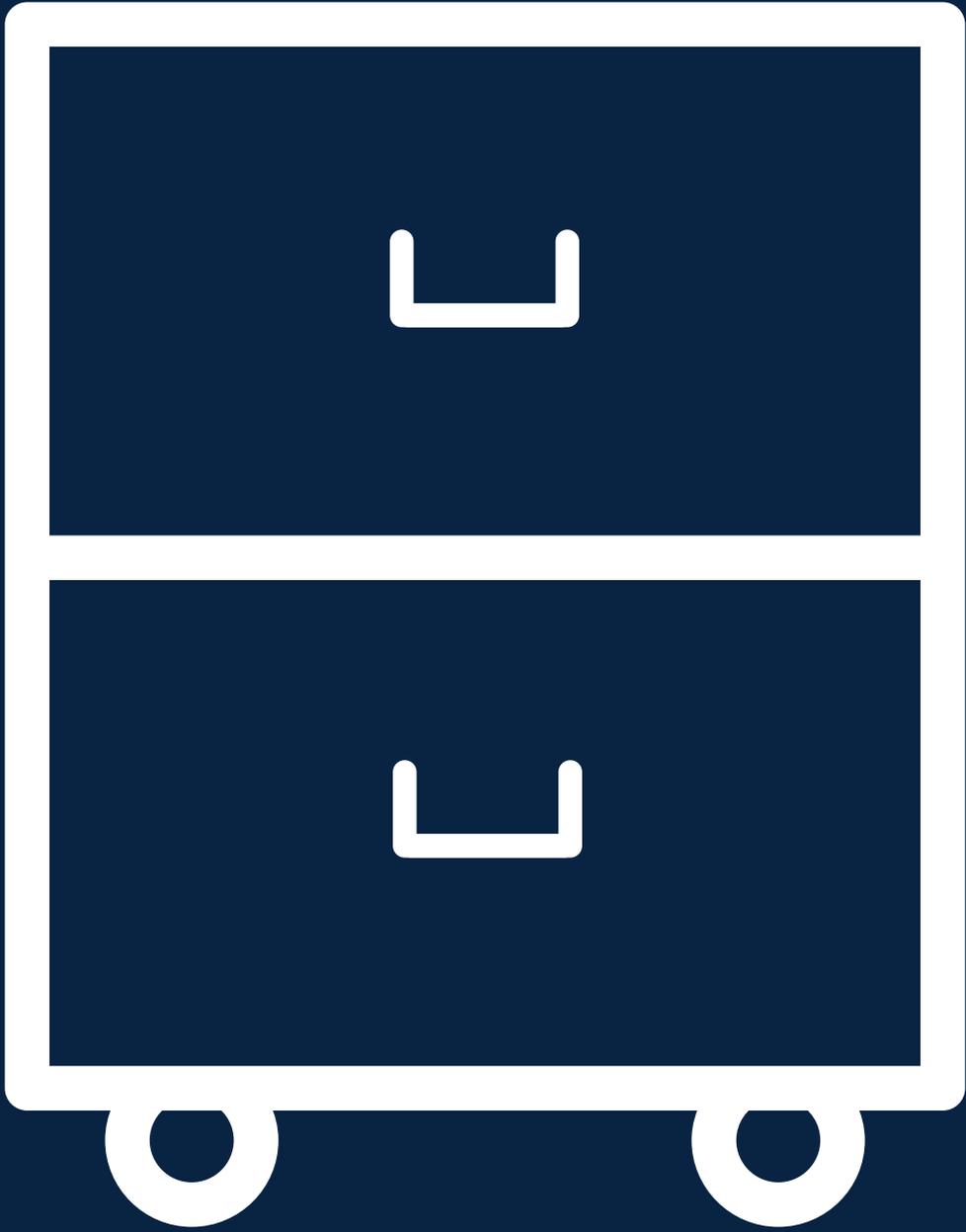


RESOURCES &
REFERENCES

Powering Agriculture

- “Problem” www.poweringag.org/problem
- “Challenge” www.poweringag.org/challenge
- First Call for Innovations using a BAA www.poweringag.org/sites/default/files/2012_12_18_baa_powering_agriculture.pdf
- Second Call using a new BAA www.poweringag.org/sites/default/files/2014_paegc_baa_gic-2_summary_final_english.pdf
- Securing Water for Food (SWFF) “Challenge” www.securingswaterforfood.org/the-challenge/
- First Call, Broad Agency Announcement (BAA) www.fbo.gov/index?s=opportunity&mode=form&id=154483d98f0aa32c1c2c831b51330bf3&tab=core&tabmode=list&
- Second Call for Desal Prize using a RFA www.securingswaterforfood.org/the-desal-prize







Resources & References

Resources

- Building the Problem Statement – Worksheet 1
- Problem Definition Hypothesis Development – Worksheet 2
- Securing Water for Food's "Water Tech Industry Workshop" Agenda and Facilitator Guide
- Steps to Develop a Concept Note
- Sample Concept Note – "Family Care First – A Proposed Grand Challenge for Development"
- Barrier Analysis Sample Scope of Work
- Counter-Trafficking in Persons (CTIP) Barrier Analysis

Building the Problem Statement: Worksheet I

<p>Strategic: <i>Is there strategic alignment with agency and/or bureau priorities?</i></p>	<p>Is it in USAID's five year strategy? Is there budget allocation for this topic? Is there Mission interest and funding? Is USAID leadership talking about the topic? Is/are there an indicator(s) to report against?</p>
<p>Critical: <i>Does USAID bring value to addressing the problem?</i></p>	<p>Are there dedicated staff members who are knowledgeable about the issue? Does USAID Headquarter or Missions have programs in this area? Is USAID credible in this area?</p>
<p>Engaging: <i>Is the topic able to convene partners, catalyze co-investment, and attract a diverse set of solvers?</i></p>	<p>Can a wide range of actors understand and engage on this topic? Does it require a high degree of specialization? Does it have the potential to capture imaginations and inspire on a grand scale? Are other development organizations or private foundations investing in this topic? Are there gaps in the marketplace? Is there unmet demand for new solutions for the problem? How large is the market or impact potential?</p>
<p>Innovative: <i>Is Science, Technology, Innovation, and Partnerships (STIP) required to address the problem?</i></p>	<p>Is this a problem ripe for new solutions and innovation? Would STIP enable impact at scale? Is there an opportunity to incentivize solver communities to kick-start or drive innovation in the field?</p>
<p>Catalytic: <i>What is the potential for large scale development impact?</i></p>	<p>Is the problem global or localized? How many people, communities, etc. are affected by the problem? Does the problem prevent other development goals from being achieved? What is the ripple effect of solving the problem on other development challenges? Will new solutions enable other actors to achieve greater impact?</p>

Problem Definition—Hypothesis Development: Worksheet 2

What is the problem?

Why are we not having impact on the problem? List the barriers.

A.

B.

C.

What is your hypothesis?

