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# Scaling up the Service Innovation Fund Projects of Access to Information (A2i) Program of Bangladesh: The Way Forward for Private Innovators

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**Abstract-** The Access to Information (A2i) Program is a flagship project under the Prime Minister's Office and jointly financed by UNDP, USAID and the Government of the People's Republic of Bangladesh to support the Vision 2021, through promoting and integrating digitization in governmental activities and through innovation in service delivery. One of the core components of the project is the Service Innovation Fund, managed by the Innovation Team, which provides seed money to innovators of up to Tk. 2.5 million for carrying out pilot projects of a new product or service. After piloting, the ownership of some suitable projects is taken up by the government and the associated service is incorporated into the relevant Ministry or Department. For the rest of the projects, the innovators need to commercialize the venture on their own. Most innovators do not have the capacity to mass produce, and lack the business acumen to create sustainable business models which would attract private investment. This study has tried to suggest a solution to this problem. The study recommends that A2i get involved in a greater scale to provide necessary grooming and mentorship to the projects from the very beginning to address issues as piloting progresses.

**Keywords:** A2i, service innovation fund.

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# Scaling up the Service Innovation Fund Projects of Access to Information (A2i) Program of Bangladesh: The Way Forward for Private Innovators

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## I. INTRODUCTION

Entrepreneurs are frequently thought of as national assets to be cultivated, motivated and remunerated to the greatest possible extent. Entrepreneurial ventures create employment that supports economic development. The crucial role played by the entrepreneurs in the development of the Western countries has made the people of developing and underdeveloped countries very conscious of the significance of entrepreneurship for economic prosperity. The recent years have witnessed an increase in the establishment of new businesses all over

Bangladesh. Most of them are service oriented business designed based on digital platform. To sustain this trend, it is important to identify and develop the proper steps or tools that are required to disseminate knowledge among new innovators and entrepreneurs, and assist them in developing scaled-up profitable businesses.

The broad objective of this study is to analyze the role of the Access to Information (A2i) Program of the Prime Minister's Office of Bangladesh in assisting potential private entrepreneurs scale up their pilot business projects, and helping them connect with private investors for funding and expansion. Specifically, the study focused on the Service Innovation Fund (SIF) and identifying the obstacles faced by an innovator who wants to set up a business using this Fund.

The study is based mainly on primary data. These data were collected through discussion with the officials of A2i Program. Secondary data were collected from different books, journals written on innovation and entrepreneurship, A2i website, Bangladesh National Web Portal, A2i annual publications etc.

## II. LITERATURE REVIEW

According to the manual entitled "*Nine Steps for Developing a Scaling-up Strategy*" published by the World Health Organization (WHO), "scaling up" is defined as "deliberate efforts to increase the impact of successfully tested innovations so as to benefit more people and to foster policy and program development on a lasting basis." According to the article titled "*Rethinking Sustainability, Scaling Up, and Enabling Environment: A Framework for Their Implementation in Drinking Water Supply*" prepared by the Global Research Institute, University of North Carolina at Chapel Hill, NC, USA, scaling up is defined as "contextualized adoption and implementation of an activity by more than the initially intended number of geographic spaces, institutions, processes, and relationships." It can be evaluated by measuring the number of people reached by intervention on a geographical scale. The International Fund for Agriculture and Development (IFAD) claims that "effective scaling up is a key measure of successful innovation".

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Scaling up can happen both in terms of:

1. Expanding the geographic scope of an intervention either within a state, bringing in increasing numbers of villages and districts until an initiative is rolled out state-wide; from state-to-state; and ultimately up to the national level.
2. Multiplier effect and up-stream influence. Pilot interventions can be scaled-up by using the evidence from small-scale interventions to advocate for policy and institutional/level reforms.

"Innovation" refers to service components, other practices or products that are new or perceived as new. Typically the innovation consists of a "set of interventions" including not only a new technology, practice, component or initiative, but also the managerial processes necessary for successful implementation. The *UNICEF Program Policy and Procedure e-Manual* (PPPeM) describes innovation as "A practice that has not been substantiated with a formal evaluation, nor scaled up beyond its initial scope. This practice will likely be in the pilot project stage but is seen as successful with a strong potential for impact." In terms of utility, the Manual states that, "Innovations can be used to highlight new ideas, upcoming areas of concern and solution, and alternative and contextual approaches to standard practices in programming and planning areas."

Piloting is defined as "testing an approach on a limited scale for a pre-defined period of time to assess and document the results of an intervention and its potential for future replication on a larger scale."

