

APPENDIX - Appendix 1

Detailed problem statements

Through this project develop/adapt technologies that can, at scale, address the following core challenges in the humanitarian sector, with a focus on cash transfer programming and protection:

1. **Financial Inclusion and Cash Transfer Programming:** Roughly 1.5 billion individuals lack official proof of legal identification (World Bank, 2017). Without this, these individuals are unable to access government and financial services. While agencies may be able to bypass KYC-requirements for short-term cash transfer programmes, lack of official ID slows down the process through requiring special procedures to be put in place, further implies that cash programmes do not add up to the longer-term objective of financial inclusion as the recipients accounts are established by the responding agencies and typically closed after each project. *How may Digital IDs enable more accountable and efficient cash transfer solutions and support financial inclusion?*
2. **Social Inclusion and Protection:** Recipients of aid that have been displaced or are migrating often lack basic documentation about themselves. Although they interact with different agencies, these interactions don't necessarily contribute to the (re)establishment of their identities, or facilitate additional social protection services, as neither the beneficiaries themselves nor the agencies are currently able to aggregate and share this data in a consistent and secure manner. *How may a digital identity provide beneficiaries with an opportunity to build a coherent identity in order to access a broader array of their entitlements within social protection.*
3. **Accountability and efficiency:** As there is no standard approach to registering and sharing information, recipients of aid are registered by each of the different agencies providing assistance. Agencies must share and analyse data manually, which is resource intensive and if not done properly can lead to duplication of services. *How may recent advances within ICT technologies, like distributed ledgers, improve agencies' ability to increase accountability and efficiency in the delivery of humanitarian assistance?*
4. **Data Protection and Security:** Being registered multiple times resulting in the collection and replication of the same data across multiple organizations, increases the risk of data being lost or stolen. Humanitarian organizations often rely on private entities to manage and store data. This model is increasingly of concern as, in many contexts, humanitarians and private entities alike are yet to demonstrate the capacity and aptitude for consistently ensuring the privacy of crisis affected populations personal data. This is especially critical for protecting vulnerable populations in unstable or insecure environments. User-managed identities involves putting control over personal data in the hands of the people we serve and minimizing the costly burden of storing data for humanitarian actors and private sector partners. *How may Digital IDs empower and enable beneficiaries to manage access to their own data and identity, while also ensuring the agencies providing the assistance meet donor accountability requirements?*
5. **Collaboration and Scale:** In most distributed ledger technology (DLT) pilots Digital ID remains the missing link and proves to be the hardest nut to crack. Hence the potential value and impact of the technology has yet to be unleashed and proven across the sector. A contingent to realizing the technology's value for beneficiaries and organizations, is interoperability across organizations and country contexts. *How may digital ID systems utilizing DLT technology be built with shared underlying protocols to enable interoperability?*