If we can address barriers

We will have an impact on the problem

If we impact the problem, it will create a positive multiplier effect by impacting (*ripple impact*)

Example: If we can address the lack of cost effective medicines, poor distribution channels, and cultural misperceptions (*barriers*), we can have significant impact on the HIV/AIDS epidemic (*the problem*) with positive multiplier effects in other areas of global health and economic development (*impact*).



Securing Water for Food’s “Water Tech Industry Workshop” Agenda and Facilitator Guide

The Securing Water for Food team convened a round-table of experts as a side event during World Water Week in September 2013. They used this convening to get feedback on the problem statement.

Water Tech Industry Workshop – USAID’s World Water Week Side Event Facilitator Guide

Goals:

1. Share information about Securing Water for Food
2. Advance the thinking about how we can improve the program to reach its objectives
3. Develop new ways of working in partnership across the industry (with corporations, NGOs, donors, research institutes, etc.)

Format: Small group brainstorming. There will be approximately 30 participants. Room should be set in small roundtables, 6-8 people per table, plus an additional table for the Twitter Chat (which will have live participants as well).

Supplies: Audio/visual equipment; microphone; podium; flipcharts/easels (one per table) and markers; extra paper/pens; 6 tables.

Roles and Responsibilities:

Facilitator: The facilitator’s goal is to generate a maximum number of different ideas and opinions from as many different people in the time allotted. The Facilitator will be the one asking questions and responding to technical questions that may arise from the group. Facilitators should therefore be very familiar with the Securing Water for Food program design.

The facilitator has a responsibility to adequately cover all prepared questions within the time allotted to the best of his/her ability. While the Facilitator is not the official note-taker, the Facilitator will *verbally and graphically* capture key inputs, ensure that the small group conversation has balanced participation, allow disagreements to arise, and keep the discussion on track. It is good facilitator practice to paraphrase and summarize long, complex, or ambiguous comments. A Facilitator may ask someone else at the table to do the graphic capture (on flip charts).

S/he also has a responsibility to get all participants to talk and fully explain their answers. If participants give incomplete or irrelevant answers, the facilitator can probe for fuller, clearer responses. A few suggested techniques are:

- Repeat the question – repetition gives more time to think.
- Pause for the answer – a thoughtful nod or expectant look can convey that you want a fuller answer.
- Repeat the reply – hearing it again sometimes stimulates conversation
- Ask when, what, where, which, and how questions – they provoke more detailed information
- Use neutral comments – “Anything else?” or “Is there more?”

Detailed Agenda:

10:30am Welcome (*Names of Speakers*)

- a. Welcome participants
- b. Introduce USAID and Sida
- c. Introduce the main goals of the meeting

10:40am Introductions around the room; Agenda (*Name of Facilitator*)

10:50am Overview of Securing Water for Food (*Names of Speakers*)

- a. What it is, including what we hope to achieve and how we hope to achieve it
- b. Funding/duration
- c. Main program elements
- d. Current status (pre-solicitation out for comment) and next steps (full “call” out in November)
- e. What does success look like?

11:05am Q&A (*Name of Facilitator*)

11:20am Small Group Breakouts (*one facilitator per table; Twitter table needs facilitator *and* tweeter*)

The purpose of these small group discussions is to obtain feedback about key elements of Securing Water for Food, and determining ways in which we can make the program more responsive to applicants based on participant experience, as well as develop new ways of working in partnership across the industry (with corporations, NGOs, donors, research institutes, etc).

Each table has a Facilitator and a Note taker:

The Facilitator will:

1. Thank participants for agreeing to be part of the discussion. Introduce yourself and the Rapporteur; participants will have already introduced themselves but you can ask again.
2. Describe the process for the small group discussion:
 - a. The Facilitator will be asking six to eight questions to provide us with feedback about the program. Let participants know that the discussion is informal, that everyone is expected to participate, and that divergent views are welcome.
3. Ask the questions (one question at a time) and reflect back a summary of participants' answers.

Note: the Twitter Chat table will have in-person participants and online. The questions are the same for the Twitter Chat as they are for all in-person participants.



Questions:

1. Why do you think technology hasn't played a greater role in reducing water scarcity in the food value chain?
2. Do you see opportunities to use technologies and business models sourced by Securing Water for Food in your on-the-ground programs?
3. In your on-the-ground experience, what are some key technology incubators or accelerators that you have worked with? Have you come across any that work specifically with water technology entrepreneurs?
4. In our draft call for innovations, we've discussed a number of challenges faced by water entrepreneurs:
 - Lack of cost-appropriate technologies for use in low-resource settings;
 - Insufficient user-centered design in technology development;
 - Poorly developed supply chains;
 - Lack of distribution networks;
 - High upfront investment costs;
 - Lack of confidence that developing countries have the market mechanisms necessary for growth;
 - Absence of proper financing tools;
 - Limited access to information that would enable entrepreneurs to make informed investment, management, and marketing decisions; and
 - Lack of information and training on how to use the technologies.
 - Are these accurate? Are there others? In your opinion, what is the single biggest barrier? What is the most important thing this project could do to help overcome that barrier?
5. How can we improve the design of the program to ensure that new investments/ technologies/business models are inclusive (i.e. benefitting people living in poverty)?

12:30pm Lunch (*provided*)

Facilitator will break up the Small Groups at 12:30 and invite participants to collect lunch and return to their tables

12:45pm Report Out (*Facilitator Name*)

Report from each table on the key takeaways and the 2-3 program design considerations that will make the program more successful.

1:30pm Thank You and Close (*Facilitator Name*)

- Thank participants
- Provide ways to find out more information and/or contact us (email, web, Facebook, twitter)
- Remind people to look for full "call" online and provide comments

STEPS TO DEVELOP A CONCEPT NOTE

Step 1: Carry out initial research and literature review

1. **Literature Review / Consolidation—Policy, Strategy and Data Review**—Distill from agency programming and strategy documents
 - a. Sector strategies
 - b. Country strategies within the sector
 - c. USG policy
 - d. Supply chain analyses

Step 2: Ask critical questions to identify initial problem possibilities

1. **Ask the “Guiding Questions”**
 - a. Is there strategic alignment with agency priorities?
 - b. Does USAID bring value to addressing the problem?
 - c. Will it convene partners and attract a diverse set of solvers?
 - d. Is science, technology, and innovation required to address the problem?
 - e. What is the potential for large scale development impact?
2. **Complete the framework for problem statements** (i.e., why is the problem not being solved in the regular course of business and action?)
3. **Complete hypothesis worksheets**

Step 3: Draft initial Concept Note (with Problem Statement) using the following outline

1. Background on the problem
2. Context of ongoing international, national, and agency initiatives, policies, and strategies
3. Articulate the problem statement – define the problem(s) and potential barriers and a hypothesis about how overcoming the barriers will lead to impact, include evidence
4. Explain why the model is appropriate
5. Expected impact
6. Proposed next steps

Step 4: Validate Hypothesis and Revise Concept Note

1. **I. INTERNAL EXPERT CONSULTATION—Expert Stakeholder Consultations**—buy-in, investment in the program, etc.
 - a. Within the bureau
 - b. Within relevant working groups
 - c. Within potential target missions
 - d. Other relevant USG experts



2. **External Expert Consultation—Validation Dialogues**—confirm that the hypothesis and proposed program resonates outside of USAID with relevant experts. When sharing externally, be mindful of procurement sensitivities. Do not share with organizations or individuals who might wish to later submit innovations to the program.

