



→ **Worthwhile ideas**
**A Value for Money guide
for humanitarian innovation**



elrha



CONTENTS

| | |
|---|-----------|
| Acknowledgements | 3 |
| Executive summary | 4 |
| Why Value for Money (VfM)? | 9 |
| Our approach to VfM | 12 |
| Methodology overview | 15 |
| Step 1: Evidence check..... | 18 |
| Step 2: VfM assessment..... | 22 |
| Step 3: 'Do no harm' review..... | 29 |
| Putting the model into practice: trade-offs and transparency | 30 |
| Annex 1 – Selected bibliography | 34 |
| Annex 2 – Rubrics | 35 |

ACKNOWLEDGEMENTS

This document was authored by Marion Guillaume and Valeria Izzi.

We thank those who contributed to shaping our methodology, particularly Daniel Shaharudin for early conceptual ideation, and Julian King for ongoing advice and feedback. The authors are further appreciative of colleagues at Elrha who have been instrumental in providing valuable feedback throughout this process. We also gratefully acknowledge the learning partnership with Brad Wong and Cyandra Carvalho of Mettalytics, whose engagement helped to develop, refine and clarify Elrha’s position on Value for Money in humanitarian innovation.

We are grateful to the innovators who participated in our reference group: Emily Au-Young and Nevada Brown (Reemi), Chrysant Lily Kusumowardoyo (ASB Indonesia), Nadir Abu-Samra Spencer (Light for the World), Mauricio Cordova (Fair Cap), Syed Imran Ali (Safe Water Optimization Tool/York University) and Dipika Paul and Erin Pearson (IPAS). Thanks also to partners who shared their experience in implementing Value for Money approaches and provided feedback on our draft methodology, including in particular Alana Changoor (Grand Challenges Canada), and Justin Labelle, Ramzy Magambo and Lucian Lee (Airbel IRC).

This initiative was funded by the UK Foreign, Commonwealth & Development Office (FCDO), whose support we gratefully acknowledge.

The views expressed herein represent Elrha’s position alone.

Suggested Citation: Guillaume, M.; Izzi, V. (2025) *‘Worthwhile ideas: A Value for Money guide for humanitarian innovation’*. Elrha: London

ISBN number: 978-1-917009-17-1

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Executive summary



EXECUTIVE SUMMARY

This guide introduces Elrha's approach to assessing Value for Money (VfM) in humanitarian innovation, designed to support effective and ethical funding decisions in complex and high-stakes environments.

With shrinking humanitarian budgets and rising needs, it is vital that humanitarian funds are spent effectively.

To ensure that innovation improves humanitarian practice, we need to set high standards for what we fund. A VfM methodology – when designed and applied thoughtfully and ethically – can help us achieve exactly that.

We believe that VfM can support innovation rather than constrain it, if we broaden our understanding of 'value' to include learning, iteration and even failure, when it generates actionable insights. By adapting how we assess value in humanitarian innovation, we can use our resources responsibly and still allow space for experimentation.

Our approach to VfM:

- Takes an end-to-end view of innovation, rather than a grant-by-grant perspective;
- assesses innovations using current knowledge, not perfect data;
- compares the innovation with existing solutions;
- helps guide evaluative thinking;
- upholds the humanitarian imperative to 'do no harm' that overrides any VfM considerations.

.....

We recognise that valuation is never neutral; we are committed to making the assumptions underpinning it explicit, and that judgements are based on good enough evidence, acknowledging limitations where they exist.

The three-step methodology

Our approach aims to balance rigour with realism, and ambition with ethical responsibility. It can be used by anyone interested in VfM for humanitarian innovation, including Elrha staff, humanitarian practitioners working on VfM, donors and researchers.

The methodology has three main steps:



Step 1: Evidence check

This step is to establish the evidence base for the assessment through a series of framing questions, to determine if there is sufficient information to allow for a meaningful VfM assessment:

1. What is the humanitarian problem?
2. What existing solutions respond to the humanitarian problem?
3. What is the proposed innovation?
4. What is the innovation's value proposition?

If there is not enough evidence available to answer these questions, the VfM assessment will not proceed.



Step 2: VfM assessment

In this step, the VfM assessment is conducted by examining a defined set of criteria, related to benefits and costs. Each criterion is assessed individually using a rubric-based framework to ensure consistency and clarity.

Benefits-related criteria:



Probability that the innovation will work as intended

This criterion considers how likely it is that the benefits promised will be realised in practice. This includes ascertaining the readiness of the innovation, identifying remaining unknowns and anticipating any social or cultural resistance to the innovation.



Potential for the innovation to generate learning

This criterion considers how valuable the learning from this innovation will be. Key elements of the assessment include novelty (whether the innovation tackles a problem that has not been tackled before) and demand (whether testing the innovation addresses important questions).



Significance of change for people affected by crises

This criterion considers the changes that the innovation will produce for each individual, and how meaningful they are compared to existing solutions. It also explores any external components on which the innovation depends to realise impact.



Scalability

This criterion considers how widely and easily the innovation can be used across a range of contexts. It examines the ease and sustainability of deployment, the breadth of applicability and the scalability of core components.



Equity

This criterion considers whether the innovation has been designed to improve outcomes for marginalised or underserved groups, and whether it raises any concerns of unequal or unfair outcomes. The assessment prioritises user needs and suggests that a design with inherent equity risks is a red flag.



Environmental impact

This criterion considers the innovation's impact on the environments in which people in crisis live. It addresses current and future impacts, both positive and negative, by looking at factors such as resource use, emissions and ecosystem disruption.

Costs-related criteria:



Development costs

In this criterion, the total cost of bringing the innovation to a 'ready to go' stage is calculated. The aim is to arrive at a reasonable estimate of the fixed costs that must be incurred, regardless of the innovation's funding status and how widely it will be used.



Costs of use

In this criterion, the costs of using the innovation are compared to those of existing solutions.



Step 3: 'Do no harm' review

In this step, a structured checklist is used to assess potential harm from the innovation. 'Do no harm' is a red line: any innovation that raises concerns at this stage should not be funded, regardless of its VfM score.

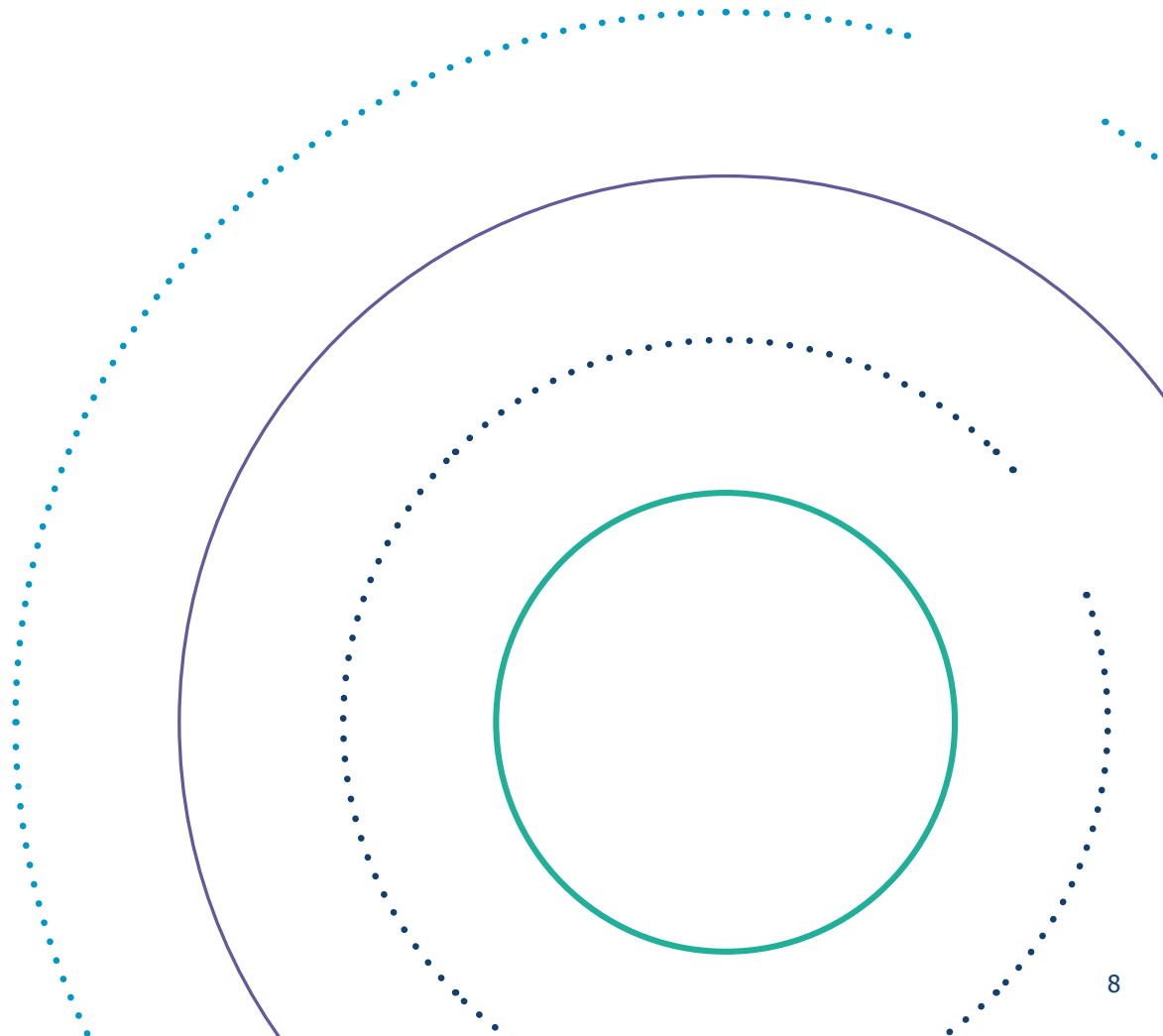
Putting the model into practice

This model does not prescribe a threshold score or a binary funding decision. Rather, it is designed to make trade-offs explicit, support structured conversations between humanitarian actors and encourage proportional investment.