### III. ACCESS TO INFORMATION (A2I)

Access to Information (A2i) Program is an UNDP and USAID supported project (program) having its office at the Prime Minister's Office. The overall objective of the project is to provide support in building a digital nation through delivering services at the citizen's doorsteps. The program aims to improve quality, widen access, and decentralize delivery of public services to ensure responsiveness and transparency. The solutions offered by the project are:

#### a) *Introduction of m/e-Services*

Public services delivered through mobile or internet can reduce long distance travel, corruptions ridden face-to-face interactions and need for intermediaries. An introduction to dashboards will further improve the service delivery performance; induce the process of quality oversight by the senior government officials. The PPP based service delivery points (for example, UISCs) would play an important role to bring in private sector service providers to facilitate access to service in a transparent and accountable manner.

#### b) *Capacity Development of Service Providers*

The capacity of the service providers is being developed by introducing a CBT (computer based

training) program to enable a quick development of skill training courses. The project will also design and develop a state-of-the-art leadership development course for the government officials.

#### c) *Promoting Innovation in Public Service Delivery*

The 'Service Innovation Centre' proposed in this project will be responsible for identifying scope for innovation, provide technical support to design innovative solutions and encourage innovation. Additionally, an 'Innovation Fund' established by the project will ensure quick implementation of pilot and to support up scaling of successful innovations.

#### d) *Creating an enabling environment for e/m-services delivery*

The project is instrumental in establishing a self-sustaining ecosystem requiring e-services to take root in Bangladesh. The program supported the formulation of various institutional norms, including basic laws and standards and emerged as the country's leading center of expertise for e-government and citizen e-services solutions. A2i focuses on establishing both physical and online one-stop access points that scale innovative services and make them available to citizens easily, reliably and in an affordable manner.

A2i encourages and supports non-government actors, including small entrepreneurs, teachers and the youth, to partner with government actors, as part of its strategy to facilitate collaboration and nurture an innovative mindset throughout the country.

Bangladesh's leadership in public service innovation is being recognized internationally. The Governments of Maldives, Bhutan and A2i have established a learning partnership to facilitate the development of their own Innovation Lab+, a great example of South-South Cooperation.

### IV. SERVICE INNOVATION FUND

In March 2013, the Access to Information (A2i) Program launched the 'Service Innovation Fund' to provide seed funds and incubate cost-effective, citizen-centered design innovations to improve public services particularly for underserved communities.

SIF evolved from the previous A2i initiative called the 'Quick Wins' which was introduced in 2008, when each Secretary of the government was asked to identify important services that could be made more citizen-centric through simplification and digitization. Many ideas were generated; some were funded by A2i and launched as 'innovation pilots'. The pilots that succeeded such as the Digital Centers (one-stop service outlets hosted in local government institutions and operated by local entrepreneurs), e-Purjee (SMS-based purchase orders to sugarcane farmers), and Multimedia Classroom (smart classrooms promoting interactive teaching-learning in secondary schools) were scaled up nationwide.

SIF defines innovation as any idea or initiative that eliminates unnecessary steps required for citizens to access services and leverages technology to improve them. In other words, to be considered meaningful innovation, it must: A) Reduce the amount of time it takes for citizens to receive services, B) Reduce how much it costs citizens to obtain services, and C) Reduce the extent of travel and number of visits to get the services.

SIF is designed to encourage innovative home-grown and localized solutions and is open to all. It embraces the notion of co-creation and engages government agencies, development organizations, nongovernmental organizations (NGOs), academic institutions, private companies and even individuals as active partners in the improvement of public services. Anyone can apply online any time, the whole year round for grants worth up to USD 32, 000. Its priority areas include service decentralization and delivery, gender empowerment, empowering people with disabilities, healthcare, agriculture, rural development, right to information, green initiatives, disaster management, low-cost devices, and Bangla language tools (Innovation Brief – Service Innovation Fund, July 2016).

