

Concept Note

Cash and Digital Assistance Platform

Amount	Breakdown	Timeframe
USD 20 million	Systems development and support (60%). Definition of business requirements, capacity building and process improvement for CBT (40%).	2 years (2019-2020)

Context

1. Technology and connectivity are rapidly expanding to reach vulnerable people in crisis and development contexts. They are also enablers for improving and expanding the services provided. The international humanitarian system has a significant opportunity to leverage data and technology to better serve those in need.
2. United Nations World Food Programme (WFP), as a leader in the humanitarian community, has proven that with the right investment, due to its footprint, leverage and mandate, is able to digitally transform the way zero hunger is achieved. This will pave the way for more cost-effective and efficient ways of working, more holistic partnerships with other U.N. agencies, humanitarian organisations, governments and the private sector as well as the empowering those most in need to have access and use technology and connectivity that will save and change their lives.
3. WFP must strive to further develop, integrate, and mainstream its digital capabilities, in particular the core elements of an end-to-end digital business process. At the same time, WFP is uniquely positioned to catalyse and support the evolution towards a “digital ecosystem” for shared action.

Why this investment?

4. WFP is managing the largest portfolio of cash in emergencies and developing contexts to obtain the best food and nutrition outcomes. By the end of 2018, WFP will have transferred \$1.6 billion to over 19 million beneficiaries in 62 countries (up from \$10m to 1.1 million people in 2009).
5. Cash-based transfers (CBT) have seen a significant growth in WFP’s assistance portfolio. This growth has been accompanied by incremental, and mostly decentralized, solutions for key pillars of the CBT architecture such as beneficiary identity management, transfer delivery management and data analysis-based assurance mechanisms and performance assessment. While the organization’s culture strongly encourages and values innovative solutions coming from its country offices and regional bureaus, there is a need to further invest in corporate business processes including standards, policy, guidance and solutions able to provide a new common denominator for all field level operations to maintain the essential level of assurance and controls, while allowing for the right degree of operational and contextual flexibility. Building on SCOPE and consolidating newer tools that support best-practices, a significant portion of this Critical Corporate Initiative (CCI) is focussed on **developing and rolling out corporate solutions for digital identity, financial service provider assessment and contracting, and data-enabled management assurance**. By the end of 2020, the aim is to fully digitize a significant portion of CBT beneficiaries and transfers.

While this investment will be critical for completing and testing core functional elements in support of CBT, it will also adapt and expand these to create an enhanced platform for digitally tracking entitlements for all transfer modalities (Cash, vouchers, in-kind). The development of end-to-end processes, systems and governance for cash-based transfers will lay the foundation for and will enable more cost-efficient and cost-effective operations and programmes irrespective of the transfer modalities used.

6. Another key challenge addressed by the CCI revolves around the need for more efficient coordination among UN agencies, Non-Governmental Organisations (NGOs) and Governments in CBT interventions. WFP's vision is to **develop and drive a multi-stakeholder operating environment that fosters frictionless complementary action, enabled by increased and seamless sharing of data and inter-operable processes not only within WFP but also with and between humanitarian agencies, governments and NGOs**, recognizing that common or shared registries and common or shared delivery mechanisms are key to coherent and complementary response. This allows the humanitarian system to respond to a variety of essential needs including food and nutrition but also shelter, education and others. The development of this ecosystem will be supported by an open and flexible digital platform architecture composed of both, internally built systems and off-the-shelf technical solutions, and open for use or integration by external partners, thereby supporting data and systems interoperability.
7. In order to successfully achieve the two transformations outlined above (1) from fragmented solutions to contextual solutions relying on common base for execution and (2) an interoperable digital platform for humanitarian operations, **a significant investment needs to be made in the underlying core technology systems, technical support services and infrastructure** including the re-calibration of WFP's current beneficiary management platform SCOPE, also with a view to make it scalable to a potential high number of countries and beneficiaries, connected to a wider array of typologies of financial services, increased use of biometric technology for beneficiary identification and verification and seamless inter-operability with the systems of WFP's key partners such as IOM and UNHCR.
8. As there is no one-size-fits-all to implementation, the individual elements and details are being continually refined and adapted through iterative consultations across a range of internal and external stakeholders. The CCI will also support such refinements and adaptations during the term to ensure that corporate solutions are adequately responsive to different operational and business requirements.