3. **Evidence-Based Research—Commission barrier analysis**

Step 5: Revise Concept Note based on Consultation and Barrier Analysis

Step 6: Draft simple and inspirational Challenge Statement

Sample Concept Note “Family Care First—A Proposed Grand Challenge for Development”

Proposal: USAID and other donors seek to co-create and co-fund a Grand Challenge for Development (GCD) focused on improving the lives of children who are currently living outside family care or at-risk of separation from family-based care. Efforts will be focused on targeted low- and middle-income countries (LMIC) identified as priorities under the U.S. Government’s Action Plan on Children in Adversity (APCA) and/or partner priorities. The GCD model is a partner-driven, open innovation approach to solving global development problems that leverages science and technology by sourcing and accelerating high-potential solutions. Through this GCD, we hope to bring global attention to the problem, foster innovative and catalytic solutions from a diverse group of problem-solvers around the world, and support promising interventions in reaching scale.

Problem statement: Family, across its many forms, is a cornerstone of society. Decades of research have confirmed the importance of nurturing family care for a child’s physical, social, emotional and cognitive development. Stable and protective family relationships are a child’s best chance to receive individualized care and attention that is matched to their developmental needs, avoid violence & exploitation, and develop lifelong social connections that promote resilience. The lack of these protections and supports in early life leads to immense loss of cognitive, economic, and social potential - not only for individuals, but also for communities and nations.

Unfortunately, millions of children worldwide are denied this basic right to family due to poverty and its associated challenges. At least 2 million children - and likely many more - live in orphanages or other residential institutions. Others leave or are forced from their homes toward the streets, domestic servanthood, into human trafficking, and other unsafe paths. These children live “off the statistical map” – uncounted, unheard, and underserved.

Despite national and international commitments to protect children’s rights and early developmental potential, increasing numbers of children in LMIC are entering or at-risk of placement in residential care centers in order to obtain basic needs such as food, shelter, education, and healthcare. The trend persists even though services supporting family-based care cost 3-5 times less than institutions to maintain and can provide equivalent or superior outcomes. New, innovative approaches are needed to reverse the trend of centralized care and help countries transition toward more efficient, effective, and appropriate family- and community-based models.

Background: Today, millions of children in LMIC live outside family care -- without at least one parent or adult, kin or otherwise, who is fulfilling parental roles and is permanently engaged in the child’s lifelong wellbeing. Beyond physical care, one of the most significant threats to a child’s development is the absence of love, attention, security, and protection that comes from permanently engaged parents or caregivers. Children outside family care (COFC) are also



extremely vulnerable and are often exposed to a broad range of violence, exploitation, abuse, and neglect. Without nurturing, stable, and protective caregivers, children's physical health and growth, brain and cognitive development, emotional wellbeing, and ability to form functional and fulfilling social relationships are all likely to suffer.

However, the population of COFC is largely "off the statistical map" and therefore not easily reached or well served by traditional services or global development activities. Imprecise estimates suggest 2-8 million children live in residential institutions worldwide, with many more living on the streets or as domestic servants. Ignoring this hidden and apparently growing population of vulnerable children has negative consequences for national economic, political, and social development - critically undermining global development goals related to health, education, violence and conflict, and employment. The United Nations has further enshrined the primacy of parental care, ability to maintain family relationships, and monitored and protective alternative care placement only when necessary as central rights of the child, which are the responsibility of governments to uphold.

While recognizing the diverse COFC population (e.g., children in residential institutions; street children; children in exploitive labor or exploitive domestic work; unaccompanied children in refugee, conflict, and disaster situations), *this initiative focuses on the needs of children at risk of family separation or currently living in orphanages and other long-term residential care settings.* The negative effects of institutionalization on children's development are well documented, and international stakeholders call for the primacy of family-based care—with residential care used only as a temporary last resort. Yet, placing children in residential care is still common, and at times encouraged, in many countries. Further, preventive efforts focused on maintaining children's places in families and communities would reach a wide range of vulnerable children, greatly reducing the overall population of COFC over time.

Key Facts about COFC and Institutions:

- The number of children residing in orphanages and institutions in areas such as Cambodia, Uganda, and Eastern Europe/the Caucasus has grown immensely in the past decade.¹⁻³
- It costs 5-8 times more to care for a child in an orphanage or institution compared to providing family- and community-based supports.^{4,5}
- Over 40% of children residing in institutions were brought there by a parent; many more have a living parent or other family who, with support, could provide them care.^{1,6}
- Poverty and related resource scarcity is the primary reason for children's placement in a residential institution—not orphanhood.^{1,6,7}
- Children who grow up in an institution exhibit reduced cognitive, language, motor, and social skills, poorer health and physical growth, and psychological challenges--delays that can contribute to persistent disadvantage or disability.^{1,5,7,8}
- The mere presence of institutions inadvertently pulls more children away from families and increases incentives for corruption, active recruitment, and child maltreatment.¹

For USAID, this initiative is a response to the U.S. Government Action Plan on Children in Adversity (APCA), released in December 2012, which represents an agreement among several U.S. Government agencies and departments to address problems of child adversity in LMIC using coordinated, forward-looking, results-oriented efforts. It also

represents strong commitments of other partners to create a global mechanism to ensure children's rights to family care at scale. Partners agree that solutions will be implemented and tested in up to six priority countries (currently Cambodia and Rwanda, with Uganda, Moldova, Zambia, Haiti, and Armenia under discussion). Our efforts are well aligned with the UN's *Convention on the Rights of the Child and Guidelines for the Alternative Care of Children* and other global good practices.

