

FLETCHER D-PRIZE COMPETITION

2022-2023 Academic Year

Livelihoods Challenges

Propose Your Own Proven Financial Inclusion Intervention

We challenge you to launch a new organization that increases financial inclusion to reduce poverty. Fletcher D-Prize will award up to \$20,000 to teams with a plan to launch an initial pilot serving approximately 100 beneficiaries and a vision to expand country-wide, serving at least 100,000 beneficiaries within five years.

Background

Globally almost 700 million people live on less than \$1.90 per day, and covid-19 is forecast to grow that number for the first time in twenty years.¹ Millions of these are unbanked. Our hypothesis is that this hinders their ability to pay for basic goods and services and otherwise control their financial lives.² We are interested in expanding distribution of any intervention proven to increase household income or consumption by expanding financial inclusion.

We are still seeking interventions proven to have substantial impact, and have a few ideas on what these interventions may look like. Our ideal intervention will target people living in extreme poverty. It should also be proven to substantially increase impact metrics, like household income or household consumption. There must also be a large delivery gap, where large numbers of people are not expected to have access to this intervention in the next decade. Currently we think there may be an opportunity for an intervention that helps entrepreneurs and small businesses digitize, expand mobile money access, or facilitate financial inclusion across borders. More detail on our ideal intervention is below.

In our search we have also found a number of interventions that don't meet our criteria. For example, microcredit alone has not increased average household income and consumption for

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<https://www.worldbank.org/en/topic/poverty/overview#:~:text=The%20global%20extreme%20poverty%20rate,%245.50%20a%20day%20in%202017.>

² <https://www.worldbank.org/en/topic/financialinclusion/overview>

the extreme poor, and does not reach the ultra poor entirely.³ Standalone financial training has also struggled to help as such programs are often too short in duration to produce discernible benefits.⁴⁵ (Note: we do have a challenge to distribute a Graduation Approach program, which combines microfinancing with skills and financial training). While we like cash transfer programs, we worry that operating a meaningful pilot of these programs requires more financial support than our award can provide.

Your Distribution Challenge

Fletcher D-Prize will award up to \$20,000 to a social entrepreneur who can launch a new business or NGO that increases distribution of an existing and proven financial inclusion intervention and designs a better plan to increase access and scale quickly.

Guidance for proposing your own intervention

1. **IMPACT:** *What is the social impact of your intervention, and how will you measure it?*
Fletcher D-Prize is only interested in distributing cost-effective interventions that are unquestionably proven to improve the lives of underserved people.

Your intervention should have an estimated economic impact on those living in extreme poverty comparable to our existing distribution challenges. For example, our Livelihoods challenge asks entrepreneurs to distribute a poverty graduation model found to increase household savings by 100-156%, productive asset gains by 15%, and per capita income by 5%.

You will be asked to provide evidence supporting your intervention in the initial concept note submission. Your evidence must come from a highly credible outside source, such as a paper in a peer-reviewed academic journal, interventions supported by international organizations like the UN or World Bank, or research from [IPA](#), [J-PAL](#), and [GiveWell.org's intervention reports](#). If you do not cite a credible source validating the impact of the poverty solution you plan to distribute, we will be unable to support your proposal.

Once you've shown the intervention is proven to have impact, you will need to explain where delivery gaps are, and why they exist. A strong applicant will include evidence detailing where there is a great need for this particular intervention, and demonstrating that it isn't being satisfied by competing distributors or alternative products already. We want to know why, if the intervention is so great, hasn't it been scaled by others already?

We must also understand the expected marginal impact you will make if you are able to

³ <https://pubs.aeaweb.org/doi/pdfplus/10.1257/app.20140287>

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https://blogs.worldbank.org/impactevaluations/reassessing-evidence-business-training-doesnt-work?CID=WBW_AL_BlogNotification_EN_EXT

⁵ <https://www.poverty-action.org/study/graduating-ultra-poor-ghana>

serve those delivery gaps. We want to understand how you will measure your impact on the people you serve, and what your expected impact will be.

2. **MODEL:** *What is your idea to deliver this intervention to underserved people?* A strong submission will include a clear distribution model. We want to understand exactly how you will connect your intervention to those in need.

A plan that includes hiring or activating a last mile distribution force must include details on how these roles are recruited, trained, and incentivized to distribute your intervention.

3. **SCALE:** *How will you grow this venture to serve as many people in need as possible, and secure the funding to do so?* A winning idea must be scalable and aim to grow nationwide. We want to understand what your venture looks like when it is serving at least 100,000 or more people. This means thinking through every aspect of your idea. For instance, are the costs to run your organization still manageable when serving 100,000 people? Do the logistics still work? How large is your distribution team, and how much managerial and administrative support will they require?

Fletcher D-Prize offers pilot funding that typically supports operations for three months. Meaningful scale requires significant capital. A winning idea must have a compelling plan to raise this capital as soon as possible, including a compelling outline of potential sources and how to approach these sources and convert them into supporters.

Helpful Resources

- J-PAL's [Policy Insights in Finance](#)
- IPA's [Financial Inclusion Program Areas](#)
- For those considering cash transfers, please review the model of [GiveDirectly](#).
- Previous winners in this space include [Leaf Global Fintech](#) (Rwanda and DRC).

Ready To Apply?

Download a First Round Application Packet and start creating your proposal at www.fletcher.tufts.edu/D-Prize.

Questions? Email Dorothy Orszulak at dorothy.orszulak@tufts.edu.