

## DIF CALL 2018 – FULL PROPOSAL TEMPLATE

NOTE: Complete in Calibri 10 with single line spacing. Textboxes have an entry # limit. See the Guidelines of the DRA 2018 call on Innovation for further instructions and details for scoring.

### 1) Main Details & Threshold Criteria (no max # of entries, however keep it brief)

a) Name of project Innovation:	121 (one-to-one) personal cash aid
b) Name of DRA member:	1: Dorcas 2: Red een Kind 3: Tearfund
c) Contact person for innovation (tel./E-mail)	Anton van Wijk 0622001988 <a href="mailto:a.vanwijk@dorcas.nl">a.vanwijk@dorcas.nl</a> Skype: anton.dorcas
d) Name of Lead Applicant, Co-Applicant(s) and other Parties	Lead applicant: Dorcas Co-Applicant: Red een Kind, Tearfund NL Other Parties: Netherlands Red Cross - 510 (Core consortium partner) Tykn, Disberse, PWC (Private sector) TU Delft (Knowledge institute) DCHI (Innovation expert, in kind support) Local partners: Red Cross Malawi, Eagles, SOLDEV
e) Total budget amount (Incl. ICR)	€795.855
f) The thematic area of your innovation: (Smart Use of Data, Cash Programming, Safety & Protection – choose 1)	Cash Programming
g) Is the proposed innovation new for the humanitarian sector? (Yes/ No). Please briefly explain	Yes it is new. There are a number of other cash initiatives that partly resemble the innovation. All are either by the private sector or focussing on only part of the cash delivery chain. This innovation is the only humanitarian led, people centric, fully end-to-end open source cash initiative.
h) Type of innovation (product/ process/ position/ paradigm)	The innovation proposes a shift for humanitarian organizations from leading to facilitating access to aid (a paradigm shift), by introducing a people centric system (product) that will need humanitarian organizations to change their processes (process).
i) Phase of innovation	Phase 2: Piloting
j) Proposed project duration in months	24 months

## 2) Relevance

### A. Description of the context and problem statement (analysis) (max 2000 entries, inclusive spaces)

The [Grand Bargain](#) struck at the World Humanitarian Summit noted that Cash Based Assistance (CBA) “helps deliver **greater choice and empowerment to affected people** and strengthens local markets”, and explicitly called for the sector to “**invest in new delivery models**” which can be increased in scale while identifying best practice and mitigating risks in each context.”

There has been slow progress in developing and deploying these new delivery models, which can be attributed to three challenges: **scale, coordination, and risk mitigation**. Scale is **limited** by the **capacity** of humanitarian organizations to target and monitor transfers, as well as reliance on often **inadequate delivery channels**. Coordination is made difficult by the desire of many different humanitarian organizations to deliver CBA through **different channels**, as well as **potential overlaps with social protection schemes**. These two issues combined with technical challenges (such as **lack of interoperability**) increase privacy and protection risks for beneficiaries, who are not given the control and capability to mitigate those risks.

In the two pilot countries of Malawi and Iraq, many people lack formal identification ([Malawi 21%](#), [Iraq >50%](#)), are unbanked ([Malawi 82%](#), [Iraq 89%](#)) and have limited access to mobile networks ([Malawi 60%](#), [Iraq 19%](#)). Apart from this, the two countries present very different national cultures and humanitarian profiles: Malawi is a low technology penetration country, in which food insecurity is expected for [1 to 2,5 mln people](#) in the 2018/19 lean season; Iraq has much higher technology penetration, but a conflict setting in which [8,7 mln people remain in need](#). Both countries have ongoing CBA programmes which are delivered in different ways, but both face obstacles to [scale](#) and [efficiency](#). Their commonalities and contrasts provide a perfect opportunity to test a new CBA approach that addresses the three challenges described above and provide faster and safer cash support to people in need.

