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Contingency plan

DRA Innovation Fund – 121

By Dorcas, Tearfund, Red een Kind, Netherlands Red Cross, and partners

Background

The 121 DIF project is intended to be a disruptive innovation that changes the way the Humanitarian sector implements cash programming. With the **121 platform**, we aim to **make Cash Based Aid safe, fast & fair**, to help people affected by disasters meet their own needs. We Co-design with People Affected by disasters, Aid Workers and People Donating, and use robust and available technology to create the solutions needed. Key features of the 121 system are Privacy by design¹, end to end traceability of funds, avoiding aid duplication, digital identity and having people affected be the owners of their data and decisions.

The 121 platform is developed together with **several consortia** (DIF, GSMA, Ikea Foundation, Red Cross), of which the DIF consortium is one. Together these consortia provide the user insights, the development and consultancy capacity, and several testing and piloting locations. The 121 platform is now in research & development phase and is **planned to go into a development & implementation phase from 2021 onwards**. The Netherlands Red Cross is already committed to implement 121 in the NL itself, and with the DIF consortium we are exploring further development & implementation with DRA partners, for instance through the upcoming DIF scale up fund.

The DIF 121 innovation project is part of a bigger journey towards the realization of the 121 vision. In 2019 and 2020 several funding opportunities were available to support the further development and scale up of 121. One very strong requirement for all these donors is to **show that the innovation is tested and evaluated**. To improve access to funding it is therefore important to **complete the innovation cycle** of the DIF project as planned in 2020 and get user insights and learning from the project before the end of 2020, and to build momentum with the consortia and donors.

Although the 121 innovation process was a real challenge for all members, we are proud to have reached the main objectives of the DIF project, such as the involvement of people affected, aid workers and donors in designing 121, the development of the humanitarian organisation platform and the registration app for people affected and validation modules for aid workers. The final step is to test the 121 platform with users and gather user insights needed for the further development and scale up.

The situation

While gearing up for the two DIF pilots, planned for July in Malawi and Ethiopia, the **Covid-19 pandemic** started. This has led to **national and international restrictions** that significantly reduced the feasibility of the pilots in the current setup. Additionally, the consortium members staff were retasked to meet immediate needs for this unprecedented event. This has set back the projects a few months.

¹ Privacy by design is an approach to develop systems where privacy is the default, embedded into the design by a user-centric approach. In other words, it is not patched on top of a system at the end but ingrained in the system.



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Several go-no-go moments were held by the consortium to evaluate the current situation and feasibility to postpone the pilots to September. However the **unpredictable** COVID crisis in Europe and the African continent and the **prolonging international travel restrictions** by our organizations and **local Covid-19 regulations** have led the consortium to believe that further postponing the pilot will not result in a feasible pilot in 2020. As mentioned above, it is the strong commitment from the consortium to finalize this project in 2020 and not further extend.

To further complicate the matter **Disberse**, the subcontractor that delivers the financial components of the 121 system, informed the consortium that they **can no longer participate** in this consortium as they need to cease business operations from July onwards. Disberse has not been able to secure their next much needed investment round. This means that donation channels and Financial Service Providers (**FSPs**) **will not be integrated** and end to end traceability will be further reduced (throughout the scope was already revised due to technical limitations). Disberse held most contacts with FSPs which was a difficult and arduous process, due to limited technical capacity of local partners and the FSPs itself. Additionally Disberse has been unable to handover any technical integrations, making it unlikely any integration of our systems can happen in the short term.

Scenarios

To deal with these two setbacks the consortium discussed the following 5 scenarios:

Scenario 1: Implement the pilots as planned in September in Malawi and Ethiopia

implementing the pilots as planned in September is not feasible due to international travel restrictions, security issues, lack of integration with last mile providers and local Covid-19 restrictions (scenario 1).

Scenario 2: Delayed pilots in country into 2021 or later

Further postponing the pilots in 2, or possibly only 1 country is not an option because

- 1) there is no real alternative partner nor budget to replace Disberse in the project and therefore the integration with FSPs is unlikely to happen within the scope of this DIF project.
- 2) the consortium needs the user insights to plan beyond the DIF project
- 3) the development budget has already been spent and any extension would seriously jeopardize the availability of the crucial technical teams needed to lead and support the pilot.