The Service Innovation Fund is provided to encourage public offices, private sector organizations, and others to come up with innovative solutions which can ease service delivery to citizens by reducing time, cost, and visit required and improve the overall quality of public services. Last year, A2i has received the “World Summit on Information Society (WSIS) Prize 2016” – the world’s most prestigious prize in the ICT sector – for four of its initiatives and two of those initiatives have come out through Service Innovation Fund. Created jointly by the Government of Bangladesh, UNDP, and USAID, this

#### b) SIF Process Flow

The SIF Process Flow is as following:

*Table:* Process Flow of Service Innovation Fund

1.	Collection Classification Selection	<ul style="list-style-type: none"> <li>Online applications</li> <li>Screening &amp; short listing</li> <li>Workshop on designing presentation for Technical Experts Panel (TEP) - <i>To help refine each idea/project and how it is to be presented</i></li> <li>Presentation to TEP</li> <li>Ministry vetting</li> </ul>
2.	Budget Work plan Finalization	<ul style="list-style-type: none"> <li>Workshop on budget and work plan - <i>To help develop a pragmatic implementation plan</i></li> <li>Contract finalization</li> </ul>
3.	Implementation	<ul style="list-style-type: none"> <li>SIF Project Orientation Workshop - <i>To inform relevant public offices about SIF awarded projects</i></li> <li>SIF Project Coordination - <i>To ensure regular follow-up and necessary support for the projects from the relevant government office's Innovation Team</i></li> <li>SIF Project Coordination - <i>To ensure regular follow-up and necessary support for the projects from the relevant government office's Innovation Team</i></li> </ul>
4.	Evaluation	<ul style="list-style-type: none"> <li>TVC and/or other methods</li> </ul>
5.	Scale up Planning	

fund has been managed by the Prime Minister’s Office. Till now, a total of 133 projects have been funded in multiple rounds covering multiple important sectors of Bangladesh, including education, agriculture, health, land, government service to citizens, government service to businesses, services to assist the disabled, and devices to simplify services and improve standard of living.

At present, 25% of the budget of A2i goes into Service Innovation Fund. Each project can initially get funding of up to Tk. 2.5 million. Around Tk. 250 million has been provided for project piloting so far. SIF has been identified as the only A2i initiative addressing whole-of-society innovation at such scale. A2i also encourages innovators to put themselves in the shoes of the underserved so that they can better understand their need or problem, and come up with more effective solutions.

#### a) Project Selection Criteria

Ideally, a project is primarily eligible to get the funding if it meets the following criteria:

- The problem that has been targeted should be faced by a large group of people, and its solution should be unique.
- The resulting product should be sustainable and the business scalable.
- The solution should reach out to the citizens, or should be marketable.
- Results should be measurable to identify change.

The selection process is assisted by the technical expert panel (TEP). A2i also has its own results measurement team that conducts TVC study, baseline and end line study, impact assessment and others.



### c) Classification of Projects

Service Innovation Fund accepts online proposals around the year through the website [www.ideabank.eservice.gov.bd](http://www.ideabank.eservice.gov.bd) using a very simple and easy-to-fill form. The proposals received for funding undergo a competitive process through which not only the merit of the innovative ideas, but also the capacity of the innovator are assessed. The projects finally selected for funding are provided a risk fund for a limited time period during which A2i provides necessary technical support and takes initiatives for ensuring sustainability of the innovation.

Projects are classified into two categories:

- *Public*- Those which are for the government. Different government offices will take ownership of the proposed product or service, and make use of it to deliver or carry out its duties as per its citizen charter in a more efficient manner
- *Private*- Those which involve an innovative product or service that are to be sold to the common people directly by the innovator at a profit. These are private business proposals which do not involve any government ownership.

## V. FINDINGS AND RECOMMENDATION

### a) Challenges faced with Private Innovators

The greatest challenge is faced when dealing with how to make the business scalable and sustainable for private innovators. If the innovator proposes a product or service that is to be used by the government, then the Chief Innovation Officer or an Innovation Officer of the relevant Ministry or department gets involved and provides assistance during all the stages of project implementation. Apart from the benefits of innovation workshops that are arranged, A2i's experience in the following areas also helps to refine the innovation:

- Public Services innovation
- Service Process Simplification of govt. services
- Online forms

Hence there is a strong chance of attaining success with these projects after piloting. However, in the case of private innovators:

- There is no involvement of any dedicated innovation officer from any govt. office as a constant mentor for the innovator.
- In most cases, the innovator is not a business minded person. Not all innovators have the marketing, management and entrepreneurial skills required for successful project implementation. Even when they do, there are cases where the innovator is a relatively junior person – in terms of rank, age or both – which adds another dimension of difficulty. So he or she cannot properly scrutinize the business idea to see how well it fits as money

making venture after piloting, and make necessary adjustments to it.