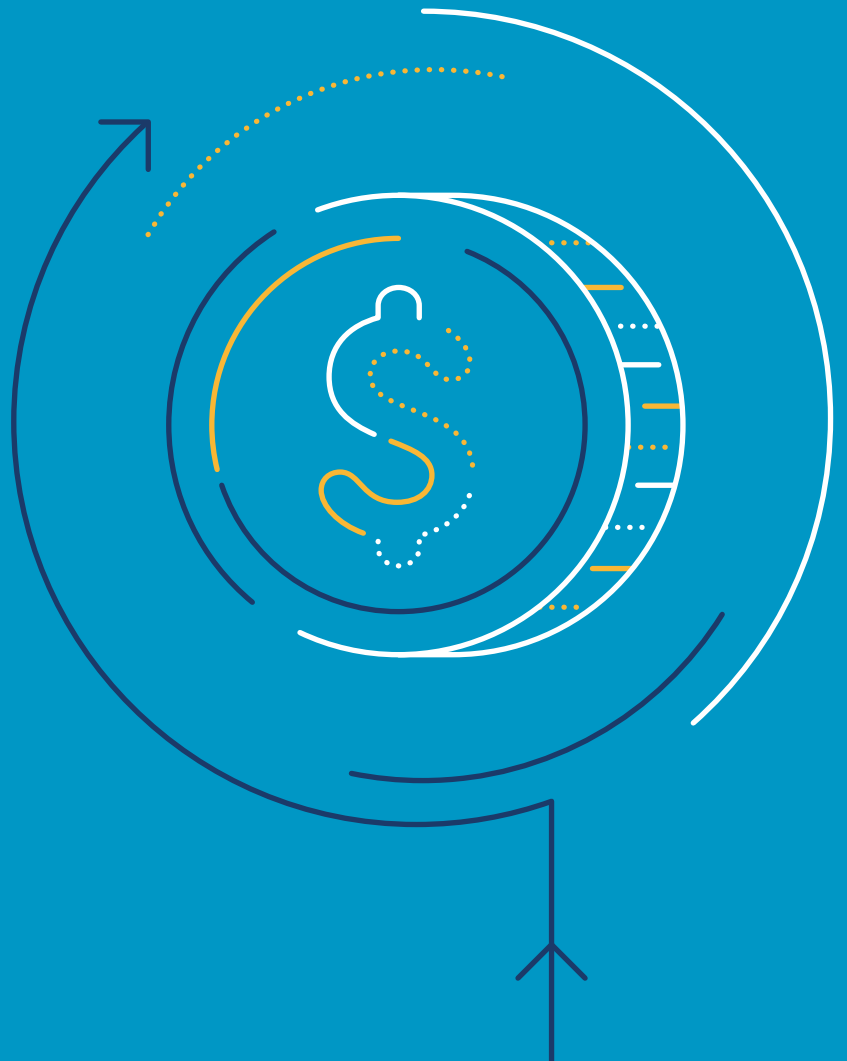
We recommend using the model to:

- Assess each VfM component individually;
- discuss trade-offs openly;
- document assumptions and uncertainties;
- raise any 'do no harm' concerns.

This approach respects the complex, context-specific and value-laden nature of humanitarian innovation. It prioritises transparent reasoning and dialogue over simplistic metrics, which is crucial in settings where human lives and ethical considerations are paramount.



Why Value for Money (VfM)?



WHY VALUE FOR MONEY (VfM)?

Talking about Value for Money (VfM) for humanitarian innovation may feel intuitively wrong. The nature of humanitarian work is to respond to urgent human suffering, regardless of cost-effectiveness. Moreover, innovation is inherently open-ended, exploratory and frequently disruptive; its high failure rates, uncertain costs and unpredictable timelines can seem at odds with the rigour, certainty and comparability we typically associate with VfM assessments. These tensions raise legitimate concerns about whether VfM frameworks can meaningfully capture the value that innovation seeks to create in humanitarian contexts.

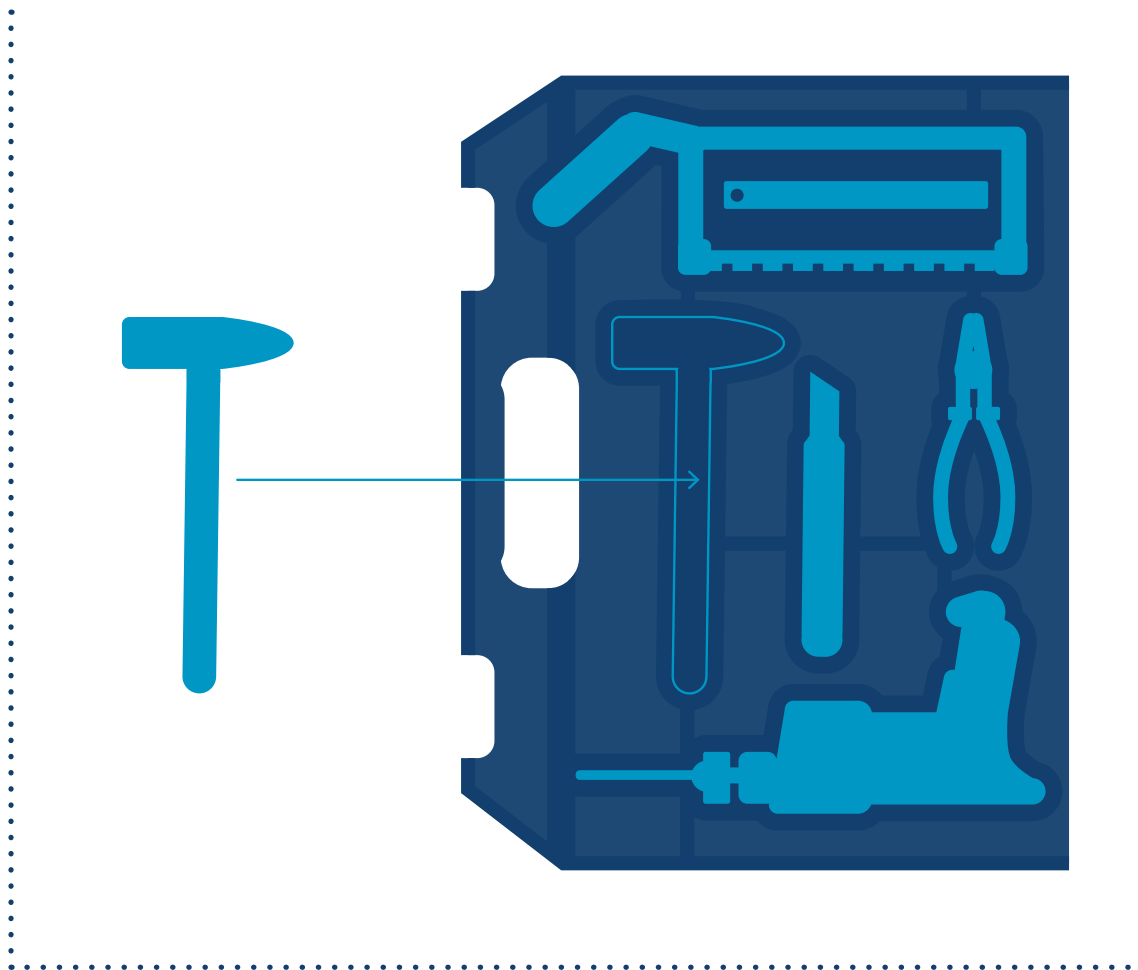
These concerns are valid. Yet, with shrinking humanitarian budgets and rising needs, we have a responsibility to ensure that the humanitarian funds spent benefit people in crisis as much as possible. The same qualities that give humanitarian innovation its strength and appeal – its openness, exploratory spirit and tolerance for uncertainty – can become liabilities when resources are scarce, and it is the people affected by crises who bear the cost of failure. It is difficult to justify investing significant funds in innovations that offer only marginal gains over existing solutions, when those same funds could support life-saving efforts.

To ensure that innovation improves humanitarian practice, we need to set high standards for what we fund. We believe that a VfM methodology – when designed and applied thoughtfully and ethically – can help us achieve exactly that.

At Elrha, we believe that VfM can be reframed to support innovation rather than constrain it. We do not need to apply the same VfM lens used for established service delivery; instead, we can broaden our understanding of 'value' to include learning, iteration and even failure – when that failure is well-documented, purpose-driven and generates actionable insights for the sector. By adapting how we assess value in humanitarian innovation, we can use our resources transparently and responsibly, and still allow space for experimentation and discovery.

We can think of humanitarian solutions as a kind of 'toolbox' – a set of *products* and *processes* that humanitarian actors can choose from and use to respond to crises.¹ Every innovation begins with an idea – but turning this idea into a usable tool requires testing, refinement and adaptation. This process takes time, money and resources, and not all innovations will have enough impact to justify these costs. As an organisation that supports innovation for humanitarian practice, we need to be confident from the outset that an innovation has the potential to add value to the toolbox, and to make the toolbox itself more effective.