### B. Describe your innovation. (max 2000 entries, inclusive spaces)

121 (“one to one”) is a shared **cash delivery platform** designed as an **open-source [software stack](#)** which integrates 6 components:

1. A blockchain-based [self-sovereign identity](#) module which gives people in need control over their own digital identity, while being portable between organisations
2. A **kernel system** that applies [algorithmic decision-making](#) which validates people’s needs and allocates cash transfers based on a vulnerability assessment
3. A blockchain-based fund management platform which delivers **low-cost and fully-transparent international transfers**
4. A blockchain-based **common cash ledger** that optimises for coordination, recording the details of cash transfers while optimising anonymity for people in need and transparency for donors
5. Context-specific **donation and payment options** will plug in to the platform (e.g. online donations, cashout points at exchange offices and mobile payment platforms like [Airtel](#) for people in need)
6. Integrated **protection measures** through linkages to **existing referral systems**

Market research has identified initiatives that also aim to optimize cash delivery; however they are either **proprietary** (e.g. Sempo, WFP Building Blocks), focus on only a **part of the funding chain** (AidCoin, LittleBitz, Aid:Tech, RedRose) or are **not designed for humanitarian aid** (GiveDirectly).

This innovation drives humanitarian cash programming by creating a **common platform** that can scale **globally**. It **disintermediates** the sector: connecting **donors directly to people in need** and creating **new roles for local organisations** in inclusion and validation of people in need. It integrates [regulatory and technological developments](#) to promote **financial inclusion** and explores new ways to include “**offline**” **communities**. The goal is to provide more efficient, effective, faster and safer cash support for people in need. This will be achieved through a **co-design** approach which incorporates the perspectives of **service**

providers, governments and disaster-affected communities.

**C. Explain why your innovation is relevant for the humanitarian sector, why it fits the chosen theme and why it fits the chosen phase? (max 2500 entries, inclusive spaces)**

This innovation is designed primarily to support **people in need** more efficiently by connecting them directly with donors, at the same time giving them increased control of their data to **mitigate their privacy risks**. The **scale** and **coordination** of CBA programs can be improved significantly through the use of the platform, while automating allocation and distribution functions will **reduce workload** for humanitarian staff so that they can focus more on providing value-added services (such as protection) to the **most vulnerable**.

This innovation addresses several of the themes laid out in the Grand Bargain, to which the DRA members, Red Cross and Ministry of Foreign Affairs are committed:

- **Increase the use and coordination** of cash based programming: the platform will be open source and available to all, providing a shared and safe tool to coordinate cash distributions
- **Reduce duplication and management costs**: the platform will improve efficiencies by applying new technologies that reduce administrative tasks and enable risk free data sharing
- **Greater Transparency**: the platform will provide more reliable data, better analysis and more granular insight, and will be compatible with IATI and other reporting standards
- **Include people receiving aid in making decisions**: cash distributions increases people's autonomy and dignity, while self-sovereign identity increases their control over their data
- **Enhance engagement between humanitarian and development actors**: the platform will be interoperable with and support e.g. state-provided social protection programs

Cash is the focus theme; however the three DIF themes are **strongly linked** and this innovation seeks to integrate them into a single intervention. While **cash programming** is the delivery modality, the backbone of the platform is the **smart use of data** and this project is one of the few where both **physical and digital protection** concerns will be integrated into the platform.

This innovation bridges Phases 1 and 2 of the DIF categorization, with the emphasis on Phase 2. **Extensive research** has been done and several components of the platform have already been **developed** (including the self-sovereign identity and [fund management](#) components) or partially developed (the kernel system which handles cash programming). Funding is therefore needed to **integrate** the components successfully, to **pilot the full end-to-end platform** in Malawi and Iraq, **gather evidence from the field** and design a **scale up strategy** for the diffusion phase.