Critical Barriers: Several interrelated barriers and challenges have limited developing nations' ability to prevent the separation of vulnerable children from families and to make or sustain significant reductions in the number of children residing in institutions. The following list represents key examples. *A combination of new technologies and innovative programmatic implementation are needed to overcome these barriers.*

1. **Well-intentioned but misdirected resources:** Numerous donors and organizations, large and small, provide support services for COFC. But most resources are directed toward problematic residential care facilities and “compassion tourism” activities—in part due to the visible and emotionally rewarding impact of sponsoring specific children and facilities. Local commercial markets have also arisen in response to this influx of attention and money. New approaches are needed that harness the strong, popular, and international interest in orphans and *redirect resources toward more child- and family-friendly alternatives.*
2. **Real and perceived transition costs:** Shifting from a model of centralized care to one that promotes community-based services involves creating new service systems (including trained staff & physical resources), while maintaining older structures until newer options are available. *Streamlining this transition process* and minimizing duplication of costs and services via new tools and business models will be essential to successful transitions.
3. **Lack of reliable, real-time data and monitoring:** The size and scope of the population of COFC are unclear—birth registration is inconsistent, COFC are not well-reached by most household-based surveys or census-taking, and many institutions operate outside government awareness or oversight. Without reliable and current data, governments and service providers cannot properly monitor children's needs and circumstances or *provide timely, effective responses.*
4. **Coordination and case management:** Most community-based support services are offered separately within specific sectors (e.g., health, education, employment support), with little coordination or family-centered case management. This leads to *poor service coverage, incomplete reporting, and inefficient use of resources*—limiting effective access and impact.
5. **Public and political perceptions:** Private citizens, community leaders, public officials, and policy makers often directly or indirectly support the use of institutional care for vulnerable or orphaned children due to low awareness of alternative options and/or historical views about the superiority of state-run care options. Stigma surrounding disability, trauma, and ethnicity further contribute to underdeveloped alternative care systems. Change efforts must therefore account for needed *shifts in personal and collective attitudes and behaviors.*

Programmatic Focus and Structure: Based on the Grand Challenges for Development model, USAID and its partners seek innovative solutions that address one or more of the above key barriers. A Grand Challenge is intended to leverage unconventional partnerships and the latest advances in science and technology to produce *breakthrough, not merely incremental, progress* toward solving seemingly intractable problems. Through a series of challenges and/or prize competitions, we expect both to *source new technologies and innovations* and to *scale promising solutions and programs* to larger adoption and impact.

We will seek solutions that have clear application in agreed priority countries, although solutions may come from anywhere. The specific program(s) implemented will vary by country and reflect tailored goals and barriers in the local context. We will prioritize:

- Forward-thinking proposals that leverage the latest *advances in science and technology*
- *Collaborative partnerships* across diverse stakeholders and non-traditional actors (e.g., government, international NGOs, community- and faith-based organizations, technologists, entrepreneurs, and/or businesses)
- Promotion of local and national capacity-building and ownership over sustaining solutions
- *Cross-cutting solutions* that connect various nodes of the problem
- Solutions grounded in the local context of one or more APCA priority countries
- Solutions that are *family- and child-centered*, taking into account their specific needs & rights
- Building the evidence base regarding size and scope of the problem(s) to be tackled and the added value of specific interventions

Despite programmatic variation, innovations are expected to contribute to at least one of the following goals in at least one priority country: (1) increase the ability of vulnerable families to care for their children and prevent child separation; (2) reduce the number and proportion of children currently living in residential institutions; and (3) improve government responsiveness to children who are living outside of family care through improved monitoring and service delivery. Solutions that offer additional impact beyond the specified priority countries will also be considered.

We strive to build a \$30+ million program over 4-5 years that will gather and build the tools to significantly reduce the number of COFC in priority countries. Thus, the engagement of a range of donors and partners will be essential to the success of this initiative. We plan to prioritize implementation in 1-2 priority countries per year, starting in Cambodia. The program will then expand to additional countries in a staged approach that allows for knowledge sharing and iteration.

We expect pooled funds to be managed by a central organization, such as the Global Alliance for Children, which would disburse and oversee awards to Challenge winners. Donors may provide funds to this centrally managed pool or directly fund awards in parallel to other donors. There will be a steering committee with representation from all donor partners to oversee joint activities. USAID expects to provide technical support on Challenge essentials, outreach and communication.

We are currently engaging in conversations with potential partners, with a focus on identifying mutual goals and commitments. We seek to join with both private sector organizations and bilateral foreign aid agencies. Local USAID missions will also be key partners in this effort. The coalition of partners will co-create the challenge and refine its programmatic strategy during summer and early fall of 2014, with a goal of announcing the Challenge in late 2014/early 2015.

References:

1. UNICEF (2011). *With the Best of Intentions: Study of Attitudes Towards Residential Care in Cambodia*.
2. M. Riley for the Ministry of Gender, Labour and Social Development (2012). *Baseline Study: The state of Institutional Care in Uganda*.
3. UNICEF (2010). *At Home or in a Home? Formal care and adoption of children in Eastern Europe and Central Asia*.
4. C. Desmond & J. Gow for UNICEF (2001). *The Cost-Effectiveness of Six Models of Care for Orphan and Vulnerable Children in South Africa*.
5. R. Carter for Every Child (2005). *Family Matters: A study of institutional childcare in Central and Eastern Europe and the Former Soviet Union*.
6. Hope and Homes for Children (2012). *National Survey of Institutions for Children in Rwanda*.
7. D. Tolfree for Save the Children (1995). *Roofs and Roots: care for separated children in the developing world*.
8. Nelson, C. et al. (2007). "Cognitive recovery in socially deprived young children: the Bucharest early intervention project." *Science*, vol. 318: pp. 1937-1940.

Barrier Analysis Statement of Work Template

Consultant Name:	
Position Title:	Barrier Analysis Specialist
Period of Performance:	
Total Level of Effort:	15 days
Evaluator:	
Labor Category:	

BACKGROUND

[Insert background description of your program]

OBJECTIVE

The Barrier Analysis refines the problem statement and focuses on specific barriers that are hampering large scale progress toward solving the problem. In drafting the Concept Note, the USAID team put forward a hypothesis regarding how overcoming particular barriers will result in the desired impact on the identified problem. The Barrier Analysis will provide a deeper understanding of the barriers and validate and refine the hypothesis through research and expert consultation.

Barriers will likely be identified in a number of categories, including:

- a. Technological
- b. Market/Pricing/Distribution
- c. Economic/financial/demand
- d. Policy/regulatory
- e. Capacity/know-how
- f. Cultural/social/behavioral

Once defined, each barrier undergoes comprehensive analysis to better understand topics such as:

- **Mechanism:** How is this barrier preventing development efforts from having a positive impact on the identified problem?
- **Identification:** Who are the primary influencers and stakeholders connected to this barrier? Which subset of beneficiaries is affected most by the barrier and stands to benefit most once the barrier is removed? Which actors stand to lose should the barrier be removed?

- **Location:** Is the barrier global, regional, national, local?
- **Incentive structures:** What are the incentives currently enabling/perpetuating this barrier? What new incentive structures are required to remove the barrier?
- **Impact:** What is the potential impact on the problem should this barrier be removed? What kind of multiplier effects would occur with the removal of the barrier?
- **Relevance:** What role might science and technology play in overcoming the barrier?

Rigorous analysis for each barrier can include some combination of expert interviews, stakeholder gatherings, desk research, and review of relevant data. Ultimately, the barrier analysis will be used to enhance and validate the hypothesis presented in the Concept Note, which will then be vetted across industry experts, practitioners, and stakeholders, and supported by current and credible industry reports. The barrier analysis will also inform future design work on prizes, challenges, and other interventions in the application of technologies to fight trafficking in persons.