Figure 1: Innovations as a tool in the humanitarian toolbox



¹ The 4 Ps of Innovation offer a comprehensive lens through which to understand and apply innovation across different domains. The model outlines four key dimensions: (1) Product innovation (the development of new products or significant improvement of new ones); (2) Process innovation (improving delivery of services); (3) Position innovation (redefining how products and processes are perceived and used) and (4) Paradigm innovation (changing mindsets and cultural assumptions). See Tidd, J. and Bessant, J. (2014). *Strategic Innovation Management*. Hoboken, NJ: Wiley.

Our approach to VfM



OUR APPROACH TO VfM

This guide introduces Elrha’s tailored approach to assessing VfM in humanitarian innovation, designed to support effective and ethical funding decisions in complex and high-stakes environments. The methodology is informed by the unique challenges and characteristics of innovation in humanitarian settings, offering a practical framework for evaluating the potential benefits of an innovation in relation to its costs.²

We take an end-to-end view of innovation, rather than a grant-by-grant perspective.

Our approach is designed to assess the VfM of funding the full process of developing an innovation, even if Elrha only funds part of it. Unlike many other VfM frameworks, which are typically programme-based and assess value at the level of specific funding streams, the innovation itself is the unit of analysis here.

We assess VfM using current knowledge, not perfect data. Because we are looking ahead, our approach relies on the best available estimates based on current knowledge – which may require some assumptions. This sets our approach apart from more traditional VfM assessments, which are typically conducted *ex post* and rely on actual outcomes and data. Our methodology is *ex ante*, working with estimates and assumptions to support decision-making before results are known. However, while the methodology allows for some uncertainty, **there is an evidence threshold below which assessment is not reliable.**

We assess VfM by comparing the innovation with existing solutions. A central feature of our VfM methodology is its comparative nature. In most cases, innovations enter a system where other solutions to the same humanitarian problem already exist. As such, an innovation must be able to justify its added value, especially given the inherent uncertainty about whether it will ultimately succeed.

Our methodology does not produce an overall ‘VfM score’ – yet. At this stage, the framework does not produce an overall VfM rating because the relationships between criteria are not yet fully understood, and there is no agreed weighting of what matters most across contexts. As we continue to develop the approach, we plan to address these issues. For now, the methodology allows us to assess each VfM criterion individually, recognise and assess trade-offs, and document assumptions and uncertainties.

The VfM methodology helps guide evaluative thinking, not replace it. Our approach highlights the need for solid reasoning when deciding how to spend funds. Rubrics, with clear criteria and standards, provide a transparent framework for making sound judgments about an innovation’s potential to deliver good VfM. We consider both qualitative and quantitative evidence when drawing conclusions against each criterion.³

2 Our approach builds directly on the Value for Investment framework developed by Julian King, who served as an adviser to this project, and whose contributions and feedback are gratefully acknowledged.

3 King, J., Wate, D., Namukasa, E., Hurrell, A., Hansford, F., Ward, P., Faramarzifard, S. (2023). [Assessing Value for Money: the Oxford Policy Management Approach. Second Edition](#), Oxford Policy Management Ltd.

Low scores on VfM criteria do not automatically rule out funding. Our methodology takes a broad view of 'value', including elements like learning, which is often excluded from traditional VfM frameworks, but it cannot capture every relevant consideration. So, the VfM methodology is only one of several factors considered in Elrha's funding decision. Other factors may include strategic priorities, portfolio balance or alignment with Elrha's focus areas. In the spirit of transparency and traceability, the rationale for each funding decision should be documented and kept distinct from the VfM assessment itself.

'Do no harm' is a red line. Any innovation that has a **high risk of causing harm** – through exclusion, insecurity, psychological distress or operational disruption – is **not fundable**, no matter the potential VfM. The humanitarian imperative to 'do no harm' is non-negotiable.

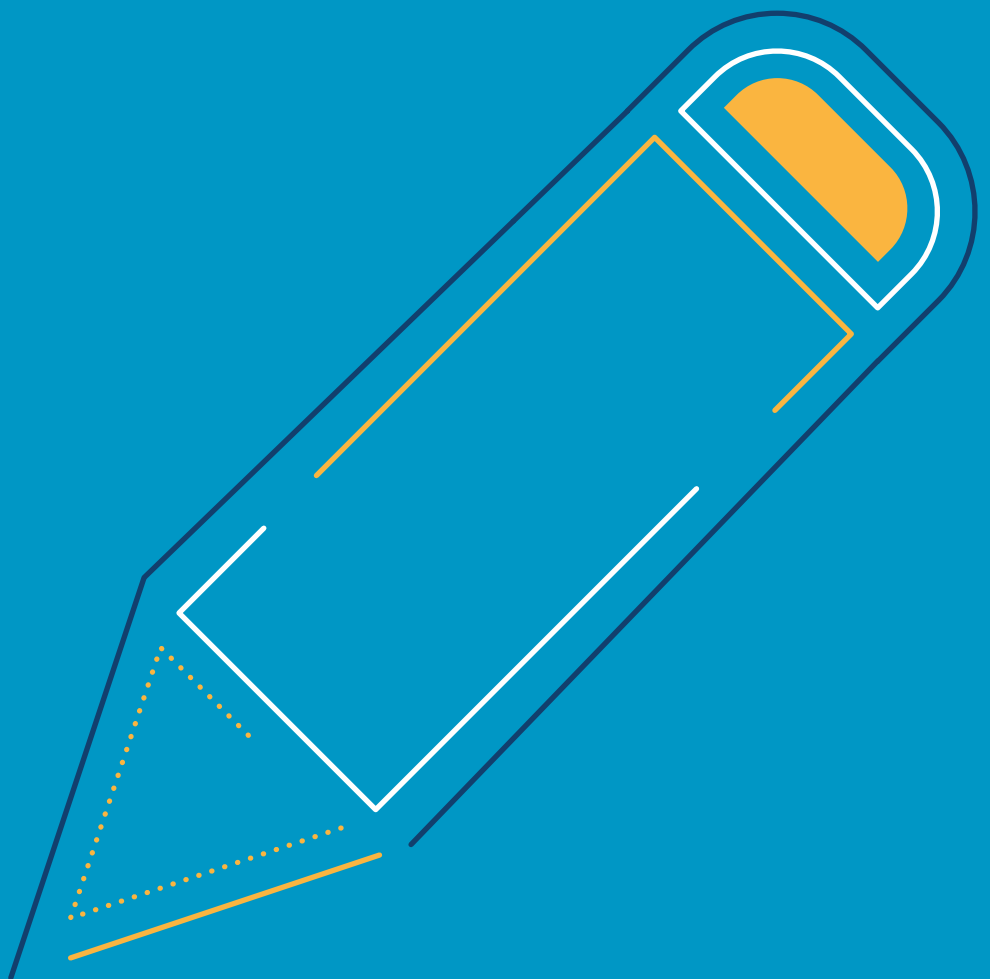
Whose value counts?

Valuation is never neutral. When we assess the VfM of humanitarian innovation, we are inevitably making a judgement about what counts as 'value', which outcomes matter most and whose views are important. These are not merely technical decisions; they depend on the context and are shaped by power dynamics. We recognise that VfM assessments reflect the perspectives of those making them. As a funder of innovation, we often evaluate new ideas or enabling processes that may help future users and contexts – not specific programme participants who can give direct feedback. This introduces a tension: we want to support innovations that are relevant, effective and equitable, but we are aware that we are doing so from a position of power.

We think it's important to acknowledge this tension openly. Our approach aims to expose and clarify the assumptions we are making about value – what kind, for whom and why. By doing so, we aim to ensure these judgments are traceable, open to reflection and accountable. When we make decisions, we own them *as decisions* – not as objective truths, but as thought-out positions informed by evidence, values and context. We recognise that we may get it wrong. If we see that a decision was mistaken, or if others challenge it, our methodology is designed to make the reasoning behind that decision transparent. Traceability enables both accountability and learning. By documenting our assumptions and making our process explicit, we invite constructive critique and future revision.

All valuation processes rely on assumptions and require judgement. We are committed to making those assumptions explicit, and to ensuring that judgements are based on robust – or at least 'good enough' – evidence, supported by transparent processes that acknowledge limitations where they exist.

Methodology overview



METHODOLOGY OVERVIEW

This methodology is the outcome of several years of reflective work by Elrha, developed in collaboration with expert consultants and learning partners, and informed by ongoing engagement with innovators, VfM experts and key actors in the humanitarian sector. We set out to design an approach that would balance rigour with realism, and ambition with ethical responsibility. We wanted our VfM methodology to be:

- **Methodologically robust and informed by good practice and insights** from different sectors;
- **applicable in humanitarian contexts**, taking into account the specific characteristics of markets, contextual volatility and instability, and the practical and ethical challenges of data collection;
- **tailored to humanitarian innovation**, considering the inherent uncertainty and open-ended nature of innovation, and the **value of learning** that can emerge even from 'failed' innovations;
- **realistic in its data collection 'ask' and resourcing requirements**, to be able to work in 'data imperfect' contexts, and with time- and expertise-proportional resources required;
- **aligned with Elrha's core values of 'shifting the power' and promoting locally-led responses for people affected by crises**, conscious of the unequal power dynamics inherent in any such assessment.

This guide presents an approach to assessing VfM of humanitarian innovations in the earlier stages of development (*ex ante* assessment). This will be complemented by an equivalent guide, based on the same methodology, to assess the VfM of innovations once they have reached maturity (*ex post* assessment).

