

# Innovation “Products”: From Research to Development Impact

Nancy Birdsall  
Center For Global Development

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# 5 Products

- **Advance Market Commitment**
- **Global Skills Partnership**
- **Cash on Delivery Aid**
- **Pre-Emptive Contract Sanctions**
- **Conditional Cash Transfers (PROGRESA)**



# How New Products Happen, Typically (A Simple Model)

- Influential researcher(s) insight
- Working group set up; refines ideas & builds buy-in; report published
- And/or: Additional research papers circulated/ communications staff engaged/Congressional staff testimony/key board member engaged
- Interaction with public sector actors (benign lobbying)
- Can bypass “policy” – product embodies impact



# Advance Market Commitment

- Donors commit upfront to pay Pharma for product (e.g. vaccine) that lacks a profitable market
- Product meets clear specifications
- Payments as a function of actual poor country purchase/use
- Creates a pull; encourages product development/distribution

# Advance Market Commitment

**2000:**  
Kremer  
push and  
pull  
paper

**2006: G7**  
finance  
ministers  
to World  
Bank/GAVI

**2009:**  
Pneumococcal  
AMC  
operational

**2020:**  
Kremer  
NBER  
paper

**2005:**  
CGD  
WorkG  
report/  
launch

**2007:**  
\$1.5 billion  
committed

**2010: 1st**  
developing  
country  
gets new  
vaccine

# Research Insight to Reality

## Pneumococcal Advance Market Commitment: From Inception to 1st Inoculation

Date	Step	Date	Step
Apr-05	CGD Produces Making Markets for Vaccines Ideas to Action by Barder, Levine, and Kremer	Nov-07	UNICEF declares interest in being AMC procurement agent
Dec-05	Background papers for Advanced Market Commitments for Vaccines presented to G8	Dec-07	World Health Organization Director General approves Target Product Profiles
Jan-06	G7 ministers enlist World Bank and GAVI as pilot program technical advisers	Jan-08	3rd meeting of AMC Economic Expert Group
Jan-06	Disease Expert Committee formed to select vaccine candidate for pilot	Mar-08	1st meeting of Independent Assessment Committee- training session
Feb-06	Expert Committee recommends pneumococcal disease vaccine for pilot	Apr-08	Final report issued by Economic Expert Group
Nov-06	2nd Technical Working Group meeting	Jul-08	Implementation Working Group formed by donors
Feb-07	AMC launched in Rome Italy with \$1.5 bil. funding (Canada, Italy, Norway, Russia, UK, Bill & Melinda Gates Foundation)	Nov-08	Monitoring and evaluation report issued
May-07	Independent Assessment Committee requests applications	Jun-09	Pneumococcal disease AMC formally launched
Aug-07	1st meeting of AMC Economic Expert Group	Jun-09	UNICEF asks for supply offers
Sep-07	Expert group on Target Product Profiles meets	Sep-09	2 vaccine companies registered
Sep-07	2nd meeting of AMC Economic Expert Group	Mar-12	2 vaccine companies make long-term commitments
Oct-07	1st meeting of Independent Assessment Committee selection panel	Jun-10	GAVI board grandfathers AMC - countries can access AMC vaccines based on 2009 eligibility
Nov-07	2nd meeting of Independent Assessment Committee selection panel	Dec-10	1st new vaccine against pneumococcal disease administered in developing country

Source: GAVI, Pneumococcal AMC Timeline <https://www.gavi.org/investing-gavi/innovative-financing/pneumococcal-amc/timeline>

# Global Skills Partnerships

**For example:**

- **Rich country funds training in nursing/elderly care in poor country- visas to some trainees**
- **Poor country has more nurses**
- **Rich country has more care**



# Global Skills Partnerships

## GSP Research Insight

- 2006: Pritchett, *Let Their People Come*
- 2007: Clemens, *Do Visas Kill?*
- 2008: Clemens et al. *The Place Premium*
- 2011, Clemens, *A Trillion Dollar Bill on the Sidewalk?*

## Outreach & Refinement

- 2012: Clemens at Global Migration Symposium in Rio
- 2013: Clemens advises in Australia (Fiji)
- 2018: Clemens gets GSP into UN GCM