ACTIVITIES

Conduct Barrier Analysis:

Through consultation of market intelligence, desk study and stakeholder interviews as needed, the consultant will conduct a barrier analysis that addresses the following areas:

1. Interview experts and stakeholders who informed the Concept Note. Identify and interview a new sub-set of experts and stakeholders relevant to barrier analysis.
2. Identify and validate key barriers for the problem(s) as defined in the Concept Note.
3. Analyze selected barriers via desk research, data review, interviews, protocols, and other evidence.
4. Present barriers with clear, concise defense of why each barrier was selected based on supporting data and evidence.
5. Analyze the topics outlined above for each of the key barriers.
6. Prioritize and rank barriers that:
 - a. Are most relevant to the Science and Technology focus and approach
 - b. Have the greatest potential for impacting the problem as expressed in the Concept Note
 - c. Support the hypothesis.*

** It is possible that barrier analysis might adjust identification and/or understanding of current overarching problem(s). If this happens, consultant will provide clear analysis and defense of any changes to the problem statement and hypothesis*

Deliverables:

1. A "Barrier Analysis" Market Assessment that includes each of the 6 elements outlined above
2. A list of all people interviewed, sources consulted, and literature referenced
3. An executive summary with the recommended set of barriers that the program should focus on
4. Report on lessons learned capturing reflections on each step of the process
5. Recommendations for report template
6. Revisions to the Scope of Work for conducting a barrier analysis

Reporting:

Consultant would report to _____ with content reviewed by _____ and _____ before going to client. _____ will supply background documentation and contacts to relevant partners.

Qualifications:

1. Demonstrated knowledge of current technology sector
2. Experience conducting technology analysis and research
3. Demonstrated experience doing market research and analysis
4. Strong analytic abilities
5. Strong writing and communications skills

Counter Trafficking in Persons (CTIP) Barrier Analysis

USAID Counter-Trafficking in Persons Concept Supply Un-Chained: Barrier Analysis

EXECUTIVE SUMMARY

The recent events in Nigeria with Boko Haram's kidnapping of the almost 300 teenage girls have highlighted the ever-present danger of human trafficking. In this situation, the traffickers publicly announced their intention to sell the girls in a 'human' market. In other trafficking scenarios, the crime is quieter, less public, but equally devastating to the victims. Today, estimates of tens of millions of men, women and children are trafficked, held in debt bondage or work in slave-like conditions. The phenomenon of human trafficking is resilient. Only recently have policy makers, researchers, and service providers fully recognized the complexity of identifying the hidden victims and tracing ever-adapting labor pathways. Human trafficking thrives in sectors and supply chains where the potential for profits are unregulated and in communities where economic shocks hit vulnerable populations.

Much has been accomplished to publicize the crime of trafficking and align governments and stakeholders seeking to prevent trafficking, protect victims, and prosecute perpetrators. Yet much is left undone. One specific area, commercial supply chains, presents a unique challenge to eliminating forced labor. Supply chains link the largest global suppliers with family farms; senior executives with individual weavers; large industrialized nations with fragile states. Numerous challenges exist as we seek to bring greater transparency, understanding and strength to the supply chain – while we unchain the laborers.

This document will focus solely on the barriers to successful elimination of human trafficking in supply chains. The barriers were identified by counter-trafficking professionals and through desk research published during the past decade. By discussing these barriers, we intend to create a renewed sense of focus and urgency to identify solutions that will prevent trafficking, protect victims and prosecute the perpetrators.

PROBLEM STATEMENT

Human trafficking is documented in many supply chains, including cotton, chocolate, steel, rubber, tin, tungsten, coltan, palm oil, wood, sugar and seafood, and also affects the operations of service sector industries such security services, construction, janitorial services, landscaping and travel and tourism. The occurrence of trafficking—particularly upstream from large retailers and brands with which consumers typically interact—makes it difficult for consumers to get dressed, drive to work, talk on the phone, or eat a meal without touching products tainted by slavery.

Despite the growing global movement to end trafficking, data on the occurrence and patterns of trafficking are scarce and inadequate, leaving millions of victims unnoticed in the shadows. Resources meant for victims and survivors often fall short of reaching those most vulnerable. Corporations have also increased efforts to ensure clean supply chains, such as the effort by Ford Motor Company to clean their steel supply chain of forced labor. These efforts combined have the potential to greatly reduce victim exploitation, but more needs to be done to better understand the problem of human trafficking and extend support to those who need it most. We must overcome the following critical barriers to succeed: data availability, data sharing and lack of information in supply chain transparency.



SUMMARY FINDINGS

Cheap production often comes at a cost. Reducing human trafficking violations are not only the responsibility of criminal justice professionals and advocates seeking a more just world; they are also the responsibility of every business owner that benefits from increased profit margins and every consumer that enjoys inexpensive products.

In the continuing global commitment to increase counter-trafficking measures, the areas of greatest weakness have identifiable barriers. This necessary foundation has the great potential to inspire future efforts to identify innovative solutions. The first barriers are with technology. Traffickers are using state-of-the-art technology to both avoid detection and expand their operations. Counter-trafficking professionals are falling behind – frequently using technology that is outdated with limited capacity. Second, the most reputable statistics estimate that there are between 21 million and 30 million people living in forced labor conditions today. Yet, we have identified only 40,000 victims. Data collection and sharing processes are labor intensive and drain the budgets of most counter-trafficking organizations. Third, most policies and regulations – at the global, country, and company level – request better practice rather than mandate it. This premise relies solely on the goodwill of profit-seekers to change their practices to prioritize humane working conditions over profit. Fourth, successful businesses are judged primarily on net profits. This standard promotes cutting costs at all cost – regardless of the human consequences. For this to change, we must find other ways to judge success. Lastly, and potentially the most difficult of all, labor has some culturally specific norms. Many communities use tradition to determine appropriate tasks for family members, including children, which will assist the economic wellbeing of the family. Discussion of this issue must share a standard and be attuned to cultural differences in order to gain acceptance in every country.

KEY BARRIERS

- 1. Technology Barrier:** *No shared structure to coordinate trafficking data.* Most organizations and researchers obtain data through public records, targeted surveys and individual victim accounts. We do not have appropriate technology to coordinate and integrate this information in a way that would be economically feasible, as well as avoid duplication and identify data gaps.
- 2. Statistics Barrier:** *No mechanism to integrate statistics and non-numerical data to present a more comprehensive understanding of forced labor violations.* Most stakeholders agree that there is an abundance of pockets of information and pockets of data. To date, we have not been able to organize or align the information to present large-scale reliable statistics. This issue also prohibits stakeholders from reporting with reliable, defensible, credible, statistically relevant information.
- 3. Regulations Barrier:** *Product certification programs have not shown measurable impact towards reducing human trafficking.* While believed to have a strong financial and reputational incentive, research has not verified that product certification programs have a measurable impact on reducing human trafficking.
- 4. Motivations Barrier:** *Consumers and stockholders do not recognize, and therefore place a high value on, employee/employer award programs that promote positive labor practices.* Many of these employee/employer award programs have sufficient participation and support within the targeted audience, but lack a wider recognition that would increase participation, awareness, and momentum for wide spread award competition to improve labor practices.

