



Concept Sourcing



Analyzing Feasibility



Structuring Prizes



Right-sizing Prizes



Verification and Project Management

This brief provides a high-level overview of Concept Sourcing, the first phase of AgResults’ Pay-for-Results prize competition design process. For step-by-step instructions and detailed guidance on all five phases of design, check out [AgResults’ Pay-for-Results Prize Competition Toolkit](#).

IMPACTFUL DESIGN AT A GLANCE: CONCEPT SOURCING

The first step of prize design is concept sourcing, in which program designers brainstorm and evaluate potential development challenges to see if a prize competition could address them. Initial concept sourcing research — blending desk research, expert interviews, and market data — and its analysis enables designers to start gauging the viability of a prize competition while highlighting outstanding research questions. AgResults uses a three-step process to conduct concept sourcing:

1 Idea conceptualization

Use desk research and expert input to source initial concept ideas that target a known development challenge, a population, or a geography.

2 Market analysis

Explore market failures impacting relevant value chains and/or populations and evaluate if a prize could incentivize solutions to those failures.

3 Concept evaluation

Assess if a competition could address the market failure(s) and achieve outcomes, if the solution delivery is feasible and measurable, and if the prize is implementable in a geography with market and regulatory conditions that are neutral-to-supportive.

Terms to Know

- **Prize Competition:** A Pay-for-Results pull mechanism where actors must fulfill certain prescribed criteria to receive a monetary prize.
- **Market Failure:** An inefficient distribution of goods and services.
- **Competitor:** A private sector actor that has a vested interest in working with smallholder farmers and competes to receive a prize.
- **Prize:** A monetary award paid to a competitor if/when their verified results show they have achieved the prescribed criteria.
- **Enabling Conditions:** The regulatory, political, social, and economic factors that shape outcomes in an environment. AgResults aims to leverage prize competitions in environments where the ‘enabling environments’ are unlikely to inhibit or may even support such an activity.



Step 1 Idea Conceptualization

Recognizing donor priorities and target geographies, during initial prize conceptualization, designers identify challenges, populations, and value chains that incentives could address, focusing on a development challenge or on a target population.

Development Challenge-Based Approach

In the “Development Challenge-Based Approach,” program designers first identify a priority development challenge and potential solutions and then narrow in on the specific population that would



benefit. Competitions developed using this approach can have a range of objectives, but they always rely on engaging sector experts who understand the challenges and are aware of potential solutions.

Population-Based Approach

The “Population-Based Approach” starts with identifying a potential beneficiary population first and then pinpointing specific development challenges that impact a population and solution options via a prize competition. Homing in on challenges that affect a certain group enables designers to determine key drivers of those challenges as well as relevant value chains and markets.

After identifying an initial concept, either through the development challenge or population-based approaches, designers should then gauge whether the following statements are likely true:

1. The private sector is unlikely to solve the challenge independently in the near-term.
2. The potential solution is not dependent on or greatly impacted by future government regulation.

If a concept still seems feasible after being evaluated against these two criteria, designers should further investigate the value chains and populations that may be impacted by the prize competition.

Step 2 Market Analysis

After developing a preliminary design concept, designers should conduct a systemic analysis or a product supply chain analysis to identify current barriers or breakdowns and to pinpoint possible interventions.

Systemic Analyses: If an obvious solution (product, practice, or service) does not exist to address the barrier, designers can analyze the market using a systemic lens and appropriate analysis methods to identify overarching key constraints and failures that lead to undesirable outcomes for target beneficiaries. This may uncover weaknesses in value or supply chains that a prize competition can target.

Product Supply Chain Analysis: If designers want to improve delivery of an existing technology, they can analyze existing product supply chains to identify the market constraints preventing full market development and distribution of that technology. This can highlight common market inefficiencies that prevent technology uptake, such as prohibitive costs, lack of distribution networks, lack of economies of scale, or low consumer awareness.

Each market inefficiency that designers identify through product supply chain analysis represents a possible leverage point for a prize. But not all leverage points are created equal: Designers must be discerning in identifying specific market breakdowns that can most significantly impact beneficiaries and that might be addressed via incentives for private sector actors and can be verified.