**D. Relevance of the proposed innovation to the beneficiaries/ staff from humanitarian actors (max 2000 entries, inclusive spaces)**

**Beneficiaries**

Beneficiaries will **access life-saving cash support much faster** with **less bureaucracy** since they will not have to register with multiple NGOs to access aid services. They will instead **register** and prove their identity **only once** using a phone or terminal and create a **protected digital identity**. NGOs will support **connectivity** and **registration of the (digital) illiterate**. The digital ID will enable them to opt in to services from a range of organisations by providing information about their vulnerability which is validated by peers or trusted organisations. **Beneficiaries control** what information they share and with whom, which will increase their **security** and **autonomy**. They will face **fewer protection risks** because of **less travel for registration** and **less uncertainty**, since they will receive immediate feedback on their eligibility through a transparent algorithmic component. This is followed by distribution of cash through a payment solution suitable for their context (e.g. mobile money, exchanges offices, MFI's) so they can **buy life-saving goods and services**. Summarized the beneficiary relevance is:

1. *Faster life-saving support*
2. *Reduced travel/admin*

3. Increased control/risk mitigation

**Staff**

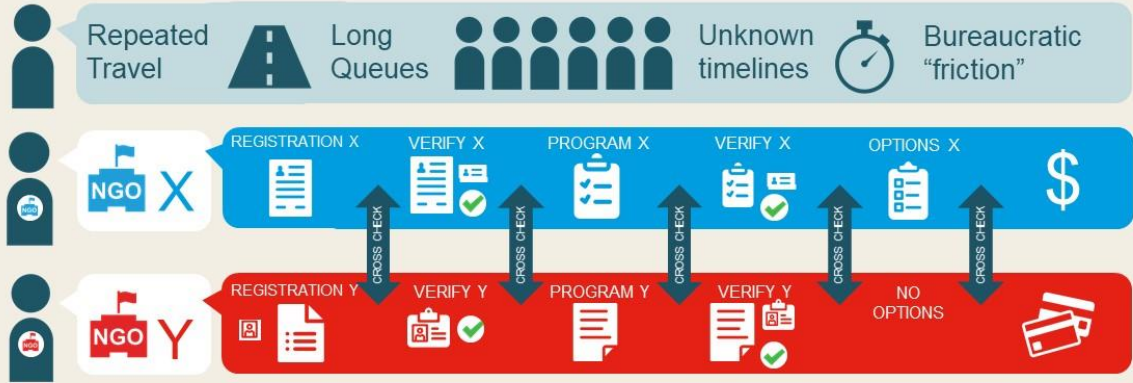
Staff will be freed from many **administrative functions**. The bulk of the registrations/cash distributions will be handled by the system, directly with the people affected, in their own language. This will **reduce errors** and **free staff time** to **focus on providing value-added services**, such as protection, coordination and supporting inclusion and registration of the (digital) illiterate. The security features of the system – particularly the distributed storage of data and the control over that data by beneficiaries - will enable staff to operate with **more confidence** in an increasingly regulated and risky space of data management. Summarized the relevance for staff is:

- A. Reduced duplication/better coordination
- B. Increased efficiency/scale
- C. Improved humanitarian services

## THE CURRENT EXPERIENCE

...of a person affected by disaster in search of (cash) support is challenging with each NGO having different steps.

...for NGO staff often means duplication of work in the field. Whilst Cash Working Group bring alignment, cross checking of lists adds time needed for admin.



## THE PROPOSED INNOVATION - 121



**BENEFICIARIES BENEFITS**

- 1 **Faster life saving support**  
To register I self-create a protected digital ID. (1, 3)
- 2 **Reduced travel/admin**  
I only need to prove my identity once. (2, 3)
- 3 **Increased control/risk mitigation**  
I apply to a NGO/ program of my choice. (3)  
I see the criteria receive direct feedback. (3)  
I choose how to receive aid. (2, 3)  
I decide how to spend the money. (1, 3)

**NGO STAFF BENEFITS**

- A **Reduced duplication/ better coordination**  
We let the system handle the bulk of registrations. (A, B)
- B **Increased efficiency/ scale**  
We are supported in handling sensitive data. (C)  
We have less admin and less cross checking of lists. (A, B)
- C **Improved humanitarian services**  
We have more time to focus on providing value-added services, protection, coordination & supporting inclusion & registration of the (digital) illiterate. (C)

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- E. For innovation in phase 1: Based on what evidence/learning did you identify this need? For innovations in phase 2 & 3: based on what evidence regarding your innovation do you want to proceed to phase 2 or 3? (max 1500 entries, inclusive spaces)**

The need for more and better cash based assistance has been clearly identified in section 2A. Over the past 18 months consortium members and research partners have researched, developed and tested different components of the innovation.