This guide is intended for Elrha staff, humanitarian practitioners working on VfM, and others interested in VfM for humanitarian innovation, from donors to researchers.

The methodology has three main steps:



Step 1: Evidence check

This step is to establish the evidence base for the assessment through a series of framing questions. The purpose is not to judge the innovation's merit, but to determine whether there is sufficient information to allow for a meaningful VfM assessment.



Step 2: VfM assessment

In this step, the VfM assessment is conducted by examining a defined set of key dimensions. Each criterion is assessed individually using a rubric-based framework to ensure consistency and clarity.



Step 3: 'Do no harm' review

In this step, a structured checklist is used to assess potential harm from the innovation. 'Do no harm' is a red line: any innovation that raises concerns at this stage should not be funded, regardless of its VfM score.

Figure 2: Summarising key elements of Elrha's VfM approach





STEP 1: EVIDENCE CHECK

The first step in our methodology is to assess if there is enough evidence to allow for a VfM assessment. This involves evaluating how clearly and adequately the following four framing questions can be answered:

1. **What is the humanitarian problem?**
2. **What existing solutions respond to the humanitarian problem?**
3. **What is the proposed innovation?**
4. **What is the innovation's value proposition?**

At this stage, the focus is on whether these questions are answered with sufficient detail and credible evidence – not on the quality or merit of the responses, which are considered later in the assessment process.

Defining the humanitarian problem

A clear and well-bounded definition of the humanitarian problem is essential. The problem should be described specifically enough to allow for assessment.

What is the specific humanitarian problem that the innovation is trying to address?

- How widespread and significant is the problem in humanitarian settings?
- Are there specific subsets of the population that are particularly affected?
- Are there particular humanitarian geographies that are particularly affected?

Identifying existing solutions to the humanitarian problem

After defining the problem, the next step is to examine how humanitarian responses currently address it. Assessors need to understand what solutions already exist, what they do well, where they fall short and why it may be worth investing in 'something better'. Ideally, assessors should identify the 'best' current solution, ie, the main benchmark the innovation must outperform.

Reliable cost information is the cornerstone of any VfM assessment, so it is crucial to have such data about existing solutions. Estimates may be sufficient, but only if they are dependable. It is important to be transparent about data sources and note any concerns regarding their credibility.

Sometimes, no valid comparator exists, either because this problem has never been addressed before or because current solutions are clearly unsuitable. In these cases, the VfM framework cannot be applied. We are developing a specific rubric framework for cases where the identified problem has no corresponding existing solution.

How is this specific problem currently addressed in humanitarian response?

- Is there one prevalent solution that can be used as a comparator for this analysis?
- What are the known strengths and weaknesses of the existing solution(s)?
- What is known about the costs of the existing solution(s)?

Defining the innovation

To assess an innovation's value, assessors must first be able to clearly define what it is. This may seem simple, but, in practice, it is often hard to pinpoint the innovative element of a project. Many proposals present a 'package' that mixes new and existing approaches, for example, an innovative product or service alongside standard capacity-building or community engagement activities. While these complementary elements may be important for implementation, assessors should look at the innovative element in isolation.

The kernel of innovation – new or distinct features – must be clearly described and distinguished separately from supporting activities. Without this, assessors can't evaluate the marginal benefit or additional cost associated with the innovations. Assessors should have a clear understanding of whether this is a brand-new solution, a modification to existing solutions used in humanitarian contexts, or a solution repurposed from another field. It is essential that assessors obtain as much information as possible about expected costs, including the costs to develop, test and improve the innovation, as well as the cost of using the innovation once it has been finalised.

What is the proposed innovation?

- What is novel about the innovation?
- What are the constitutive elements of the innovation?
- What are the costs of developing the innovation up to the point that it can be used?
- What will be the costs of using the innovation once developed?

Defining the value proposition

This final framing question brings the previous three together. The value proposition explains how and why the innovation will be able to address the humanitarian problem better than existing solutions.

What is the innovation's distinctive value added compared to existing solutions?

- Is the innovation expected to be more effective than existing solutions to address the problem?
- Is the innovation expected to be easier to deploy, scale, use and/or maintain?
- Is the innovation expected to be more equitable, considering the needs and vulnerabilities of specific groups?
- Is the innovation expected to be cheaper?
- To whom is the innovation (potentially) valuable?⁴

Assessors should produce a brief narrative, articulated around the four key questions, that forms the key evidence base for the assessment to follow.

Strength of evidence

As part of this first phase, assessors should ensure that the evidence is strong enough to proceed to the next step – without reliable data, VfM assessments should not be conducted.

The [Bond evidence principles and checklist](#) can be helpful for thinking this through, considering the evidence in light of:

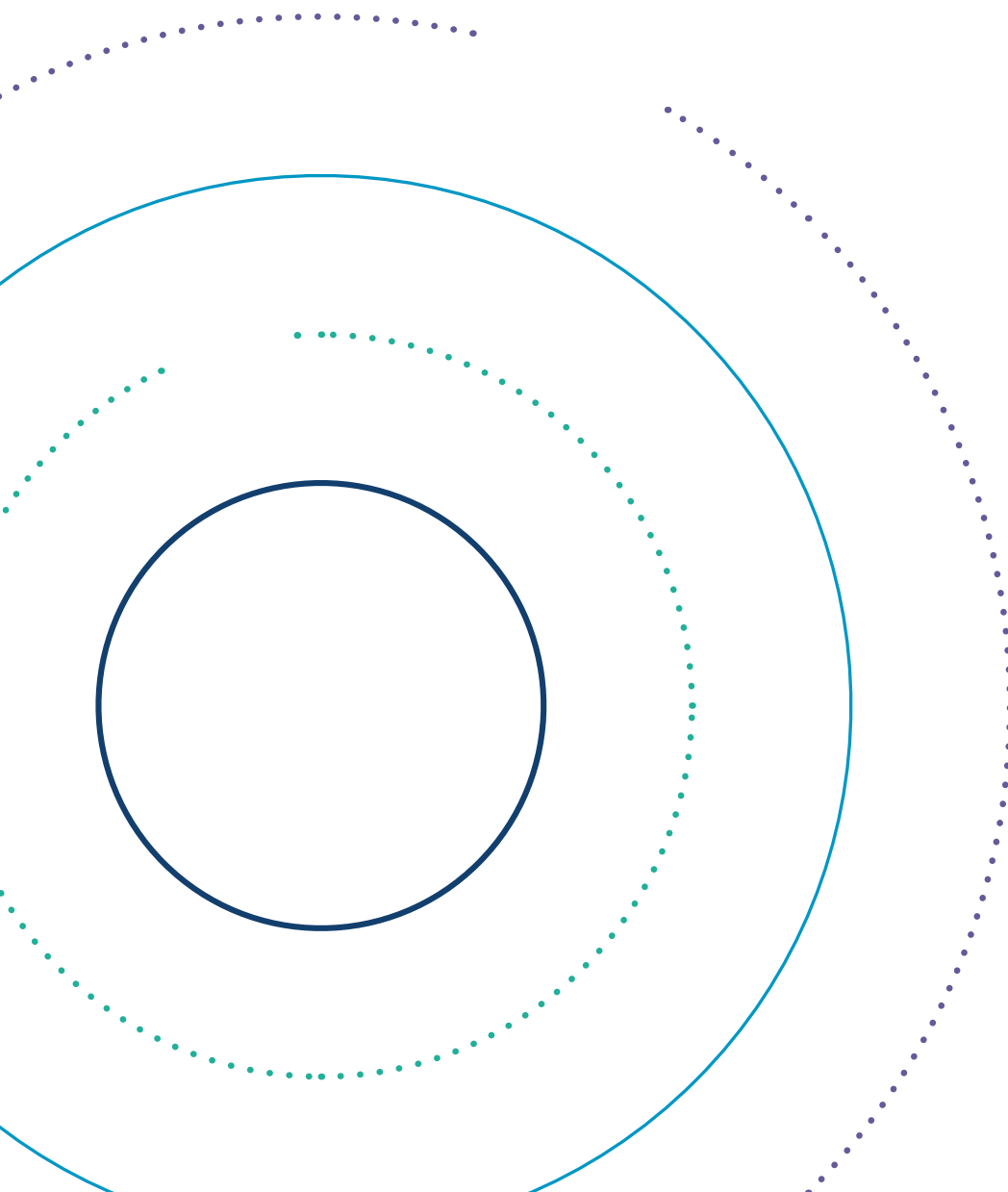
- **Voice and inclusion** – whose perspectives have been included?
- **Appropriateness** – were the data collection methods and sampling suitable?
- **Triangulation** – are different perspectives and data sources available and compared?
- **Contribution** – is there a clear explanation/comparison to show that change has happened and what caused it?
- **Transparency** – are the specifics of who, how and what was collected clear?

Any concerns about the strength of evidence should be documented – where there are multiple concerns, assessors should consider whether or not to proceed.

⁴ King, J. (2024) Value proposition: clearing the path from theory of change to rubrics. Available from <https://juliankingnz.substack.com/p/value-propositions-clearing-the-path>

Go/no-go decision

Based on the answers to the framing questions, assessors will be in a position to decide whether there is sufficient information and clarity to proceed with the VfM assessment. If the information provided is insufficient, assessors may return to the innovator with more targeted questions to obtain the necessary details.





STEP 2: VfM ASSESSMENT

The VfM assessment starts in earnest if assessors decide that the minimum threshold of evidence has been met. There are two sets of criteria:

- **Benefits-related criteria**
- **Costs-related criteria**

Some of these are assessed in absolute terms, while others are assessed in relation to the identified comparator, ie, the 'best' existing solution(s). Table 1 below summarises these assessment criteria.