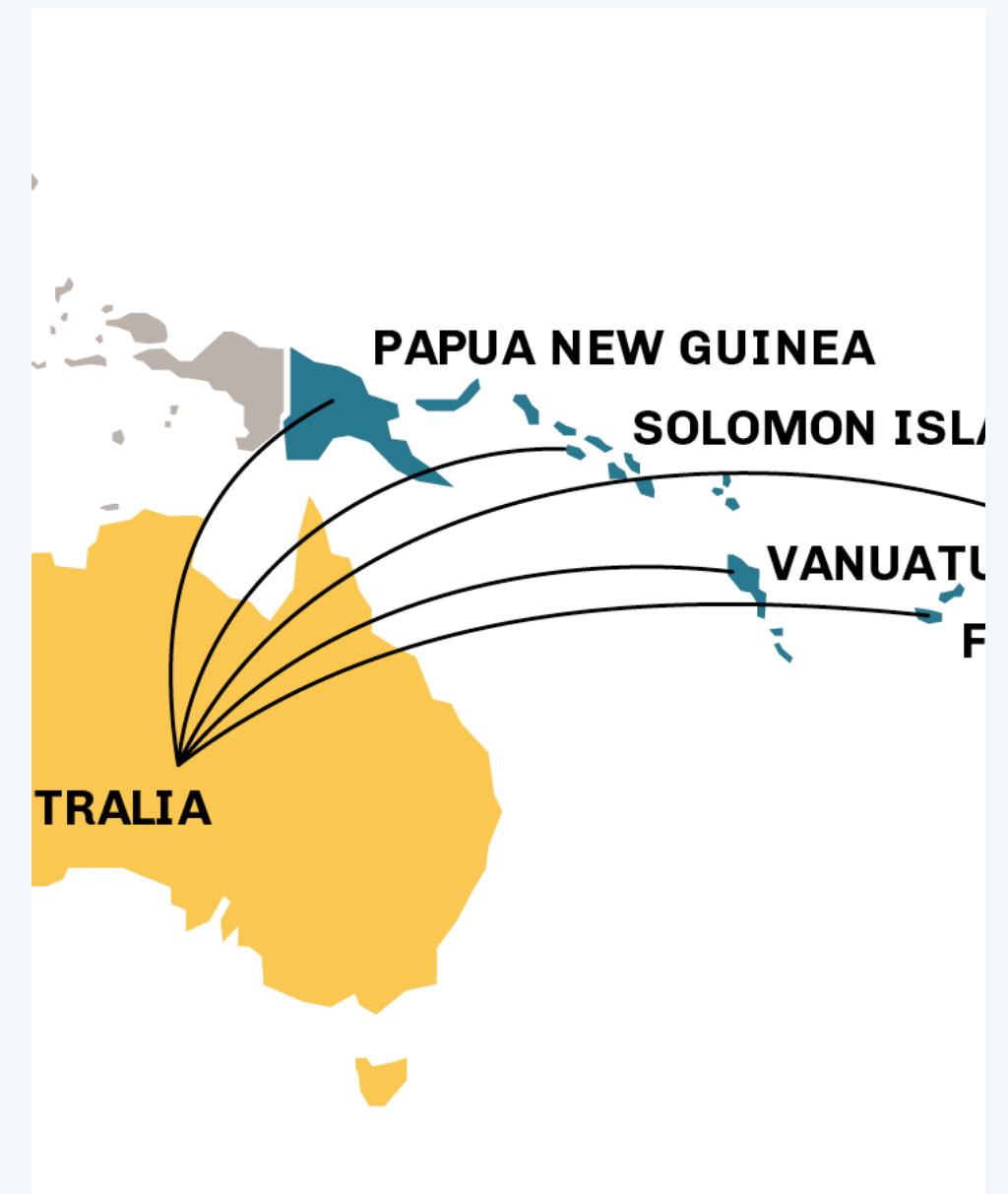
## Some GSP Products

- 2017: Germany-Kosovo
  - Construction workers
- 2018: Australia-Pacific Islands
  - Various
- 2019: Belgium-Morocco
  - IT workers





# Global Skills Partnerships



# Cash on Delivery Aid:

- Donor pays for (audited) outcomes, not inputs (e.g. more children completing primary school, passing test)
- Outcome measurement and payment negotiated ex-ante by donor and recipient
- Country recipient is fully responsible for how to get it done
- Transparency is only requirement



# Cash on Delivery Aid



# Preemptive Contract Sanctions

- **Successors to illegitimate regime not bound by old debts**
- **Countries/multilaterals declare**
- **New government can repudiate contracts signed by old**
- **Increases risk of doing business with bad regime**



# Preemptive Contract Sanctions



# Conditional Cash Transfers

- **Progresa: Conditional cash transfer program in Mexico**
- **Payments to mothers in rural households**
- **Conditional on:**
  - **children attend school 85% of days**
  - **mother brings children to health clinics & attends health/nutrition workshops**