Research with Delft University on [Self-Sovereign Identities for Scaling Up Cash Transfer Projects](#) and with the Graduate Institute Geneva on [Managing Registration on the Blockchain](#) ensured that the perspectives of people in need were included in the initial system design. A minimum viable product was then developed by [TYKN](#), which has been tested in the Netherlands and is ready to be tested in other countries. A [Fair Distribution Algorithm for Cash Transfer Programs](#) was developed with the University of Amsterdam, which has already been tested successfully in Malawi and two more pilots in Ukraine and st. Maarten are planned for Q4 of 2018.

The [Disberse](#) fund management platform has demonstrated in pilots in Swaziland, Albania and Rwanda that aid transfers can be more transparently, more quickly (reducing time delays for international transfers), and at lower cost (eliminating intermediary charges and reducing foreign exchange losses). Extending this service to incorporate cash transfers to beneficiaries should bring additional efficiencies.

The novelty of these technologies requires multiple iterative development and piloting cycles, but the evidence shows sufficient positive results to pilot a full end-to-end platform in Malawi and Iraq in phase 2.

### 3) Innovation process

**A. Logic of intervention: what is the potential impact of the innovation, how is it life-saving? Please indicate the proposed outcome, expected outputs including indicator(s) and main activities (max. 2500 entries, inclusive spaces)**

<p><b>Impact</b></p> <p><b>Life-saving support</b> will reach people in need much <b>faster</b> than current CBA, enabling them to meet their needs <b>before</b> or <b>just after</b> the onset of a disaster, <b>reducing the disaster impact</b> and <b>helping communities to recover faster</b>. People will control their own data, <b>protecting their privacy</b> while still offering <b>transparency</b> to donors. <b>Local actors will play a key role</b> validating identities and needs, and offering complementary services. <b>Increased efficiency</b> through automating key functions will ensure <b>more value for money</b>, while the open source license makes the innovation <b>scalable</b> and <b>replicable to other contexts</b>.</p>	
<p><b>Outcome</b></p> <p>People affected meet their life-saving needs faster and have increased control, through direct support of donors, facilitated by NGOs, private sector and governments.</p>	
<p><b>Outputs/Indicators</b></p>	<p><b>Main Activities</b></p>
<p>1.1: 1 core system ready, piloted and accessible for DRA members 1.2: 1000 people registered in the system with a digital identity</p>	<p>1.1 Test protocols for beneficiary inclusion and validation of needs 1.2 Refine safe digital identity system 1.3 Optimize cash allocation algorithms 1.4 Co-design workshops in Malawi and Iraq 1.5 Pilot core system</p>
<p>2.1: 3 donation modules integrated 2.2: 1 campaign executed to raise funds for cash payments 2.3: 4 last-mile payment solutions integrated. 2.4: 2 successful pilots of end-to-end system in Malawi and Iraq 2.5: 750 people received cash transfers</p>	<p>2.1 Develop strategies for digital and financial inclusion 2.2 Integrate systems to transfers funds from donor countries to pilot locations (financial B2B) 2.3 Market assessments 2.4 User led design of donation modules and last-mile payment options (financial P2P) 2.5 Pilot end-to-end CBA platform in Malawi and Iraq</p>
<p>3.1: 1 open source license in place 3.2: 1 support group of donors, NGOs and developers established to facilitate sector wide acceptance and scalability</p>	<p>3.1 Develop and launch an open source license 3.2 Set up a support group</p>
<p>4.1: 1 study executed that identifies protection risks and proposes mitigation measures 4.2: linkages established to referral systems in Iraq and Malawi.</p>	<p>4.1 Research to ensure ‘Do No Harm’ and mitigation of protection risks 4.2. Link the system to complementary protection services in Malawi and Iraq</p>
<p>5.1 Learning and knowledge shared in the humanitarian sector and scale-up plan ready.</p>	<p>5.1 Technical and data responsibility review of the system 5.2 Evaluate and spread findings throughout the sector 5.3 Develop scale-up plan</p>