Key Assumptions and Limitations

- The author did not talk to government or non-government representatives of programs addressing domestic human trafficking abuses within the US. The author believes that many of the barriers experienced outside of the US are similar to those within the US.
- Like researchers studying counter-trafficking, a lack of time and resources prevented the author from gaining insights from all available experts and existing reports.
- Observations stated by counter-trafficking professionals were confirmed by at least one other interviewee or report but have not been verified through in-depth research.

BARRIER ANALYSIS

This barrier analysis for forced labor issues focuses on data availability, data sharing, and awareness deficit and the role technology plays in the current state of affairs. The information is divided into the following five categories: technology; capacity/know how and data; supply chains – traceability, transparency and reputation; regulations and policy; and cultural, social and behavioral actions. To the extent possible, each category addresses mechanisms, influencers, locations, incentives, impact, and relevance.

1. Technologies (hard and soft)

Digital technologies, such as mobile devices, social networking sites and the internet have provided new channels and opportunities for labor exploitation. Traffickers are able to reach a wider audience, frequently without needing to be physically present. Technology has also provided a platform for traffickers to engage in activities across the globe by both coordinating their efforts and disguising their forced labor intent. Perpetrators of labor trafficking have quickly and successfully adapted to the technologies of the 21st century, with eyes on future technologies. Counter-trafficking professionals and programs struggle to keep pace.

Given the current technological climate, technological interventions must account for individual human rights that may be negatively affected by the use of advanced technology. Technology design and methods must not overstep rights to privacy or unduly target certain groups. Care and attention to civil liberties and constitutional rights must be considered in any program to obtain information on trafficked persons.

On the positive side, there is evidence that digital activism is on the rise. Stakeholder groups are using technology to engage large numbers of experts and non-experts to obtain victim statistics or support positive actions. For example, Carrotmob (a nonprofit organization based in San Francisco, CA) uses technology to spur buy-cots. Immediately after a business commits to making socially responsible changes or better yet, upon making the change, Carrotmob sends electronic messages to consumers encouraging them to purchase products from the company. This timely consumer activism rewards business's action in a way that resonates with the company and their stockholders.

Technology is also used in targeted locations by companies and the NGO community to provide confidential SMS hotlines, crisis lines, and collecting numerical and incidence data through Openware and Shareware data systems. These



systems incorporate real-time as well as historical data to target vulnerable populations with necessary resources. Labor Link and LaborVoices are two such examples. They provide an early warning process to alert companies of potential human trafficking violations within their supply chains. Both organizations create mobile phone surveys based on the specific needs of the company, conduct the surveys with workers throughout the supply chain, analyze the data and report out on the results. This process provides the company with third party confidential information, allowing them to take corrective action as needed to eliminate trafficking within their chain.

Many counter-trafficking experts believe that the necessary hardware and software platforms exist. Our challenge is to magnify the adaptability and capacity of this technology to address the scale, scope and complexity of the trafficking issues. Program implementers require better technology to expand their program reach to all locations where trafficking exists. Researchers need more actual data to satisfy research standards for replication and reliability. Data collection and sharing could be greatly enhanced with stronger technologies.

BARRIER 1A: Lack of ability to coordinate data. Data is obtained through public records, targeted surveys, and individual victim accounts. We do not have appropriate technology to coordinate and integrate this information in a way that would avoid duplication and identify data gaps.

BARRIER 1B: Lack of technology – existing and/or applied – that could replace low-tech data collection. Prevalence surveys are labor intensive and therefore expensive to administer. The most commonly used method for estimating forced labor statistics is to quote International Labor Organization’s (ILO) reports, extrapolate data from smaller sample sizes, and estimate figures based on relevant surveys.

BARRIER 1C: Data is neither tailored nor comprehensive. We lack the technology that could quickly analyze incoming targeted data for specific groups or gather large amounts of data for comprehensive use.

2. Capacity/know-how – Data

The most often discussed issue within the counter-trafficking community is our inability to bring solutions to scale. We have the capacity to implement small interventions that create change in the immediate environments, but as yet, do not know how to standardize or expand the data to be relevant across multiple fields. We have the capacity to assess large interventions at the government level, but as yet do not know how to use this data to develop appropriate counter-trafficking programs.

The US Department of Labor works with partner government offices in almost 200 countries. Foreign governments collect data on labor practices, categorizing countries based on their adherence to internationally recognized labor standards. Their reports provide a useful foundation for recognizing locations vulnerable to labor violations. As of yet, these reports are not able to provide analysis for labor violations within supply chains operating in each country. As noted in the previous section, data collection is labor intensive. We also have multiple definitions and classifications for the violations. Countries, agencies, and professionals interpret collected information according to their experiences. There is a critical need for standardized data collection methods across countries that enable stakeholders to generate more reliable global figures, measure trends and better understand risk factors.

BARRIER 2A: We have not identified a way to integrate statistics and non-numerical data into other data for a more comprehensive understanding of forced labor violations. Most stakeholders agree that there is an abundance of “pockets of information” and “pockets of data.” To date, we have not been able to organize or align the information to present large-scale reliable statistics. This issue also prohibits stakeholders from reporting with reliable, defensible, credible, statistically-relevant information.

BARRIER 2B: Information collected to date is not consistent and therefore hard to collate. NGOs and Community-based organizations (CBOs) often survey vulnerable, marginalized, poverty-stricken members of a community, typically obtaining information relevant to the services that the NGO or CBO can provide. This information is inconsistent, not standardized, and cannot be collated.

BARRIER 2C: Collecting and sharing data is described as “overwhelming” and “overly complex” as this task has never been done before at the necessary scope and scale. We do not have standardized definitions, the violations are easily hidden, and there is no perceived benefit to self-reporting. In addition, some countries do not have the technological capacity for easy data collection and thus require significant financial resources. In summary, the task hasn’t been standardized or shared between multiple stakeholders.

BARRIER 2D: Most data collection institutions have multiple, conflicting, pressing agendas. Therefore, the information is not requested or collected consistently. In addition, information is suspect as it may be masked to meet the objectives of the collector. Most interviewees noted that the ILO was the only neutral information source.

BARRIER 2E: Collecting data on illegal activities, such as trafficking, sometimes requires illicit practices. Examples include obtaining digitalized information covertly, integrating within a vulnerable community to gain trust for the sole purpose of collecting data, presenting false covers with companies.

BARRIER 2F: The mapping processes to date have been sporadic, situational, and based on an organizational need. There is not one standard, foundational, global mapping of any aspect of human trafficking – be it origination points, destination points, migration paths – that could be used by stakeholders to assist victims.