Table 1 - VfM assessment criteria

| Criteria | Assessment criteria | Assessed in relation to existing solutions? |
|-------------------------|---|---|
| Benefits-related | Probability that the innovation will work as intended | NO |
| | Potential for the innovation to generate learning | NO |
| | Significance of change for people affected by crises | YES |
| | Scalability | YES |
| | Equity | NO |
| | Environmental impact | NO |
| Costs-related | Development costs | NO |
| | Costs of use | YES |

Scoring rubrics – how do they work?

Ratings

Each criterion is rated on a scale from -2 to +2, with 0 as neutral. The assessor will provide a score for each criterion, accompanied by an explanation.

Rating drivers

Each criterion has one or more rating drivers. These are the key elements on which the score is based.

Rating modifiers

Some criteria have rating modifiers. These are elements that can raise or lower the score by 1 to reflect secondary factors that influence performance.

'Do no harm' red flags

Certain criteria have red flags that can be raised during the scoring process. While they do not feed into the score, they should be explicitly noted as a 'do no harm' risk to mitigate. If the assessor concludes that this cannot be effectively mitigated, the VfM assessment should stop.

Benefits-related criteria



Probability that the innovation will work as intended

Under this criterion, assessors should evaluate how likely it is that the innovation will work as intended, how developed it is and the specific operational context. They should ask if the benefits promised are likely to be realised in practice. They should look at how ready the innovation is (to what extent and how it has been developed and tested in relevant settings and contexts) and identify remaining unknowns.⁵ In considering this, they should keep in mind that some innovations will have a much shorter journey from idea to working innovation. So, development, testing and remaining unknowns will need to be considered in light of what is appropriate for that particular innovation.

As part of this criterion, assessors should also consider whether they expect any social or cultural resistance to the innovation. At this stage, they should not expect a definite answer about whether people will use the innovation – but where these barriers exist, they should be considered a **red flag**. An innovation which relies on an approach that will not be acceptable in some contexts not only has a lower chance of success, but also poses an ethical concern.

⁵ We also considered how organisational or systemic factors might affect innovation adoptability. However, these issues are more relevant to the practical challenges of implementation rather than inherent in the innovations. They may require further consideration in *ex post* VfM assessments.

A low probability of success does not automatically mean an innovation won't be funded. Early-stage innovations, by their nature, involve higher uncertainty, but can also offer high learning potential, strategic value or require limited investment. However, innovations with low probability *and* high development costs need to show strong value in other areas (such as equity or impact potential) to be worth considering.



Potential for the innovation to generate learning

Not all innovations will lead to better outcomes, but even unsuccessful attempts can add value by revealing flawed assumptions, identifying dead ends or improving the design of future interventions. By recognising this learning value within VfM assessments, assessors can make sure they remain accountable while still allowing for responsible experimentation and discovery.

Not all learning is equal. To justify investment, especially in higher-risk or early-stage innovations, the learning must be significant and sector-relevant. If the insights generated are likely to remain siloed, highly context-specific or inaccessible to others, their VfM contribution is limited.

Key elements of the assessment include:

- **Novelty: Does the innovation tackle a problem that has not been tackled before? (rating driver)**
- **Demand: Will the testing of the innovation address important and urgent questions? (rating modifier)**



Significance of change for people affected by crises

This criterion addresses how much an innovation – if it works as intended – can provide meaningful benefits to individuals affected by humanitarian crises, without depending heavily on outside factors. This is a comparative question, aimed to assess whether the benefits provided by this innovation are better or worse **compared to the best existing solution**.

This question has two key components. The first component is:

- **How meaningful are the changes produced by the innovation? (rating driver)**

When assessing VfM, it is not enough to ask whether an innovation produces *some* benefit; assessors must also consider the depth and significance of that benefit. Innovations that lead to transformational change hold greater value than those offering only marginal or incremental improvements. Small improvements in efficiency or convenience are helpful, but they are not the same as innovations that fundamentally improve people's lives. Using rubrics, assessors can score innovations as having a transformational change to a marginal change, compared to the existing solutions.⁶

⁶ The scoring rubric values innovations equally whether they have a small impact on many people or a transformational impact on a few. However, the highest scores are reserved for innovations that achieve transformational impact on many people, compared to existing solutions.

The second component is:

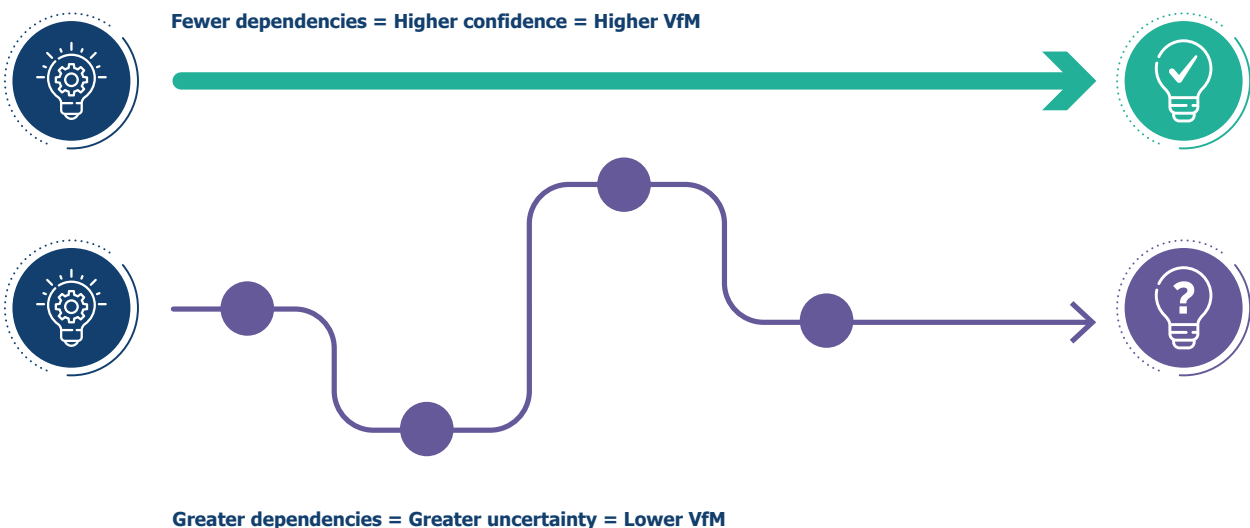
- **How direct is the change produced? How many 'onward dependencies' are there? (rating modifier)**

Innovations that deliver tangible benefits with few external dependencies tend to offer greater VfM. The fewer external components are involved, the higher the likelihood of realising impact – and the more confidently that impact can be attributed to the innovation itself.

It is not just the number of dependencies that matters, but also the predictability of such dependencies: some innovations may rely on well-established mechanisms within the humanitarian system, while others may hinge on fewer but more speculative or unlikely conditions.

Innovations with high dependencies can still be funded, but they require greater justification and risk mitigation. The more fragile the enabling conditions, the stronger the rationale must be elsewhere.

Figure 3: Directness of change/benefits



Scalability of the innovation

The ability to be widely and easily used across a range of contexts – and thus, reach many people in humanitarian crises – is a dimension of the innovation's added value.

Many scalability considerations relate to the availability of resources and other contextual factors, which are not possible to assess *ex ante*. Instead, the focus here is on the inherent characteristics of an innovation.

The rating driver includes:

- **Ease and sustainability of deployment:** qualities such as durability, reusability, or other features that extend the innovation’s lifespan and usability.
- **Breadth of applicability:** innovations that are simpler to use, require less expertise to install and maintain, or can be delivered through new approaches to reach more people.
- **Scalability of core components:** innovations that rely on scarce or specialised resources (e.g. proprietary knowledge, unique manufacturing processes or limited raw materials) are constrained in their ability to be replicated across contexts.

Assessors should not consider cost factors within this dimension. Issues such as affordability or cost-effectiveness are captured under separate, cost-focused criteria. Excluding cost considerations avoids distorting the assessment with projections tied to hypothetical funding scenarios. Instead, this dimension focuses on the features inherent to the innovation itself – those that make it possible to reach more people than the existing alternative.

Localised innovations with limited potential to scale can still merit funding if they deliver high-intensity impact, contribute to critical sector learning or address significant equity gaps.



Equity

This criterion concerns whether the innovation has been specifically designed to improve outcomes for marginalised or underserved groups, and whether it inherently raises any concerns of unequal or unfair outcomes. Equity gains may require trade-offs in cost, complexity or scalability; unless explicitly recognised in the design, innovations aiming to be equitable may be penalised in VfM assessments. Factors considered include inclusivity and safety of design, mechanisms for crisis-affected people to express their needs and priorities, cultural and contextual appropriateness, reduction of user burden, and participation in design and use.

If the innovation shows inherent equity risks that cannot be addressed through its design, this is a **red flag**. Funding should only be considered if the innovation is clearly stronger on other criteria and its risks can be addressed through implementation.



Environmental impact

This criterion considers the innovation’s impact on the environments in which people in humanitarian crises live. Assessors should consider how the innovation can contribute to a healthier environment for individuals in situations of humanitarian crisis, taking into account both current and future positive and negative impacts.

Factors considered include resource use, emissions, waste generation, ecosystem disruption, durability and efficiency, and mitigation potential. Innovations may combine environmentally friendly elements with less sustainable aspects; the assessment should weigh these to determine the overall environmental contribution.