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### B. Timescales and planning (max 1500 entries, inclusive spaces)

The duration of this project is 24 months and the planning of activities is shown in the infographic below. The project will start with 3 days inception workshops with stakeholders to set scope for the pilot, pilot area and refine the planning. After that country and organization specific practices for inclusion are unified and translated into criteria. The identity protocols are reviewed with stakeholders (e.g. government department issuing identities) and cash amounts, number of instalments are unified and included in the algorithm. This is followed by a dry run of the core system and a data responsibility review. In the meantime market assessments and co-design workshops with beneficiaries take place to design the context specific last mile interfaces and strategies to ensure digital and financial inclusion. Protection research will be carried out and linkages established to protection services and referral systems. This is followed by the pilots of the end-to-end platform in Malawi and Iraq. At international level the open source license and support group will be setup and technical manuals and instructions developed. During the pilots lessons learned will be captured and spread throughout the humanitarian sector. Special attention will be given to the inclusion of the most vulnerable, quality control and testing and compliance with regulatory and legal frameworks. Finally a scale up plan is developed with the support group to be able to move to the diffusion phase.

Activity Planning 121																								
Year	2019												2020											
Month	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12
0.1 Project Management																								
0.2 Inception in NL, Malawi and Iraq																								
1.1 Test protocols for beneficiary inclusion and validation of needs																								
1.2 Refine safe digital identity system																								
1.3 Optimize cash allocation algorithms																								
1.4 Co-design workshops with beneficiaries in Malawi and Iraq																								
1.5 Pilot core system in NL																								
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3.1 Develop and launch an open source license																								
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4.2 Link the system to complementary protection services in Malawi and Iraq																								
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5.2 Evaluate and spread findings throughout the sector																								
5.3 Develop scale-up plan																								

- C. Budget rational: elaborate on the budget provided in the FP budget template. What costs are included and how is this cost effective? (for example: what are the costs of key items like the height of a cash voucher?) Please also elaborate whether this is standalone funding or cofunding. Lastly, show the division of total amounts per partner (max 2500 entries, inclusive spaces)

**Budget explanation**

The requested budget is €795.855 for 24 months; 510, Tykn, PWC and Disberse co-fund with more than €500.000 in **cash and in-kind contributions**. 75,4% of the direct budget goes towards **program implementation**, including software development and integration, testing, quality control and compliance for the core system and the first and last mile solutions; and then piloting the end-to-end system in Malawi and Iraq. 18,1% is budgeted for staff for project coordination, technical expertise and facilitation of the pilots; 3,2% for monitoring and evaluation; 3% for audit and office costs in Malawi and Iraq; and 0,3% for assets (mobile phones for Malawi pilot).

Partner	Budget	% of direct costs
Dorcas	€ 191.912	26,26%
Tearfund with Eagles, Soldev	€ 29.800	4,08%
Red een Kind	€ 29.890	4,10%
Red cross - 510/Malawi Red Cross	€ 251.050	34,40%
Disberse	€ 136.690	18,73%
Tykn	€ 55.800	7,64%
PWC	€ 35.000	4,80%
DCHI	In kind	0,00%
TU Delft	In kind	0,00%
<b>Total excl ICR/1%:</b>	<b>€ 730.142</b>	<b>100%</b>

**Why DRA funding needed?**

The DRA funding is critical to **speed up** the innovation process. Without this funding there are insufficient resources to further develop and pilot the core system, integrate multiple first and last mile payment solutions and make the end-to-end system available for other humanitarian actors and **DRA members**. The timeframe for the humanitarian sector to introduce a people centric, open source end-to-end CBA system that is built on humanitarian principles **is now**. If this is delayed **private sector initiates** that can endanger humanitarian principles **will gain** control and scalability and market penetration of a humanitarian lead initiative will be **much more difficult**.