3. Supply Chains: Traceability, Transparency, Reputation

All major companies require supply chains. The most efficient and economical aspect of supply chains is sustainability. Many business and counter-trafficking professionals label the tiers of a supply chain in a linear fashion with the product supplier being the first tier and the raw material provider being the final tier. Between the first and last tier there can be upwards of fifteen additional tiers, each having a distinct sub-product or crafting process. Researchers have very little information on the tangible and non-tangible connections that exist between the top tier and the lower tiers of the chain. They have found that the tiers closest to the top tier have a stronger sense of responsibility to align their labor conditions with the top tier, while those further down the line have a stronger sense of responsibility to provide a low cost product to the top tier, regardless of the labor practices required to do so. To counter this, many interviewees suggested a shift of thinking. Rather than viewing supply chains as a linear process with a beginning and an end, practitioners could research and discuss supply chains as being comprised of distinct sub-sets (single or multiple tiers) attached to other sub-sets. This may increase the ownership – both for the companies within the sub-sets and practitioners – of international labor standards for all tiers within the larger supply chain.

Establishing or re-configuring supply chains require significant financial and time resources. Therefore, most companies claim the information on their supply chains to be proprietary and protected. This creates a strong incentive for companies to keep all links within the chain predictable and sustainable. Preventing instances of human trafficking is one such measure to ensure supply chain sustainability. Unfortunately, if a company identifies instances of human trafficking, there is a strong incentive to avoid addressing the issue. Identifying and responding to cases of trafficking may disrupt or terminate an existing supply chain, which can then require an extensive output of financial and time resources. Thus, many companies may struggle with the ethical and financial dilemma created by addressing potential human trafficking within their supply chains.

In addition to the human costs, companies can suffer multiple negative consequences of human trafficking in a supply chain such as financial risks, political exposure, and interrupted supplies, whether the public or the company itself discovered the violation. Multiple reports indicate that the risk of these consequences is limited as it is rare that consumers have the interest and ability to hold a company responsible for the actions within the supply chain. This results in the current belief and practice that companies have a high incentive to ignore the issue or deal with it quietly and internally.

Other considerations for supply chains are that while being a stable piece of the production line, they are required to be extremely dynamic. They must be sustainable and produce consistent products. They must also be flexible to adapt to changing requests and continuously identify more economical ways to provide the same product.

Supply chains are frequently termed “open” or “closed”. Closed supply chains have a direct one-on-one connection with each tier. The top tier can easily trace its products through each level of the chain. Open supply chains have many suppliers within each tier as each provider can buy products from multiple sources to obtain the lowest cost and consistent availability.

Many supply chains are extremely difficult to regulate, such as cocoa, due to the high percentage of family farms; deep sea fishing, due to the lack of destination ownership; and supply chains controlled by organized crime syndicates, due to the historical and sophisticated networks. The industry receiving the most current publicity due to the USG Trafficking in Persons 2014 report is deep sea fishing. Deep sea fishing takes place in international waters or internationally disputed waters and therefore no sole authority has designated regulatory powers. The boat’s captain can claim, and switch between, a regulatory alliance to any of four country alliances—the flag state, port state (if within 30 miles of the shore), employer state, or employee’s state. While numerous studies are being conducted on fishing supply chains, they raise as many questions as they answer. One issue that is gaining recognition is the lack of a global registry of boats.

BARRIER 3A: The complexity and tenuous relationships that exist in open supply chains reduce the supplier’s ability to monitor and influence labor practices.

BARRIER 3B: Supply chains are proprietary information. Companies are reluctant to release this information as it decreases their competitive edge.

BARRIER 3C: Companies invest significant time and financial resources to develop supply chains. Once established, they do not want to disrupt the relationships or redirect the focus of the suppliers away from providing consistent, low cost products. Suspecting labor violations interferes with steady production.

BARRIER 3D: Lower tiers are reluctant to be transparent about their means of keeping costs low as it may endanger their relationship and end their participation in the supply chain.

BARRIER 3E: Companies do not feel a commitment or obligation for people/teams/suppliers that they do not have regular contact or relationships with. Feelings of commitment or investment are reserved for the tiers that are more proximate within the chain.

4. Policy/regulatory

Four relevant regulatory and policy categories exist for counter-trafficking measures. The first is international and domestic policies; the second is company codes of conduct; the third is social audits; the fourth is product certifications. Each category will be discussed separately.

International and Domestic Policies

International policies have a respected place in society. A publication by the ILO of new estimates on forced labor in 2012 created a sense of urgency on the need to address implementation gaps regarding the ILO's Forced Labour Conventions. In addition, it also led the drive to adopt supplementary standards by the 103rd International Labour Conference in June 2014.

Noting that, many counter trafficking experts believe that policies are critical to publically acknowledge the injustice of trafficking, but should not be confused as an effective measure to reduce or prevent trafficking. The policies are frequently vague and do not have related instruments to enforce adherence to the policy. For example, the Human Global Compact: Principal One provides helpful common language that can be used by counter-trafficking groups. The policy requires companies to be aware of potential abuses, but does not mandate action or set penalties, and therefore should not be confused with increasing compliance. A second example is the California Transparency in Supply Chains Act. This disclosure law requires companies to have a statement on their website about labor practices they have in place to prevent forced labor in their supply chains, if any such practices exist. While the policy does not require the company have a practice or to prove that they are following the practice, many groups are using the policy to advance supply chain transparency.

A country's complete lack of adherence to international conventions and absence of domestic laws on human trafficking is an indicator of potential labor abuses. Locations that avoid these policies presumably do so for a reason. One—but not the only—reason is in countries experiencing long-term conflict and possessing an abundance of valuable natural resources required in the lower levels of supply chains (the oft named “resource curse” environment). Conflict breeds weak governance and powerless rule of law. Politically and socially powerful citizens find unlawful ways to gain economic power. In these locations, estimates of forced labor working with raw materials are high, yet it is extremely difficult to identify actual victims due to surveyors' lack of access, poor law enforcement and uncontrolled corruption.

While not perfect, international and domestic policies are a starting point to note shared priorities and a guiding structure to align competing interests.

BARRIER 4A: There is an insufficient link (enforceable regulation) between policies generated by international and national bodies and compliance mandates.

BARRIER 4B: Difficult to obtain reliable information on forced labor in countries that do not follow international conventions or do not have strong governance.

Codes of Conduct

Most company Codes of Conduct discuss employer and employee principles, standards and actions around three priority issues: reduction of environmental impact, achievement of high and consistent product quality and adherence to fair labor practices and conditions. Policies surrounding the first two issues—environment and product—frequently cover the requirements and penalties associated with government and company regulations. One example for policies on environmental impact is to iterate government regulations on ensuring the lowest possible negative impact a company can have on the environment. An example of product quality enforces the need to trace components of the



products from raw material to finished product to verify quality. Surprisingly, for labor conditions, research shows that the most frequently discussed topics noted self-reporting policies for unethical or problematic labor conditions (report to your supervisor) and compliance-driven training programs (typically on sexual harassment). Interestingly, common practices for Codes of Conduct do not replace “environment” and “component” with “employee” which would confirm a company’s commitment to good labor conditions.