A Product Supply Chain Breakdown in Nigeria

In Nigeria, AgResults aimed to incentivize the delivery of an existing biocontrol product, Aflasafe™, to farmers to reduce aflatoxin prevalence in maize. Aflasafe™ had been proven effective, but farmers were neither aware of the problem nor the solution – a clear market breakdown. Analysis showed that farmers needed training on the proper use of Aflasafe™ and assurance that investing in this input would yield measurable income benefits. AgResults designed the [Nigeria competition](#) to address these key constraints, requiring competitors to train farmers on proper application and creating an incentive that made Aflasafe™ application profitable for farmers.



Step 3 Concept Evaluation

After developing an initial prize concept and conducting market analysis, designers should rigorously assess the idea to decide whether to proceed with the design. AgResults has developed a four-part evaluation framework to discern if initial concepts are feasible and merit further investigation:



AgResults’ evaluative framework that assesses a prize’s alignment with mission goals, the viability of the prize design, the competition’s enabling environment, and the specific targeted market failure helps designers analyze prize concepts and judge each concept’s relative strengths. A concept need not satisfy every single evaluation question to move forward. In general, however, if a concept “scores” poorly against multiple criteria, then the designers should consider adapting or de-prioritizing the design.

Wrap-Up

Concept sourcing, the first step in the prize design process, involves designers brainstorming and evaluating potential development challenges to determine if a prize competition is best suited to address the given market failure. A rigorous process comprising initial conceptualization, appropriate market analysis, and concept evaluation allows designers to assess multiple prize concepts against an objective rubric and determine which ideas merit further investigation.

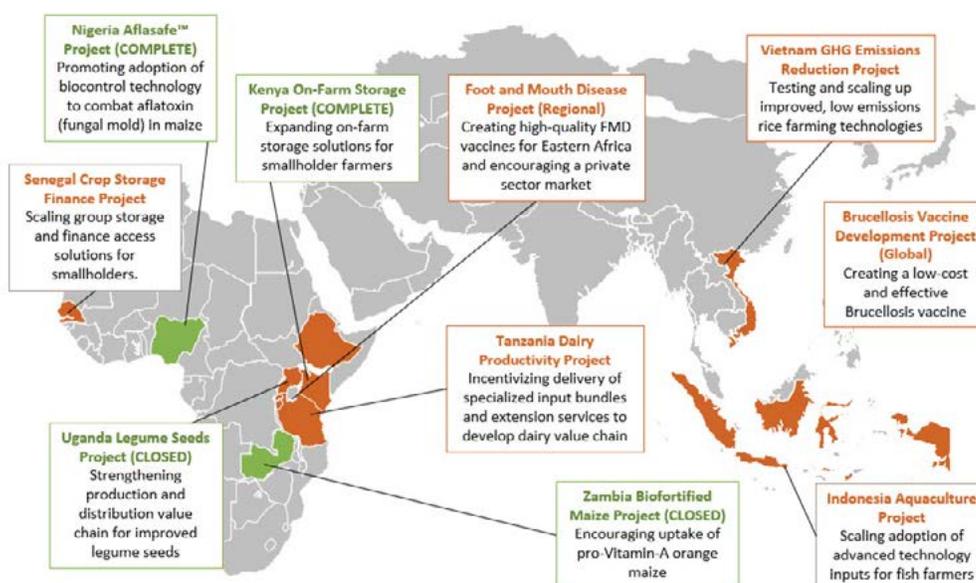
Want to learn more? For step-by-step instructions and detailed guidance on all five phases of design, check out [AgResults’ Pay-for-Results Prize Competition Toolkit](#).

About AgResults

AgResults is a \$152 million collaborative program between the governments of Australia, Canada, the United Kingdom, the United States, and the Bill & Melinda Gates Foundation that funds agricultural Pay-for-Results prize competitions. Since 2013, AgResults has designed and implemented these competitions to incentivize the private sector to overcome specific market barriers and solve food security challenges — particularly for people living in poverty. AgResults competitions fall into one of two categories: 1) prizes that incentivize the Research and Development (R&D) of a new solution or product to address a market failure; and 2) prizes that encourage the development of innovative delivery models and encourage smallholder farmers to adopt an existing product or service at scale.

For more information on AgResults' approach, as well as its current portfolio and suite of learning products, please visit <https://agresults.org/>

Our Portfolio



Our Impact



For more information, check out the Learning Library on the AgResults website: <http://www.agresults.org/learning>



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