**Cost effectiveness?**

The **requested budget** will be fully used to further develop and pilot the end-to-end CBA system. The funds needed for CBA itself will be funded from **ongoing cash programs** and raised through a **separate fundraising campaign** utilizing the donation modules. Private sector partners have **lowered their rates** or invest additional free hours showing strong support and good value for money for the DRA. While the budget represents a significant investment for DRA, the innovation has the potential to make a return far larger than most innovations: the interoperability of the platform promotes scaling with multiple stakeholders, not just consortium members; the open source license encourages wider adoption of the system; and local stakeholders will be engaged to encourage localization and wide local adoption.

**D. Explain whether and how the innovation will reach impact at scale (how will outcomes be integrated and adopted in general programming?), and whether and in what way the innovation is replicable (max 2000 entries, inclusive spaces)**

The innovation will use evidence from the two pilot countries to guide its scaling strategy, based on the [Progress to Scale framework](#) developed by the Humanitarian Innovation Fund. The potential for scale is clear, and replicability is built into the platform:

- **Replication** of the innovation is a key design principle in the development of the kernel system. It is the main aim of this innovation to provide a **core system** that can be used across humanitarian settings by multiple humanitarian actors.
- The pilots will provide the evidence necessary to **market the platform** to other users, particularly NGOs and other implementing agencies.
- The open source license, modular and inclusive design means that humanitarian organisations can **integrate it easily in their existing workflows** using their own inclusion criteria.
- This modular architecture also means that it is relatively **simple to change components** (for example, when a better technology becomes available) or add new components.
- The algorithmic decision support provided by the kernel system can incorporate new datasets as they become available, **continuously improving the quality of analysis**.
- The platform is not geographically limited, and can be **replicated in any country** with multiple users. The only adaption required will be to meet local financial regulations and payment solutions.
- The platform will **reduce costs**, partly through changing the role of mediating organisations such as banks and NGOs, making **more funding available at local level**.

Adoption of the innovation will not happen by accident, but will be guided by **the support group** described in Section 3G; **local governance groups** will also be formed at the country level to guide local implementation. The support group will have **humanitarian donors, local and INGOs**, at its core, who have most to gain from a fast and efficient humanitarian aid system. **Research institutions, private sector actors and (local) governments** will be involved to support impact at scale.

**E. Are local actors involved in the different stages of the innovation process and how? (max 1500 entries, inclusive spaces)**

Since the start of the innovation process the **Malawi Red Cross and cash experts in other local NGOs** were involved in the research and ideation. In Malawi we continue to work through the **Malawi Red Cross** and Tearfund's local partners **Eagles** and **SOLDEV**. They will be responsible for supporting registration, validation, cash out, post distribution monitoring and gathering feedback on the technology. In Iraq this will be done by **Dorcas Iraq** in close cooperation with already **existing beneficiary committees and local leadership**. In Malawi and Iraq a **3 day co-design workshop** will be organized with **beneficiaries, local NGOs, developers** and **IT students** of local universities to design the last mile interfaces. This is to ensure that the platform is appropriate to the local context and all people are able to easily **access** and **understand** the platform, including those who are (digital) illiterate. **Shop owners, money exchange offices** and **mobile payment providers** will be used to cash-out grants, based on specific selection criteria to **ensure access for vulnerable individuals** as well as **promote local entrepreneurship**. Local **oversight committees** will be established with representatives of communities, NGOs and government to safeguard privacy and ensure compliance with local legal frameworks. Close coordination will be maintained with existing **Cash Working Groups** to coordinate efforts and facilitate involvement of **other humanitarian actors** which may wish to test the platform.

