



## The rise and fall of innovation labs in the aid sector

By Tamas Wells  
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“Innovation” has become a hugely popular word in the humanitarian and development sectors over the last 10 or 15 years. And amongst NGOs, UN agencies, and bilateral and multilateral agencies there has been an explosion of new innovation “labs”, “units”, and “spaces”. In Australia, for example, we saw the establishment of [DFAT’s innovationXchange in 2015](#), championed by then Minister for Foreign Affairs Julie Bishop.

Leaders around the world enthusiastically spruiked the potential of labs to transform development and humanitarian aid approaches, whether through new partnerships (especially with the private sector), adoption of new technologies, or through new ways of working with target communities. In what may have then been the apex of enthusiasm about innovation, the [World Humanitarian Summit in 2016](#) made “transformation through innovation” one of four key themes.

Several UN agencies were early adopters of the lab model. UNICEF initiated a dedicated innovation unit in 2007, and then expanded the number of its innovation labs around the world to 14 by 2015. And in 2016, the Global Humanitarian Lab was launched – a partnership of UN agencies and NGOs designed to “incubate, make and accelerate innovation to address humanitarian needs”.

Showing the excited mood of the time, the [report launching the Global Humanitarian Lab](#) said that “amidst a growing flurry of activity and interest” the idea of the lab “got sticky and attracted supporters, big and small, from all sectors, thrilled by the potential of change and the opportunities to leverage”.

Bilateral agencies also joined the rush. USAID started a Global Development Lab, Australia’s DFAT opened the innovationXchange, and the International Development Innovation Alliance was formed as a collaborative platform between a number of OECD bilateral donors, NGOs and the Bill and Melinda Gates Foundation. The UK, Netherlands and Norway also supported a new innovation grant-making facility called the Humanitarian

Innovation Fund.

At the point of [“peak lab”](#) there were hundreds of innovation units in aid agencies around the world.

Yet in the last five years the idea of innovation labs has dramatically lost its shine. Many of the labs so prominently opened a few years ago have now been quietly closed or absorbed into wider agencies. Early adopter UNICEF no longer has any reference to its innovation labs. The “flurry of activity and interest” around the Global Humanitarian Lab lasted only two years before it closed. USAID and DFAT dissolved their labs. And many other aid innovation units have also closed their doors.

While there have been few press releases about this dramatic fall of innovation labs, exploring the story of labs is important in understanding the dynamics of, and obstacles to, innovation in the aid sector. Why did leaders in the humanitarian and development sectors so strongly advocate for the creation of labs, and then so quickly abandon them? Looking at the trends in these agencies, there are a few key factors that help to explain the rise and fall of labs.

The first is the influence of hierarchical administrative culture in large aid agencies. The everyday headwinds of bureaucracy present both opportunities and challenges for innovation labs. On one hand, excessive red tape and bureaucratic processes are identified by leaders as a barrier to more effective aid programs. Incremental change in a wider agency is difficult and the idea of having a separate unit that can “innovate” more easily is an attractive one. Yet this is the [“radical’s dilemma”](#) – once you start a new separate initiative it can become isolated and end up having little impact on the wider agency. Ultimately, the isolated lab becomes an easy cut in the next budget round.

Second, initiating an innovation lab often requires strong political patronage from leaders. Innovation labs may cut against the grain of usual bureaucratic processes and therefore are dependent on strong support from key influencers, such as the backing Julie Bishop gave to Australia’s innovationXchange. But this patronage contributes to the vulnerability of labs when the leadership changes. The innovationXchange did not last long after Bishop stepped down from the minister role in 2018.

Finally, it is important to recognise the role of innovation as a [“magic concept”](#) – an idea that has powerful appeal but which is also highly ambiguous in its meaning. Everyone can easily be a supporter of “innovation” – which allows lab initiatives to flourish – but it is not always clear to everyone what “innovation” actually means. Innovation could mean new private sector partnerships or a new app helping with food security or use of a method such

as co-design. Each of these might appeal to different people but it leaves uncertainty in overall expectations about the impact of an innovation lab.

Bureaucratic culture, political patronage and innovation as a “magic concept” allowed innovation labs to flourish in aid agencies, but these same things also led to their vulnerability, and eventual fall. Rather than just sweeping this rise and fall of labs under the carpet (or beanbag), as many agencies seem to have done, more critical reflection of the promise and limits of innovation in aid agencies might help in navigating the next big trend in the sector.

*This blog is based on a recently published article in Third World Quarterly “[Bright, shiny, inconsequential? The rise and fall of innovation labs in the aid sector](#)’ by Tamas Wells.*

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