Levi-Strauss’ 1991 decision to establish a company code of conduct for its own operations as well as its suppliers and contractors is believed to be the first action taken by a company in response to the discovery of forced labor in their supply chain and bad publicity. (A Northern Marianas’ supplier contracted forced labor). Nike, Adidas and Reebok followed suit in the mid-1990s.

There is some controversy on our ability to link corporate Codes of Conduct with positive business practices. One side of the discussion notes that Codes of Conduct improve access to finance, attract talented leaders, increase recommendations from stock analysts and improve risk management. This has led many multinational enterprises to adopt compliance programs to enforce social performance standards along their global supply chains. Other research shows that while Codes of Conduct do strengthen relationships with upstream business partners (stockholders, consumers, leaders, etc.), they yield only limited improvements in actual social performance that affects employees. Supporting this, political scientist Richard Locke’s research argues that a corporation’s labor codes of conduct have proven insufficient and governments must play a more substantive role in oversight.

Market demands tend to add pressure to a company’s leadership to decouple supply chain social compliance practices from other business practices. Increased profits and stable inventory are prioritized over labor concerns. This dynamic often plays out within companies, as the social compliance managers and supply managers have competing priorities, be they perceived or real. The ongoing debate is between prioritizing hard-to-measure benefits of labor conditions over easily seen costs. One example of this is the response to the Rana Plaza building collapse in Savar, Bangladesh in 2013 causing the death of over 1100 factory workers. Consumer spending for inexpensive clothing from retailers using the factory (H&M, Carrefour, and Mango) increased in the months following the disaster.

BARRIER 4C: When companies are accused of labor violations in the supply chain, outside of short-term media attention, they experience very little negative impact from their actions. This decreases the incentive to clean their supply chains.

BARRIER 4D: The numerous guidelines, protocols, tool kits and recommendations for best practices for companies to reduce and eliminate trafficking have limited consequences for non-compliance and several opportunities for plausible deniability.

Social Audits:

Increasing interest in social issues and business practices in supply chains has encouraged many companies to engage social audit firms to conduct periodic reviews. Companies most often use social audits as risk mitigation measures to obtain information on their company and supply chain. All too frequently, this becomes a process of protection rather than behavioral change. Companies can release only as much information as they determine necessary. Because of this, many companies are accused of using social audits for plausible deniability in the event of labor violations in their supply chains. They are able to state that they did everything to prevent trafficking, without incurring the expense of ensuring their supply chain is clean.

The most concerning issue with social audit processes is the potential conflict of interest when the company being audited is financing the process and has sole control over the final report. Many experts recommend that social audit

firms be industry-based, rather than hired by company to both avoid conflict of interest and make the information more public.

BARRIER 4E: In the case of non-compliance, suppliers may be required to implement corrective action plans, and follow-up audits verify progress.

BARRIER 4F: Social Auditing is the most prevalent way of detecting forced labor; yet this method is fraught with difficulties including: 1) workers fear employer retaliation if they report abuse, 2) auditors have to identify objective evidence to support the abuse, 3) abuses are hidden under deceptive practices, and 4) abuses originate at the point of recruitment.

Product Certifications:

There are growing numbers of certification initiatives designed to inform consumers of a product being produced within an ethical supply chain. Certified Conflict Free, Forest Stewardship Council (FSC), GoodWeave, Fair Trade International, Cotton Free Initiative are but a few. These initiatives may monitor, train and reward suppliers (including farmers) on the basis of their quality and compliance with ethical standards. Each certification sets, inspects and reports against international standards.

BARRIER 4G: While certifications are believed to have strong financial and reputational benefits, little systemic research has demonstrated impacts that bear these claims out.

5. Cultural/behavioral

Cultural:

At this time, many of the definitions associated with trafficking are culturally, politically, and socially derived and are therefore stated and understood differently by divergent demographic groups. More specifically, every aspect of the trafficking definition is susceptible to conflicting opinions. This foundational issue creates problems for researchers and implementers interested in connecting, disaggregating, or sharing information collected from small-scale surveys or research.

The definitions of trafficking and forced labor are seen by some as culturally-biased, biased based on developed nations' labor practices. When surveyed on these crimes, interviewees believed that most data collection relies on the definitions established in the Palermo Protocol. All recognized that in most raw materials/processing tiers, cultural and social norms in all countries accepted a level of labor conscription that the ILO would deem as "forced."

Clear and precise definitions are fundamental to the measurement of social problems, their trends and potential change. By carefully defining a problem, it is possible to quantify its extent, understand whether it decreases or increases over time, and assess whether policies have an impact. Some problems are easier to measure than others, and the consensus is that measuring forced labor poses many challenges. The hidden nature of the problem, political sensitivities and ethical considerations make it very difficult to implement verifiable surveys, regardless of the cultural biases.

Behavioral:

Incentive programs are an effective way of influencing behavior: Common programs include socially-based awards for leadership or quality performance and financially-based acknowledgements from stockholders.

Socially Responsible Investing/Social Values Investing: Human rights standards have the potential to provide incentives to businesses for keeping their supply chain free of trafficking violations because failure to do so can have reputation/



financial consequences, in addition to actual legal verdicts. Thus human rights standards may play a role in Fund Managers' selection processes.

BARRIER 5A: Many award programs have strong participation and support, but lack a wider audience that would increase participation and awareness.

BARRIER 5B: There are limited incentives for changing practices within the private sector. The four strongest determinate incentives seem to be 1) cost, 2) reputation, 3) externally-imposed requirements and 4) employee relations.

ANNEX A

Key Guiding Questions used throughout interviews and research documents

1. A fair amount is known about first and second tier of global supply chains, but we don't really know what is happening beyond that (3rd, 4th, 5th tiers, and/or artisanal mining, home-based workers, small holder farmers). Is there research that digs this far down? If not, why not?
2. Victim identification—Estimates on numbers on victims—why don't we have a better estimate? What's preventing us from identifying the level of victimization? Are the methodology variations? Definition variations? What is the barrier to collecting data?
3. What is the barrier to understanding the prevalence of trafficking victims within supply chains? Why can't we disaggregate the data across sectors/geographies/corporate chains, etc.?
4. Supply chain barriers—why aren't companies going further into their supply chains? Incentives? Availability of data? Accountability from subcontractors.

ANNEX B

Websites:

- www.fairtrade.net
- www.ic.fsc.org
- www.goodweave.org
- www.enterpriseworks.org
- www.iom.int/cms/countertrafficking
- www.ungift.org
- <http://www.verite.org>
- www.americanbar.org/news/abanews/aba-newsarchives/2014/02/human_traffickingan.html
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Interviewees:

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- Sean Ansett, At Stake Advisors. April 29, 2014.
- Patricia Jurewicz, Director, responsible Sourcing Network. April 30, 2014
- Charita Castro and Rachel Rigby, US Department of Labor, International Labor Affairs Bureau (ILAB). April 30, 2014.
- Samir Goswami, LexisNexis. April 30, 2014.
- Amy O'Neill Richard and Kristen Wells, US Department of State, JTIP. May 22, 2014.
- David Abramowitz, Humanity United. May 12, 2014.