Scenario 3: No pilots, only functional technical tests, with a test user group

The consortium is committed to learn from how human centered design insights translate into digital innovation, and involve real people in need to test and accept the innovation. We do not believe that merely technical testing, nor testing on a target group without humanitarian needs, will give the innovation the credibility needed to move into the next phase of the innovations. Therefore+ the consortium is not willing to implement this scenario.

Scenario 4: Implement the pilots with on distance support and training

The first-time deployment of such an innovative system will have to be well prepared on site. Local teams need to be trained, user acceptance testing designed and implemented, and technical support delivered on site. Arrangements made with FSP's will have to be done in person by the technical team, as we learned remotely connecting with them is leading to no, or slow, progress.

As such, a skilled team, preferably deeply familiar with the system, should be in place when doing the pilot to be able to quickly troubleshoot and re-test the system in the local environment. In other words



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we need some sort of technical support on the ground. Additionally, to ensure that the innovation is properly tested and insights are acquired for the further development and scale up it is required to have a team experienced with user testing on site, to capture all the learnings through user acceptance testing (UAT)². Doing this remotely would require a dedicated local team experienced with user testing who have to learn what assumptions went into the system, understand the concepts behind the system and execute the framework. In both Malawi and Ethiopia this specific expertise is not available with the local partners.

All these things combined, the consortium does not think it can deliver a pilot remotely and get the insights needed to bring this innovation beyond the pilot phase.

Scenario 5: Pilot as planned in a new humanitarian context, with no access and integration challenges

To mitigate the challenges and blockers of the above 4 scenarios the consortium has searched for a pilot opportunity in another country. **The consortium is dedicated to implement the 121 pilot in the Netherlands.** The Netherlands has become under the pandemic outbreak a good testing ground for a digital solution such as 121. The humanitarian needs are currently clear (see target group), the digital literacy is high and the smartphone technology is abundant. The consortium partners have full control and influence over how the pilot is implemented, there are no travel restrictions and user acceptance testing can be implemented by the DIF 121 innovation team itself. The technical teams and evaluators can all be on site and this will greatly enhance our ability to learn and improve the 121 system.

The Plan

Target group

For the pilot in the Netherlands the consortium identified a target group that 1) fits the requirements to properly test a digital solution; 2) has clear humanitarian needs, and 3) would produce learnings that would also be valuable in international contexts. After an elaborate consultation process with aid workers and persons affected, this target groups has been selected to be the **LVV-waiting list of Amsterdam municipality**. LVV stands for 'Landelijke Vreemdelingenvoorzieningen' ('National Immigration Facilities') and is a **pilot of the Dutch government** (Ministry of Justice and Security) in collaboration with five municipalities and local aid organizations to set up a nationwide network of shelter and counselling facilities for foreign nationals without a right of residence and without entitlement to the central reception facilities (Rijksopvang). The aim of the LVV is to find sustainable solutions for these people by guiding them to assisted voluntary return, onward migration or, if appropriate, legalization of residence. As the only municipality of the five in which this initiative is piloted, Amsterdam has a waiting list for the LVV. People on this waiting list (**about 250-300 persons in July 2020**) have already been identified to be onboarded into the LVV, but due to the limited capacity of the LVV this group has to wait until receiving the formal support. During this waiting time their humanitarian needs are extremely high, with no access to primary needs.

A series of co-design sessions held with the target group (about 50 sessions in total) has given the consortium a good understanding of the vulnerability and needs of the target group. This includes access to shelter, health services and protection information. It also made clear that COVID-19 has aggravated the already harsh conditions for these people. In addition, the co-design sessions have been used to get insight in feasibility and acceptance of the 121-concept for this target group, e.g. by

² UAT is a methodology used to learn and improve digital products. NLRC/510 has developed its own framework for testing this based on methodologies from the tech sector.



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asking about their use of mobile phones and access to internet, and their willingness to register for support through a digital platform. These insights have been crosschecked with relevant aid organizations. These interviews univocally **underlined the relevance of the pilot for the selected target group**. All three aid organizations interviewed in Amsterdam, as well as the municipality staff in charge of the LVV-Amsterdam, recognize the 121-pilot as an opportunity to provide much-needed emergency support to a group of very vulnerable people to bridge the gap to the formal support programme (LVV) (this stems from both a humanitarian perspective and from the aim to increase the success of the LVV pilot, as it is expected that the support will contribute to a better mental and physical condition of the target group, which increases their receptiveness of the future-oriented LVV support). They are also interested to learn from the digital innovation and have proven to be very supportive in sharing information and experience regarding their own support mechanisms for this target group to support a successful pilot.