- F. Please elaborate on the partnership and indicate related track records of Lead Applicant, Co-Applicant(s) and Other Parties. In what way is the innovation project in line with the priorities of the partnership partners? Also indicate what the role/added value and commitment is of each of the partnership partners (max 2500 entries, inclusive spaces)**

**Lead**

**Dorcas:** CBA is the pillar of the humanitarian strategy with a focus on being an early adopter and facilitator for innovations. Dorcas has experience with leading DRA consortia as the lead of 4 Joint Responses. This innovation builds on other CBA pilots like the financial B2B blockchain and digital identity pilots in Ukraine and Albania. Dorcas coordinates all consortium activities, leads integration of donation and payment solutions and facilitates the Iraq pilot.

**Co-applicants**

**Red een Kind** has strong Protection expertise. They will research and monitor Protection risks, advise on mitigation measures and establish linkages with complementary protection services in Iraq and Malawi.

**Tearfund** has significant CBA experience in Iraq, Nigeria and Malawi. Tearfund will co-facilitate the Malawi pilot with local partners **Eagles and SOLDEV**, provide cash expertise and contribute to the scale-up plan.

**Other parties**

**Netherlands and Malawi Red Cross–510:** 510 is leading and partnering in over 20 humanitarian data and digital projects. 510 is lead for the development of the core system and will co-host the pilot in Malawi with the data team of Malawi Red Cross. 510 will establish the support group and open source license.

**Tykn:** Dutch social enterprise with a focus on developing a secure global digital identity system. Tykn is the private sector partner for the development of digital identity protocols and inclusion and validation components.

**Disberse:** Financial institution for the humanitarian sector that aims to improve the speed, costs and transparency of transfers. Authorised by the FCA and has implemented pilots with the Start Network, Caritas and others. Disberse will enable regulated transfers from donor to pilot countries and integrate donation and last mile payment solutions.

**PWC:** Consultancy firm with a global network of experts including a blockchain team and strong quality assurance expertise. PWC will focus on quality assurance and testing to ensure quality, security and compliance(GDPR, AML, Audit) so that the system is safe and ready for scale up.

**TU Delft:** Technical university with a long track record in innovative research and product design. Will contribute with supervision and technical guidance of MSc students on the research tracks in this project.

**DCHI:** Coalition of actors committed to humanitarian innovation. DCHI will collect and share lessons learned throughout the sector, support the scaleup plan and link with potential future partners.

**G. Describe your target group and your key stakeholders; and how is this innovation accountable to them? (max 2000 entries, inclusive spaces)**

The primary target group is **people in need**, who will be engaged through **co-design** workshops in the pilot countries. This co-design will also draw on existing research and best practices (e.g. 510 [Data Responsibility Policy](#)) and will incorporate gender, age and disability sensitive approaches and minimum standards for **data protection and privacy**. During the pilots an **outreach strategy** will be developed to ensure beneficiary awareness about platform capabilities and their rights. The project team will be accountable to beneficiaries through **public and integrated feedback mechanisms**, enabling them to connect with humanitarian staff in different ways. Gender sensitive market assessments will ensure cash support is an **appropriate** modality. Existing beneficiary committees will be involved during all phases to provide feedback and lessons learned.

The second target group are **donors, both institutional and individual**. These stakeholders are more concerned with **financial accountability** and **impact evaluation**. Financial accountability will be built into the system through the blockchain components that manage the cash ledger and fund transfers. This will provide a level of transparency not possible previously, while still protecting beneficiary privacy. Impact evaluation will be carried out by in-country partners. The project team will incorporate impact reports into **data visualizations** on the platform and connect the platform to **IATI** to further increase accountability.

The third target group are **humanitarian organisations**, both international and national. The project will design a platform that fits with their **existing workflows** in CBA programming and protection services.

