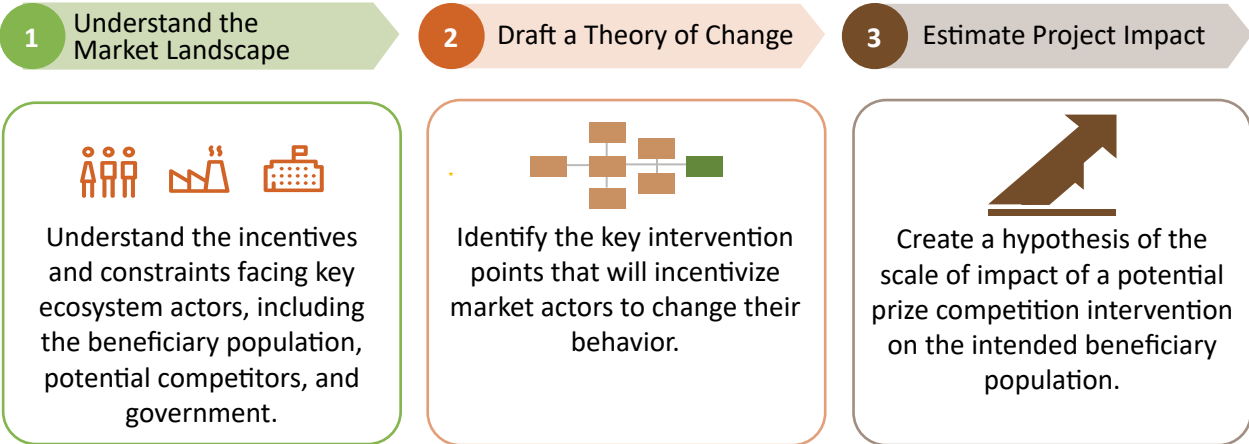


*This brief provides a high-level overview of Analyzing Feasibility, the second phase of AgResults’ Pay-for-Results prize competition design process. For step-by-step instructions and detailed guidance on all five phases of design, check out [AgResults’ Pay-for-Results Prize Competition Toolkit](#).*

## IMPACTFUL DESIGN AT A GLANCE: ANALYZING FEASIBILITY

In the second phase of prize design, designers perform an in-depth analysis to assess the concept’s viability. Here, designers conduct research on relevant market systems, specifically focusing on understanding target beneficiaries, government and donor activities, and key private sector actors. This research allows designers to (1) articulate a theory of change to project how a prize competition can achieve systemic change and (2) reasonably estimate impacts for the proposed competition to decide whether to proceed with its implementation.

AgResults analyzes potential prize feasibility using three steps:



**Step 1 Understand the Market Landscape**

To begin the feasibility analysis, designers conduct in-depth research on key actors to learn about market failures, stakeholder motives and relationships, and appropriate points of intervention. The purpose is to assess if target beneficiaries would be motivated to take up a development-oriented solution, if a market actor could profitably provide that solution, and if government priorities and policies support related activities.

**Research Methods**

Like concept sourcing, analyzing feasibility is best conducted using a mixed methods research approach that begins with desk research — including academic literature and donor and government reports — and expert interviews, and then proceeds to field engagement of market actors.

**Target Beneficiaries**

Designers need to research target beneficiaries’ economics, demographics, relationships with the market, and interest in potential prize competition solutions. These topics reveal beneficiaries’ constraints and possible opportunities for prize-based engagement.

Key research topics for target beneficiaries may include:

- Beneficiary production activities and scale
- Beneficiary economics in a target value chain or production activity
- Existing market relationships
- Interest in and awareness of solutions (e.g., products or approaches with a positive impact)

## Competitors

Designers should understand the pool of potential competitors, typically private sector actors with the capacity to interact with target beneficiaries and to generate economic returns profit by achieving the prize’s objectives. This helps designers determine competitors’ potential motivations and their viability.

Key research topics for possible competitors may include:

- Interest in the competition
- Product portfolios and customer populations
- Market barriers and constraints
- Impact of potential prizes on their economics

### Aligning with Current Vaccine Registration Processes



The [AgResults Foot-and-Mouth Disease \(FMD\) vaccine prize](#), which incentivized animal vaccine manufacturers to develop and distribute high-quality FMD vaccines tailored to East Africa, benefited from new multi-country vaccination registration processes that accelerated manufacturer access to multiple markets. The prize design used this multi-country registration option to align with competitors’ motivations to get their vaccines to market faster and gave them a larger market in which to sell.

## Government

Designers should understand how governments can affect competition viability based on their policies toward a market segment or target beneficiaries. AgResults analyzes the policy and regulatory environment and aims to implement only when government policies are neutral-to-supportive (i.e., either do not address the issue at all, or they support the issue).