Targeting the LVV-waiting list makes that the pilot has a well-defined and identifiable target group. By providing better information on COVID and referral information of where to get support (especially on shelter, health, protection and legal issues) and small cash grants for emergency needs, people on the LVV waiting list will be more capable to make it through this period.

Link to international humanitarian needs

The selection of the target group creates a link with the **migration and development nexus** that internationally has been receiving increased attention and support from governments, donors and aid workers. Since migration is one of the biggest humanitarian challenges, we are confident that a pilot with this group will give rich insights into **how migrants in our international programs can be better supported** with privacy by design, and direct, cash support and information systems. This will help us to create a more targeted use case for the 121 system, that we can further develop and scale in the next years. One of the other 121 consortia is testing with undocumented migrants (amongst others) in **Kenya** and this creates a strong link between insights from working with this group in the NL and in **other international humanitarian contexts**.

Sustainability & Scale up

Contrary to the planned pilots in Malawi and Ethiopia, the pilot in the Netherlands will exist beyond the scope of the pilot, in the operations of the Netherlands Red Cross, which is committed to at least support these people in humanitarian need for a period of 7 months. If successful the system will be **embedded in the core services of the organization**. This outcome will be much more impactful than we could have hoped for in the 121 DIF project.

For the DRA testing of the system with actual users is critical as preparation for possible scale up. After a successful test in the Netherlands we will use the lessons learned to prepare a scale up that could involve further development and implementation in for instance a **DRA joint response**. This can contribute to the **strategic focus of the DRA for cash based programming**. Having the option to scale 121 in the Netherlands provides a better ground for scaling up outside of the Netherlands.

We also believe that due to the COVID pandemic most countries will more **rapidly develop their digital infrastructure**, allowing more people to be connected over the next years. This trend will provide a **better ground for implementing 121 in other humanitarian contexts**, by using the Netherlands now as an example of how it could work in other countries in a few years' time.



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The consortium is committed to properly close the pilot efforts in Malawi and Ethiopia. Insights from both countries can be used to plan beyond this DIF project. After the COVID pandemic, the grounds for a renewed program in Ethiopia and Malawi will be much better.

Pilot in the Netherlands – what and when

The feasibility study of the pilot in the NL has been completed. The consortium believes the feasibility to deliver the NL pilot is high. The current plans are to deliver the pilot in November 2020, for a period of 3-4 weeks, in order to finalize the project before end of 2020.

Modules to be tested

- Self-registration module for people affected
- Referral system for protection, health and shelter
- Validation module for aid workers
- Humanitarian organization portal for project managers

the pilot will also test digital vouchers disbursement for people affected that can be used to buy emergency needs (e.g. food, hygiene products). This is however outside the scope of the DIF project.

Additional research done by DIF

- Validating donor interest for direct donations into 121, using a mock-up donor interface. Dorcas will select a test panel of private donors to test and validate donor interest for direct donations and end to end traceability using a mock-up donor interface.

The final go for activating this contingency plan is with the DRA, with support of the Ministry of Foreign Affairs.

Subsequent actions that will follow

- Further refinement and pre-testing with end-users
- Integrate with digital voucher provider in the NL (outside scope DIF)
- Develop a new testing plan for the pilot in the NL
- Gather and translate information about key protection and social service provider
- Gather and translate information on covid-19 in the NL
- Implement in country contingency plans in Ethiopia and Malawi, and agree on involvement in learning process.
- Revise budget and logframe and request approval
- Design and implement research to test with private donors the donation interface and storytelling around direct donations to people affected
- Select donors to participate in test panel

Budget implications

The proposed change to an NL based pilot will be done cost-neutral to the requested project budget. The consortium does foresee additional costs to implement the contingency plan, mainly on development costs and resourcing the pilot organizing team. However, these additional costs will be covered by the consortium itself through rearranging the existing budget and an additional budget of 100-150k euro made available by the Netherlands Red Cross from unearmarked funding, mostly spent within the same timeframe of the DIF project before end of 2020. Dorcas will work with consortium partners to revise the budgets and logframe and will submit a revised budget and logframe to the DRA's IWG.