Costs-related criteria



Development costs (fixed costs)

This criterion considers all resources needed to advance an innovation from its current state to full readiness for real-world use. It does not matter whether funding has already been secured or where it might come from; the focus is on the total costs required to bring the innovation to a 'ready to go' stage. These are fixed costs that must be incurred regardless of how widely the innovation is ultimately adopted or used.

We expect that this criterion will be challenging, as innovators generally focus on the next step in development, rather than the entire path to usability. As a result, it may be necessary to rely on estimates, rather than concrete and certain data. The quality of the VfM assessment depends on the reliability of this cost estimate. Without at least a reasonable estimate of these future costs, a VfM assessment cannot be meaningfully conducted.

While a higher cost to functionality generally reduces the VfM rating, high-cost innovations can still offer good VfM if they score strongly on other criteria. The key is that the cost estimate must be transparent, well-reasoned and sufficient to inform a judgment.



Costs of use (or variable costs)

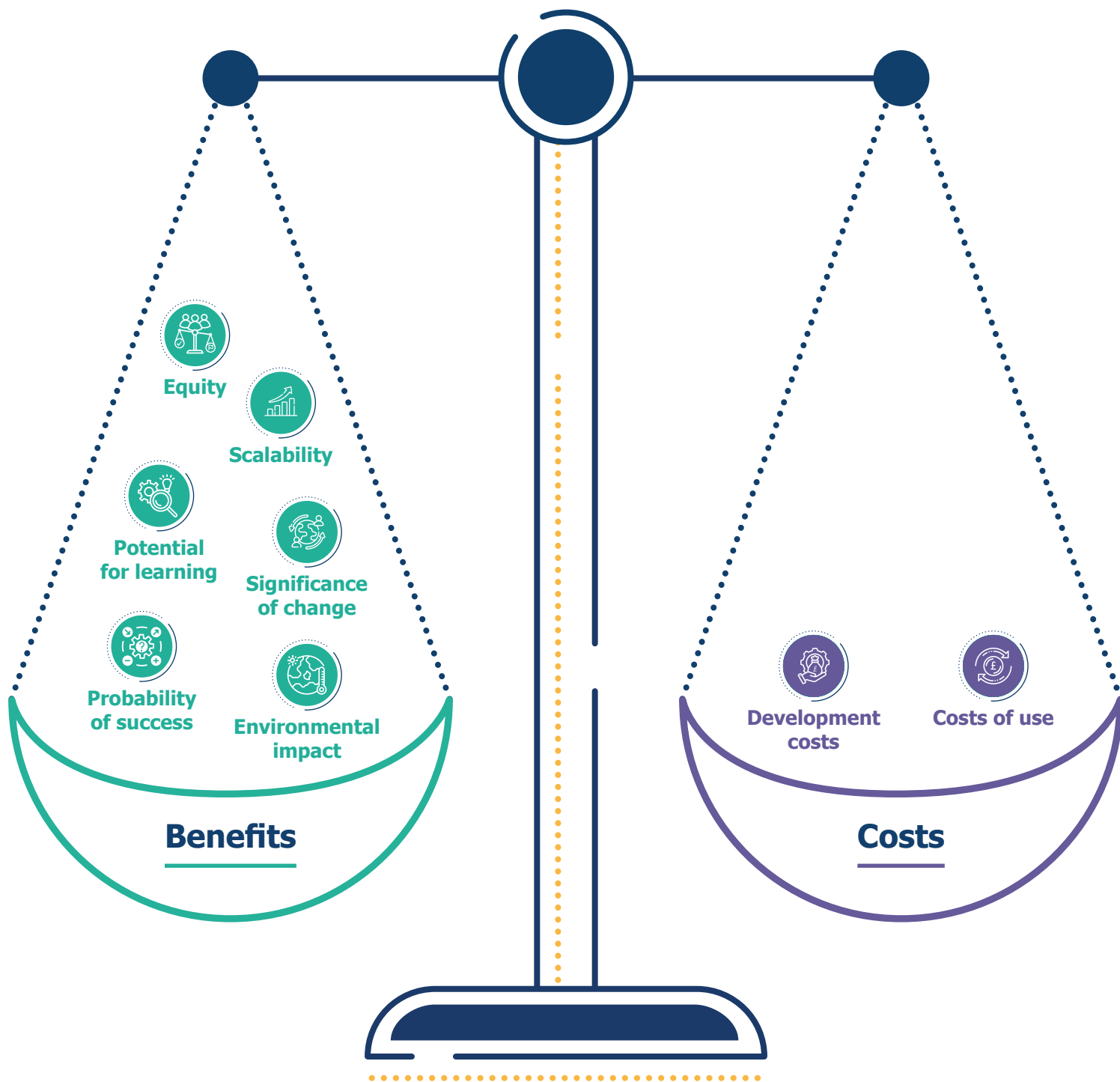
In order to offer good VfM, an innovation should be affordable relative to the solutions it aims to improve upon or replace. High per-user or per-site costs reduce VfM, particularly when cheaper, comparably effective alternatives already exist. That said, an innovation with higher ongoing costs can still offer good VfM if those costs are justified by stronger performance on other criteria – such as greater effectiveness, inclusion or scalability.

To assess this criterion, the innovation's costs need to be compared with those of existing solutions, which can be challenging. Assessors may not have a reliable estimate of how much existing options cost – however, just as with the innovation's development costs, they need at least a reasonable estimate to make any meaningful VfM judgment.

Even where data is available, the costs of existing and proposed solutions may be reported in different ways. For example, the innovation may report a cost per household, while existing data uses cost per individual; or one solution may give annual costs, while another gives per-use or per-incident costs. In these cases, the key step is to align units of comparison. It is acceptable to make assumptions (e.g. average household size, frequency of use), as long as those assumptions are explicit, reasonable and traceable. These conversions are part of the VfM assessment and all such calculations must be clearly recorded so others can understand and review them.

It is essential to consider the full range of variable costs – from production costs and transport expenses to often hidden costs such as training, maintenance, repair or replacement cycles, intellectual property fees, local regulatory compliance, customs duties and taxes. These costs can have a major impact on affordability and sustainability, especially in humanitarian contexts where logistical and bureaucratic barriers are significant.

Figure 5: Summarising the assessment criteria





STEP 3: 'DO NO HARM' REVIEW

Experimentation must be based on a 'do no harm' principle. Under no circumstances should humanitarian innovation lead to intentional harm, unintentional harm or other negative externalities that could have otherwise been avoided through appropriate review, responsible processes and proper consideration of local contexts. Applying 'do no harm' necessitates an anticipatory approach toward identifying, describing, and analysing intended and unintended impacts that might arise as a result of research and experimentation.

Elrha Humanitarian Innovation Guide

The VfM approach incorporates strategies for identifying potential 'do no harm' risks, to minimise the potential for funding an innovation which does not follow the 'do no harm' principle.

The rubrics framework identifies specific red flags assessors should consider when they reach that step in the rubrics. For example, under probability, they should consider if moderate or major acceptability concerns are anticipated. **If no mitigation approaches are possible for these risks, the assessment should stop at this red flag.**

In addition to the specific red flags identified in the rubrics, the following questions should be asked at the end of the VfM assessment process. Again, if no suitable mitigation strategies can be determined for identified risks, **no VfM ratings should be given for that particular innovation; Elrha will not consider funding innovations which pose a non-mitigable risk of harm.**

- ❗ Can the innovation cause physical harm?
- ❗ Can the innovation cause psychological harm or trauma?
- ❗ Can the innovation increase inequality or tensions within the community?
- ❗ Can the innovation cause safety risks to individuals?

Putting the model into practice: trade-offs and transparency



PUTTING THE MODEL INTO PRACTICE: TRADE-OFFS AND TRANSPARENCY

This model does not prescribe a threshold score or a binary funding decision. Rather, it is designed to:

- **Make trade-offs explicit** – for instance, a high-cost innovation might be funded if it dramatically improves equity and impact;
- **support structured conversations** – between funders, innovators and users about value, risk and purpose;
- **encourage proportional investment** – riskier or less-ready innovations may still be funded, but with smaller budgets or phased testing.

At this stage, we recommend treating the VfM components outlined above as key building blocks for assessing the VfM of humanitarian innovation. These components guide structured, evidence-informed conversations about whether an innovation is a worthwhile use of limited resources. Assessors should use evaluative reasoning – a combination of evidence, judgment and comparison – to consider how strongly an innovation performs on each component.

We have developed scoring rubrics for each criterion, but we do not currently combine them into a single overall VfM score. This is intentional: innovation decisions are rarely reducible to a simple number, especially in humanitarian settings. There are three main reasons to be careful about developing an overall 'VfM score':

1. **Interrelationships between criteria are not yet fully understood.** For example, should a high development cost be linearly subtracted from the overall VfM score? Or should it be 'offset' if the innovation scores very high on equity or learning? Are some criteria multiplicative, where a zero in one category (e.g. readiness) cancels out gains in others?
2. **Relative weighting is still under development.** We do not yet have sufficient evidence or consensus to determine whether, for example, *equity* should carry more weight than *scale*, or whether *unit cost* should outweigh *learning potential*. These priorities may also differ across donors, contexts or crisis types.
3. **Benchmarks related to cost still need to be developed.** There is currently insufficient data to judge whether specific costs are high, low or acceptable across different innovations or contexts. This makes it difficult to determine cost-effectiveness in absolute terms. However, as we continue to apply the model across a growing portfolio of innovations, we will begin to build this evidence base. This will be a significant challenge. The innovations we assess vary widely in type, meaning that cost norms – and what constitutes 'value' – can differ substantially. As such, benchmarks will likely need to be flexible, context-sensitive and iterative, evolving alongside our understanding of the landscape.