Key research topics for government may include:

- Development challenge awareness and objectives
- Relevant regulation and taxation
- Competing grant activities
- Potential synergies with policies

### Step 2 Draft a Theory of Change (ToC)\*

With a better understanding of the market, designers can draft a Theory of Change (ToC) to articulate the assumptions and linkages that could enable a prize to change the market system. A clear ToC helps designers to closely validate and pressure-test each assumption and causal relationship in the mapped market system before determining a more detailed prize structure. AgResults uses a five-step approach:

- 1. Define project goals and scope:** Designers must articulate the project’s anticipated high-level impacts, which should align with the designers’ original objectives for a prize competition.
- 2. Create a situational model:** A situational model represents the current drivers (factors that allow or prevent outcomes) and causal relationships that prevent the intended impacts and outcomes.

*\*For more details on developing a Theory of Change and for examples, check out the “Analyzing Feasibility” section of the [AgResults toolkit](#).*



3. **Identify key intervention points:** Looking at the situational model, designers should determine the intervention point(s) where the prize competition could flip or positively influence the drivers, creating a causal chain that could lead to a positive outcome.
4. **Project causal changes due to intervention:** After identifying key intervention points, designers should outline how interventions could improve outcomes within the situational model. This transforms the situational model into a Theory of Change, defining the logic of how specific, targeted interventions will drive broader impact.
5. **Define potential payment and outcome indicators:** After articulating the ToC with causally linked drivers that lead to intended outcomes and impacts, designers can determine the competition's potential payment indicators (outcomes or results that the competition can measure) and outcome indicators (if the competition achieved its goals).

### Step 3 Estimate Project Impact

In the third step, designers must estimate the project's individual, population, and intangible impacts based on assumptions about potential participation and expected market penetration. This will illustrate the anticipated impact of the prospective prize to funders.

- **Individual-Level Impacts:** Individual-level impacts estimate the per-unit or per-person benefit of an intervention and can gauge economic, health, nutrition, gender, and security measures.
- **Population-Level Impacts:** Designers can estimate population-level impacts by multiplying the individual estimate by the projected number of solution adopters, illustrating the project's potential market penetration.
- **Intangible Impacts:** Some project impacts, such as policy, social, or market changes caused by a competition, may be challenging to estimate beyond the brief timespan of a competition, but designers should still consider them when gauging the value of a prize design.

Designers should model project impact estimates early and use those estimates to inform whether to proceed or to re-envision the project in a way that would be more impactful. This information can also show competition funders what the development return on investment would be.

#### Individual-Level Impacts in Indonesia

For the [Indonesia prize competition](#) that incentivizes adoption of improved aquaculture inputs such as aerators and automatic feeders, AgResults used competitor interviews and academic research to understand the individual-level economics of farmers and the per-unit productivity and potential income benefits of each input. Then, they used data on average farm size to estimate the number of inputs that an average household could buy.



#### Wrap-Up

To analyze a prize's feasibility, designers conduct deeper research into a potential competition to assess if the concept has merit to proceed to a prize structure. The feasibility analysis builds on initial findings from concept sourcing so that designers can assess the prize concept, the likelihood of success, and the value of pursuing the prize. In this phase, designers develop a thorough understanding of actor motives and interest, a well-articulated Theory of Change, and an initial estimate of potential prize impact.

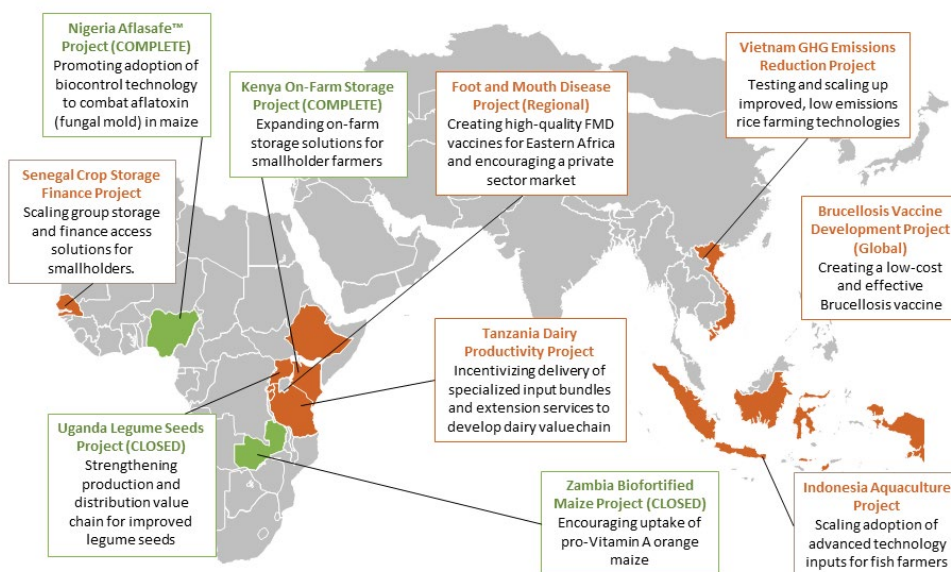
*Want to learn more? For step-by-step instructions and detailed guidance on all five phases of design, check out [AgResults' Pay-for-Results Prize Competition Toolkit](#).*

## 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>



AgResults is a partnership between:



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