- Almost always, innovators do not have the capacity to mass produce which is necessary for scaling up the business.
- Some innovators just want to go for glory. They want the money from SIF and the resulting relationship with A2i without actually having an interest to carry out their proposed business. This is because they want to make use of the brand value of A2i and the recognition of receiving an award from the Prime Minister's Office for their personal interests in future.
- After piloting, these innovators usually do not approach private investors (or donors) by themselves for partnership. This is because:
  - Some of them are doubtful of their own capacities and other resources available to them to be able to carry out the business operations efficiently, whereas if they got funding from A2i, they constantly would have the confidence that A2i is ready with its own expert or personnel from relevant background to guide them with their venture.
  - Some are not good at making business plans or pitches to private investors, and so they fail to get funds just because of their lack of skill in preparing and presenting their proposal of an otherwise good business idea.
- Feedback from the business community reflects their reluctance to invest in such projects. They usually want to invest in only those projects that have a high return on investment or short payback period. They are also skeptical about the quality of mentorship given by A2i, because a good portion of officers working at A2i are attached from the civil service and so have a limited tenure here. Hence, they do not have the confidence in the expertise of the mentors who oversaw the projects before and during piloting phase, and are doubtful of the performance of the projects after their investment.
- It is difficult to carry out business modeling and transform prototype to finished product that can generate revenue
- Test marketing, customer feedback or assessment of the level of user acceptance is not done properly by the innovators, so the risk of rejection of the product or service remains upon full market entry.

SIF practices whole of society innovation which includes private sector innovators. When these people are coming up with innovations which will not be provided as a govt. service but will need to be commercialized, then certain challenges are faced, such as:

- Lack of govt. ownership
- Impractical business models

- Inadequate technical and financial capacity of innovators

As a result, most of these projects die out at the end of piloting.

#### b) Role of A2i in Assisting Private Innovators

A2i can play a role in assisting private innovators under two broad areas:

##### *Mentorship*

- Assessment of business feasibility and guidance for modification of business model if needed
- Analysis of the potential of product or service to impact human lives for sustainability plan of the business
- IP rights and other legal protection

##### *Liaison and Future funding*

Through its network and contacts, A2i can provide access to support for innovators from:

- Business chambers, traders associations, potential investors, donors, NGOs and other govt. agencies (financial support)
- Service actors, including distributors (technical/logistics support)
- Govt.'s ICT infrastructure, e.g. hosting in BCC's National Data Center's Server (technological support)

A2i can specifically design their mentorship program to train the private innovators to address key points regarding.

- Product or service features
- Price and maintenance
- Quality of management team
- Raw materials, Technical expert & Manpower availability
- Ability to mass produce
- Distribution and promotion
- Infrastructure and device dependency
- Project success in addressing underlying problems
- Accessibility and availability
- Business projections
- Fund source and budget requirements
- Scope of knowledge transfer
- Monitoring Mechanism of production or service process

The mentors need to be involved with the projects and make necessary recommendations even before piloting begins. This way, it will save time and effort during scaling up after piloting phase is over. Scaling up of projects after the piloting phase is difficult if a lot of modification needs to be made to the plan. This also renders the piloting results less valid for projection into scaling up. It is, in a sense, like going back to the drawing board.

Grooming workshops should be made open to all applicants of Service Innovation Fund before any

stage of screening is conducted. At present, these workshops are arranged only for shortlisted participants from all the applicants of SIF. Through these workshops, the innovators receive guidance on project management, financial & procurement techniques, monitoring & evaluation issues etc. Hence, a large number of potential innovators are deprived of this opportunity.

The business community should to be acquainted with the projects from the very beginning. Suitable resource people from various business chambers, having vast experience in the real business ecosystem, should be included in the grooming sessions before piloting. Currently, at this stage of SIF, the workshops are conducted mostly by A2i's own employees. Involving the business community would help reduce any gap which might later arise during mentoring of private project scaling up. At the same time, through them, word would spread to the trade associations about the various private SIF projects in the making. Some project ideas can possibly get attention and also win funding by any businessman seeking equity investment, later on after piloting is complete.

## VI. CONCLUSION

Through this initiative of scaling up private projects, A2i has embarked on a journey of fostering a new dimension of public-private relationship. A lot of promising private projects are there in the SIF pipeline, and those will now be looked into. Once commercialized, they will not only contribute to the growth and development of the business ecosystem of the country, but also promote the importance of innovation for sustainability. Through the Service Innovation Fund, A2i is ready to nurture innovative ideas from the masses and contribute to the betterment of society.

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