For now, we recommend:

- **Assessing each VfM component individually**, using qualitative and/or quantitative evidence;
- **discussing trade-offs openly**
- **documenting assumptions and uncertainties**, particularly around cost projections, impact dependencies or ethical risks;
- **using a red flag filter for any 'do no harm' concerns** – innovations with high risk of harm are not eligible, regardless of other scores.

This approach respects the **complex, context-specific and value-laden nature** of humanitarian innovation. It prioritises **transparent reasoning and dialogue over simplistic metrics**, which is crucial in settings where human lives and ethical considerations are paramount.

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Annex



ANNEX 1 – SELECTED REFERENCES

Elrha (2018). [Humanitarian Innovation Guide](#)

King, J. (2024). [Value propositions: clearing the path from theory of change to rubrics.](#)

King, J., Wate, D., Namukasa, E., Hurrell, A., Hansford, F., Ward, P., Faramarzifar, S. (2023). [Assessing Value for Money: the Oxford Policy Management Approach. Second Edition,](#) Oxford Policy Management Ltd.

Tidd, J. and Bessant, J. (2014). [Strategic Innovation Management.](#) Hoboken, NJ: Wiley.



ANNEX 2 – RUBRICS

This section lays out the draft rubrics to allow assessors to evaluate innovations across different criteria. They provide a transparent framework for doing so consistently across cases. We are continuing conversations with stakeholders around these rubrics to further refine them. We plan to iterate and develop tools to support the usage of these rubrics that can be useful for researchers, funders and other stakeholders.

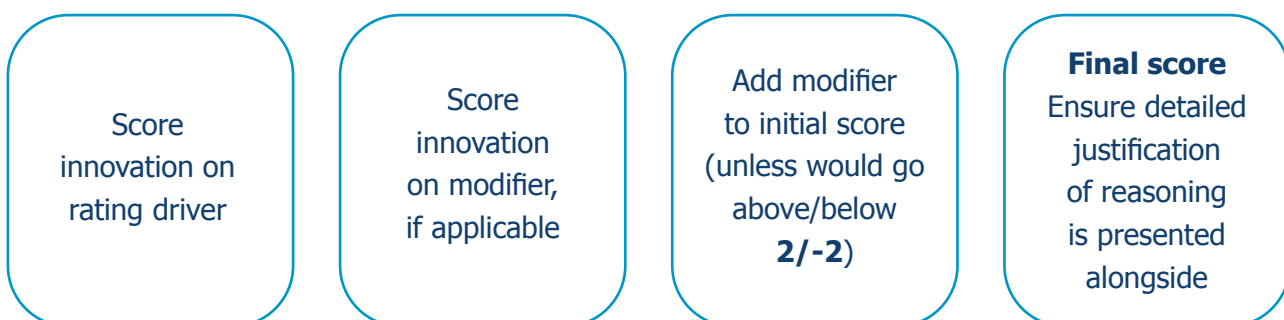
How to read these rubrics

| Sub-criteria | -2 | -1 | 0 | +1 | + 2 |
|-----------------|---|--|---|--|--|
| Rating driver | Description of what an innovation with a -2 rating on this driver would look like | Description of what an innovation with a -1 rating on this driver would look like | Description of what an innovation with a 0 rating on this driver would look like | Description of what an innovation with a +1 rating on this driver would look like | Description of what an innovation with a +2 rating on this driver would look like |
| Rating modifier | Description of what an innovation would look like on this sub-criteria to receive a +1 or -1 'nudge' to its overall score | | | | |
| Red flag | Flag if moderate or major acceptability concerns are anticipated (social or contextual red flags) | | | | |

An innovation must first be scored on its rating driver(s). These are conjunctive rubrics: the innovation must meet all the criteria within a particular rating to receive that score – if not, it defaults to the next highest level for which it meets all the criteria.

In some cases, rating modifiers and/or red flags might also be identified. The rating modifier can nudge the overall score up or down by 1 point (note that if the innovation is already at the highest or lowest score, it will not change but the modifier will be noted in the score justification).

The red flag denotes a potential 'do no harm' issue. If this cannot be mitigated this should end the VfM assessment.



Probability

At the time of assessment, and based on what we know, **how likely is it that the innovation will work as intended?**

| Sub-criterion | -2 Very unlikely /very low | -1 Unlikely/low | 0 Neutral /middling | +1 Likely/high | + 2 Very likely/very high |
|---------------|---|-------------------------------------|---|---|--|
| Rating driver | Largely theoretical | Early-stage development | Mostly developed | Well developed | Well developed |
| | No testing specific to this innovation | Testing is preliminary | Some testing completed | Testing carried out to an extent in realistic or relevant settings, suggesting it functions as intended | Testing carried out in contexts appropriate to the nature and complexity of the innovation, validating that it functions as intended |
| | Many critical unknowns remain | Several significant unknowns remain | Some unknowns remain but these are manageable | Minor unknowns may remain which could affect performance | No or negligible unknowns remain that might affect performance |
| Red flag | Flag if moderate or major acceptability concerns are anticipated (social or contextual red flags) | | | | |

Potential for learning

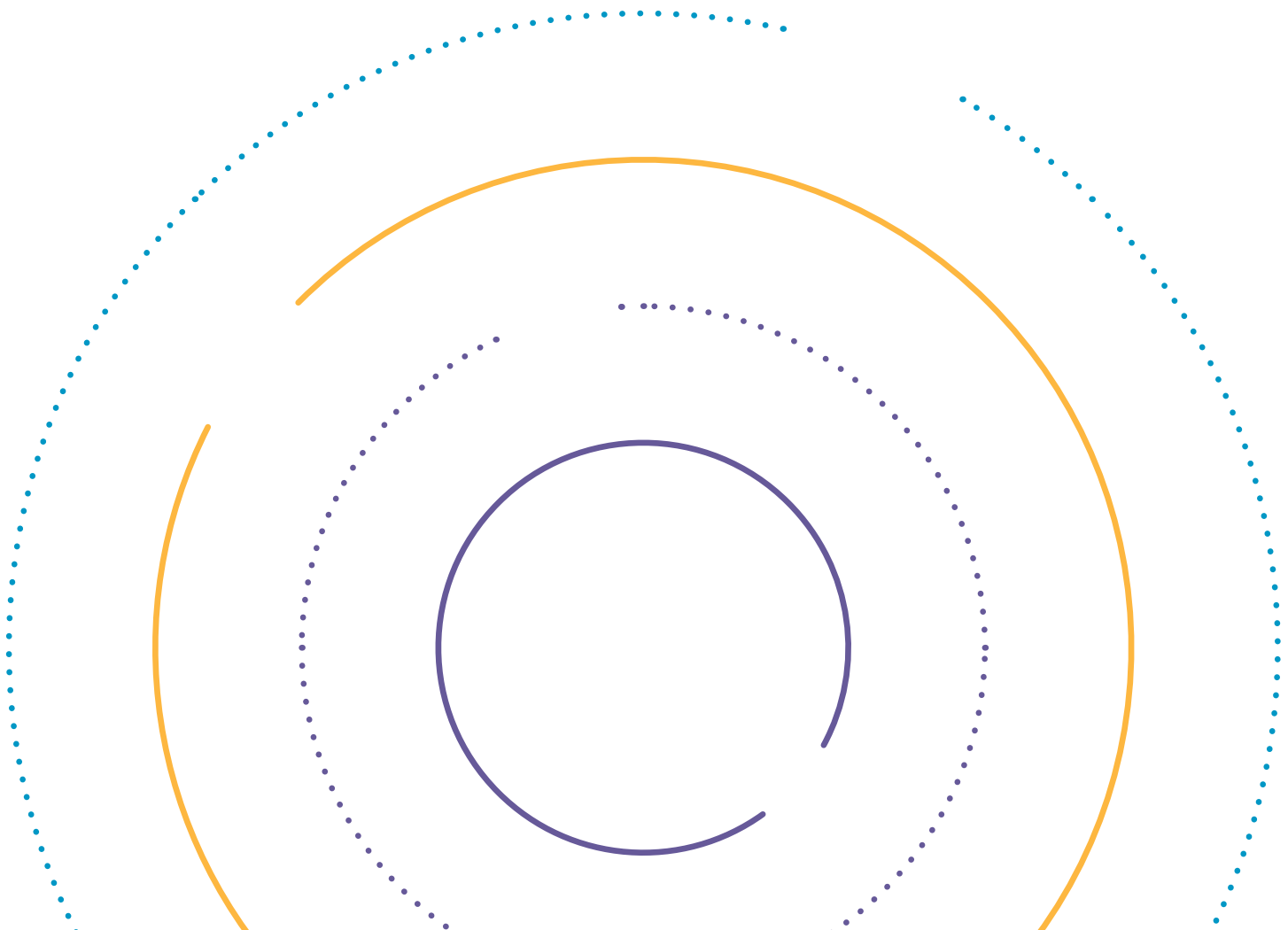
Whether it works or not, **how likely is the innovation to generate learning for the sector?**

| Sub-criterion | -2 Very unlikely /very low | -1 Unlikely/low | 0 Neutral/middling | +1 Likely/high | + 2 Very likely/very high |
|-----------------|--|---|---|---|--|
| Rating driver | Duplicative | The innovation repeats established approaches or offers | The innovation is similar to existing solutions | The innovation offers something new in the sector | The innovation breaks new ground |
| | No new contribution to what is standard | Offers few new features or perspectives | Offers limited new ideas or adaptations | Offers new elements or improvements | Offers an original approach or solves a problem not previously addressed in the sector |
| Rating modifier | -1 Addresses problems of limited or no interest to the sector | | 0 (Neutral) | +1 Responds to a relevant or pressing issue or need that has clear sectoral interest | |