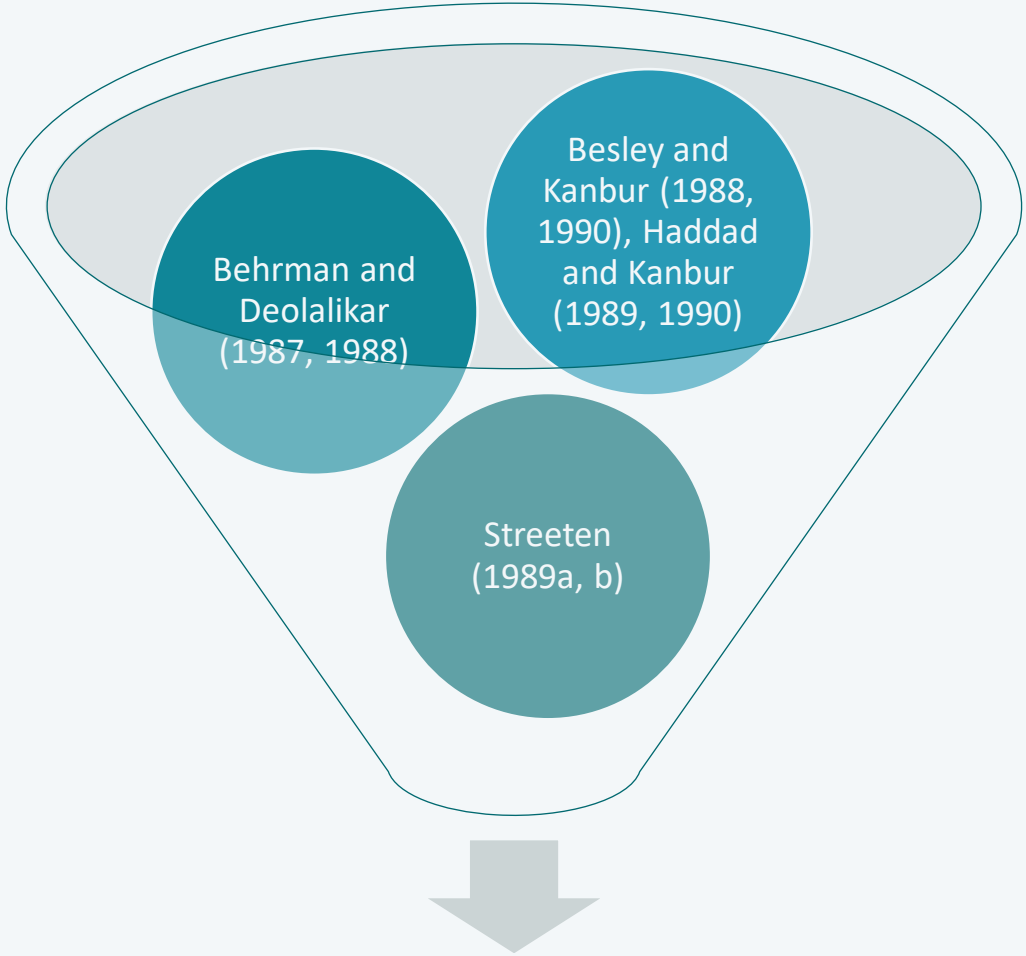
# Different model: “Scholars Become Practitioners”



- Researchers defined a problem: food/fuel/other subsidies meant to reduce poverty are inefficient and poorly targeted
- Mexican researchers in government develop new program(s)
- Inter-Amer Dev Bank (Lustig) with Mexicans propose and secure independent 3<sup>rd</sup> party evaluation (IFPRI) which validates/locks in new approach



# PROGRESA: A New Approach to Poverty Reduction



S. Levy, *Poverty Alleviation in Mexico* (1991), World Bank working paper

- 1991

  - Levy, *Poverty Alleviation in Mexico*
  - References Behrman, Besley, Kanbur, Streeten, and others
- 1994-1997

  - Levy becomes deputy minister, Ministry of Finance
  - PROGRESA Launched 8/1997
- 12/1997

  - IDB workshop pushes PROGRESA evaluation (Lustig and Gómez de León)
  - IFPRI chosen for evaluation
- 2000

  - IFPRI publishes independent evaluation
- 2002

  - PROGRESA -> Oportunidades
  - Program expanded, not eliminated under 1<sup>st</sup> post-PRI govt
- 2014

  - Oportunidades -> Prospera



# Cash transfers: a legacy

- **2003: Brazil starts Bolsa Família Program**
- **By 2020: over 60 countries have CCT programs**
- **2009: Aadhaar (India) launched (cash replaces subsidies)**
- **2011: GiveDirectly experiment in Kenya (UCT)**
  - Unconditional cash transfers for 12 years, 2 years, or a lump sum
  - 75 cents a day
- **2017: UBI chapter in India's 2016-17 Economic Survey**



# Other CGD “Products”

- **International Institute for Independent Evaluation (aka: Triple IE), based in Delhi**
- **Forest Watch transferred to World Resources Institute**
- **US Development Finance Corporation (2019)- Successor to flawed OPIC)**
- **Value for Money in health spending- UK/Thai model replicated**

# Innovation Products: Reflections & Lessons



- **Origin: researcher/scholar insight**
- **Helpful: institutional home- think tank, university policy lab, (working group and communications staff)**
- **Researcher(s) active in promotion**
- **Product a public good- no property rights/institutional credit**
- **Patience: long-term horizon - years from insight to program implemented**
- **Risky**
- **Products can bypass policy – provide direct impact**

# Thank You

