Proportional Prize Rewards for Innovation in African Agriculture:
One Page Summary*

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Objective: To showcase innovations that create value, alleviate poverty and sustain economic growth in Africa, through prizes paid in proportion to measured gains from the adoption of new techniques for agricultural production, processing, storage or transport.

Approach: A fixed sum would be divided among a portfolio of winners, who would earn a share of the prize fund by submitting data from at least one controlled experiment and at least one adoption survey, documenting the value of a specific technique as it spreads. Applications would be invited from any private firm, public agency, NGO or partnership able to demonstrate the value of any proprietary or public-domain innovation which they helped to develop and disseminate. The sponsor would employ an independent secretariat to solicit submissions, audit the data, and compute measured value. Prize rewards would then be paid to each applicant in proportion to their share of total measured gains.

Results: Prize payments would provide a uniquely powerful signal of success, rewarding and recognizing new technologies in proportion to their value for African households. Winners would attract additional adopters and new investment in similar approaches, through the private sector for some innovations and in the public sector for others.

Rationale: Africa is the region with the greatest need for new farm technologies, and the least information about what actually works. Accelerating innovation will require much more credible signals about which techniques are best for whom, and how they achieved success. Prize rewards paid proportionally to measured value would offer a level playing field through which private firms, public institutions and partnerships of all kinds can demonstrate impact and attract additional adopters, investors and political support.

Magnitude: Prize payments will be a very small fraction of winners’ revenue and of total spending in the sector. The minimal feasible scale of payments is probably two annual cycles of US$1 million in rewards, for all of African agriculture, which would cost an additional $500,000/year to administer in a transparent and credible manner. A more impactful and cost-efficient scale of awards would be two annual cycles of $10 m. in rewards, with administrative costs of under $1 m. per year.

Implementation: The sponsor would choose a name and a host secretariat to implement the program. The administrative budget would be sufficient to hire specialist staff, who would work under the oversight of an independent Executive Board appointed by the sponsor.

* A more detailed document on this proposal, entitled Accelerating Innovation with Prize Rewards (December 2008), is available online at http://www.ifpri.org/publication/accelerating-innovation-prize-rewards. Background on the status of innovation in African agriculture is in “Paying for Prosperity: How and Why to Invest in Agricultural R&D for Africa”, Journal of International Affairs 58(2), 2005. New research includes laboratory experiments, as documented in a new paper “Entry into Winner-Take-All and Proportional-Prize Contests: An Experimental Study” (Jan. 2010). Funding for the development of this initiative came from the Andrew S. Adelson Family Foundation and the International Food Policy Research Institute.

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