Significance of change

If the innovation works, **how transformational will the change be for people affected by humanitarian crises (compared to existing solutions)?**

| Sub-criterion | -2 Much worse than existing solutions | -1 Somewhat worse than existing solutions | 0 Approximately the same as existing solutions | +1 Somewhat better than existing solutions | + 2 Much better than existing solutions |
|-----------------|---|--|---|--|--|
| Rating driver | Each individual will benefit much less from this innovation than existing solutions | Each individual will benefit a bit less from this innovation than existing solutions | Each individual will benefit about the same from this innovation as from existing solutions | Each individual will benefit a bit more from this innovation than existing solutions OR it will be largely the same for most but transformational for a few | Each individual will benefit a lot more from this innovation than from existing solutions. |
| Rating modifier | -1 Based on many and/or uncertain dependencies | | 0 (Neutral) | +1 Mostly direct with few to no dependencies and no uncertain dependencies | |



Scalability

If the innovation works, **how likely is the innovation to be widely usable across a range of contexts benefiting a high number of people living in humanitarian crisis (compared to existing solutions)?**

| Sub-criterion | -2 Much worse than existing solutions | -1 Somewhat worse than existing solutions | 0 Approximately the same as existing solutions | +1 Somewhat better than existing solutions | + 2 Much better than existing solutions |
|---------------|---|--|---|--|---|
| Rating driver | Much higher level of expertise required than existing solutions | Higher level of expertise required than existing solutions | About the same level of expertise required as existing solutions | Less expertise required than existing solutions | Much less expertise required than existing solutions |
| | Much more fragile and/or much less reusable than existing solutions | More fragile and/or less reusable than existing solutions | About as fragile and/or reusable as existing solutions | Less fragile and/or more reusable than existing solutions | Much less fragile and/or much more reusable than existing solutions |
| | Has much more complex infrastructure requirements to work than existing solutions | Has more complex infrastructure requirements to work than existing solutions | About the same level of infrastructure requirements as existing solutions | Fewer infrastructure requirements than existing solutions | Very few infrastructure requirements compared to existing solutions |
| | May be reliant on scarce materials and/ or intellectual property | May be reliant on scarce materials and/ or intellectual property | May be reliant on scarce materials and/ or intellectual property | May be reliant on scarce materials and/ or intellectual property | Not reliant on scarce materials or intellectual property |

Equity

If the innovation works, **does it provide equity gains for vulnerable, marginalised, or underserved individuals or groups?**

| Sub-criterion | -2 Very unlikely /very low | -1 Unlikely/low | 0 Neutral/middling | +1 Likely/high | + 2 Very likely/very high |
|---------------|--|---|--|--|--|
| Rating driver | The innovation design raises serious equity concerns | The innovation design raises minor equity concerns which can be addressed in implementation | The innovation does not address equity specifically but does not raise equity concerns | The innovation addresses documented equity issues through its design | The purpose of the innovation centres on addressing documented equity issues |
| Red flag | Flag if risk of exclusion of vulnerable or marginalised groups | | | | |

Environmental impact

If the innovation works, **does it improve the environment for individuals in humanitarian crises?**

| Sub-criterion | -2 Very unlikely /very low | -1 Unlikely/low | 0 Neutral/middling | +1 Likely/high | + 2 Very likely/very high |
|---------------|---|--|--|---|---|
| Rating driver | The innovation design raises serious concerns around its environmental impact | The innovation design raises minor concerns around its environmental impact which can be addressed in implementation | The innovation does not address the environment specifically but does not raise concerns around its environmental impact | The innovation addresses documented environmental issues through its design | The purpose of the innovation centres on addressing documented environmental issues |

Development costs

What is the estimated total cost to bring the innovation from the point where it is now to the point where it will 'work' as intended?

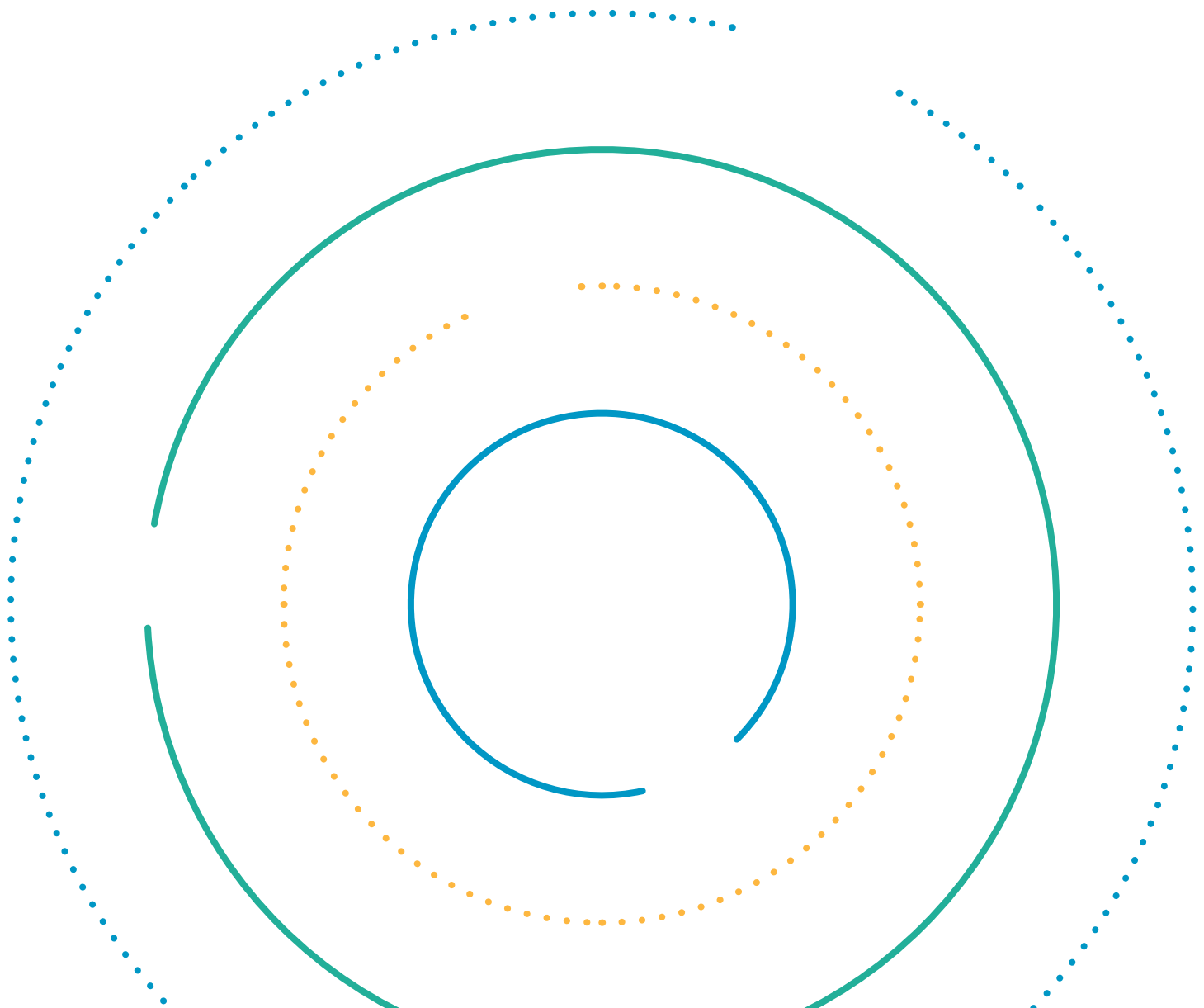
The following guidelines are proposed as a starting point and will be adapted once we have benchmarking information from the first sets of calls on usual development costs to ensure an appropriate spread of ratings. Once we have further benchmarking information we can consider sectoral/innovation type scoring guidance.

| -2 Very expensive | -1 Expensive | 0 Neutral/middling | +1 Cheap | +2 Very cheap |
|----------------------|-----------------------|-----------------------|---------------------|------------------|
| Over £1,000,000 | £500,001 - £1,000,000 | £250,001 - £500,000 | £100,001 - £250,000 | £100,000 or less |

Costs of use

If it works as intended, **will the innovation be cheaper than existing solutions?**

| -2 Much more expensive than existing solutions | -1 Somewhat more expensive than existing solutions | 0 About the same as existing solutions | +1 Somewhat cheaper than existing solutions | + 2 Much cheaper than existing solutions |
|---|--|--|---|---|
| The innovation is substantially more expensive to use than current solutions (approximately 25% higher or more) | The innovation is likely to cost more than existing solutions to use | Costs for the innovation are expected to be similar to those of existing solutions | The innovation is anticipated to offer moderate cost savings to use over existing solutions | The innovation is expected to cost substantially less to use than current solutions, considering all relevant cost components (approximately 25% cheaper or more) |





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ABOUT ELRHA:

We are a global organisation that finds solutions to complex humanitarian problems through research and innovation.

We are an established actor in the humanitarian community, working in partnership with humanitarian organisations, researchers, innovators and the private sector to tackle some of the most difficult challenges facing people all over the world. Through our globally recognised programmes, we have supported more than 200 world-class research studies and innovation projects, championing new ideas and different approaches to evidence what works in humanitarian response.



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