A **support group is being set up** to support development and scaling after the pilot phase. This will have institutional donors at the core, a group of willing NGOs, research institutions and private sector actors. Interest was expressed by WEF, EU ECHO, MoFa NL, IFRC, ICRC and several DRA members.

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### H. Risks and mitigation measures: what are the main barriers that you foresee in developing and/or scaling the innovation? How will you tackle these? (max 2000 entries, inclusive spaces)

This risk assessment matrix sets out the main challenges we might face and describes how we will mitigate them. The second column show the risk score after the mitigation measures. Final scores shown in bold indicate areas that will require more rigorous monitoring.

Risk	Likelihood 1-5	Impact 1-5	Score L x I	Mitigation strategy	Likelihood after	Impact after	Score after
Project is unable to recruit software developers with sufficient expertise	5	4	20	In-house developers available; third-party engagement (e.g. PWC)	4	2	8
Operating environment deteriorates, making access difficult	2	5	10	Manage security risks; have contingency plan for third country	2	2	4
Sequencing of multiple stakeholders and technologies makes project complex	5	4	20	Rigorous project management; clear and open lines of communication	3	4	<b>12</b>
Project fails to comply with regulatory requirements (e.g. GDPR, AML, and general audit requirements)	2	5	10	Regulatory framework assessed carefully and compliance prioritized; external experts consulted	1	4	4
Platform fails to comply with humanitarian principles (e.g. Core Humanitarian Standards)	2	4	8	Monitoring by NGOs; consult external experts	1	4	4
Cryptocurrency (e.g. Bitcoin) can be volatile	5	4	20	Cryptocurrency is not used; all funds will be electronic money (EUR/USD)	0	0	0
Some people in need are illiterate	5	3	15	Design interfaces for illiterate people and facilitate registration by (local) NGOs	5	1	5
Some recipients are unable to access the service, due to temporary or ongoing lack of infrastructure or digital illiteracy	4	4	16	Develop "off-line" capabilities, support connectivity and facilitate registration of digital illiterate by (local) NGOs	3	4	<b>12</b>
Some recipients are unwilling to use the service due to not trusting /not understanding the technology	3	4	12	Provide additional support to help recipients to understand the service; address rumors and misunderstandings quickly	2	4	8
Data breach / other security failure exposes personal or financial data	2	5	10	Data will be anonymized and stored off-chain	2	4	8

- I. **Learning and evidence: How will you gather evidence throughout this programme, to decide how/whether this innovation should be taken further? How will monitoring take place? (max 2000 entries, inclusive spaces)**

The platform provides metrics for monitoring performance and connects to a public **feedback mechanism** that allows beneficiaries to share their user experience and concerns. This will be supplemented by standard **post distribution monitoring** and close monitoring of **local oversight committees** and **NGOs** who will provide their views on the appropriateness and performance of the system.

At the HQ level, the consortium manager is responsible for **day-to-day monitoring** and **collaboration** between consortium partners. Implementation issues will be escalated to a **Project Steering Committee** consisting of consortium partners (including field representation) and (if agreed) a representative from the DRA innovation working group. This committee will meet on a quarterly basis to discuss progress and advise on measures to mitigate risks and improve performance.

In addition to these measures, PWC will provide support on compliance, testing and reviewing the quality of the system. MSc students from TU Delft and other universities, supervised by two PhDs, will perform **research** on system components like digital identity, validation and cash allocation algorithms. A **donor satisfaction survey** will be carried out to gather information about donor user experiences. All this information will feed in to regular project reviews by the project steering committee with the aim to decide how to move forward.

DCHI facilitates these meetings as innovation process expert, will advise on the scale up strategy and facilitate sharing project lessons and best practices through the humanitarian sector. Academic research reports will be published and consortium partners will share results through their social media channels. This will be facilitated through consortium partners' membership's in other networks: the DRA itself, but also the [Start Network](#), [CALP](#), and the Red Cross/Red Crescent movement. Finally, the project proposes a real **time review by an external party** to validate the success of the innovation.