Objectives

9. This critical corporate initiative (CCI) will promote three primary benefits:
 - i. **Protection** of beneficiary personal data;
 - ii. **Assurance** of funds and risk management and of programme quality; and
 - iii. **Empowerment** and dignity of individuals by accessing the goods and services they need most.
10. To achieve these benefits, the CCI aims to:
 - enhance the **end-to-end CBT processes, systems and governance** in a manner that also lays the foundation for other modalities;
 - complete the **core management systems for CBT**, and associated roll-out of these to all offices with cash operations;

- support the **expanded concept of digital assistance**, creating the key building blocks to enable operations and programmes irrespective of transfer modalities;
- develop a **digital platform**, enabled by a flexible, internally cohesive technical architecture, that allows for inter-agency and Cooperating Partner use and interoperability fostering a digital operating environment.

Scope

11. The investment of this CCI will allow WFP to develop a digital platform – enhancing the existing SCOPE solution – by establishing underlying core technology systems and infrastructure. It will strengthen WFP’s competency and capacity to apply digital capabilities to serve beneficiaries better and more efficiently in various operational contexts for CBT while providing opportunities for other transfer modalities. It will contribute to enforce key personal data protection standards to promote beneficiaries identity-related rights and protect individuals from any unintended use of their data and the harmful effects that may derive from it.
12. WFP will focus its efforts on the following key priority areas:
 - i. Secure beneficiary identity and information management, including actively promoting beneficiaries’ rights with respect to their digital identity
 - ii. Improve programme design and delivery
 - iii. Enhance transfer delivery
 - iv. Increase assurances, safeguards and risk management
 - v. Centralize data analytics and insights
13. A critical element underpinning each of these of areas, *strengthening workforce capabilities and capacities*, is considered an additional priority but will be mainstreamed among the above.
14. An investment will need to be made for enterprise change management and the underpinning technology services to support the cash operating model. Approximately **40 percent will be dedicated to CBT cross-functional expertise and capacity** to adequately define core digital requirements, establish normative frameworks, develop, test and roll out technical guidance to RBs and COs, and apply the emerging capabilities effectively and efficiently to achieve WFP’s planned programme outcomes. The investment will ensure that CBT operations and functions throughout WFP are able to apply the standard CBT processes and tools appropriately. **60 percent of this one-time two-year investment will be used to finance technology service development**, both systems development and associated support costs, which will underpin the standard CBT processes with automated support, at the scale and supporting with flexibility the demands of WFP’s increasing volume and variety of cash transactions.

Key Priority Areas and Deliverables

15. The development and use of the platform will centre around five priority areas underpinned by workforce component. The entry point will be from a CBT perspective but many of the initiatives will benefit all transfer modalities. As there is no one-size-fits-all to implementation, the individual activities are being continually refined and adapted through iterative consultations across a range of internal and external stakeholders. The CCI will support the development of corporate solutions that enforce standardisation of critical processes that need robust controls, but at the same time allow for refinements and adaptations for context-specific processes to ensure that the operating solution is adequately responsive as a whole to different operational and business requirements.

16. **Secure beneficiary identity and information management**, including actively promoting beneficiaries' rights with respect to their digital identity. This area will focus on enhancing the protection of people's privacy and personal data, including recognizing and enforcing their right to control the collection, processing and dissemination of their own private information. In doing so, it will entail ensuring processes and solutions conforming to the internationally recognized best practices and standards for the management and protection of beneficiaries' personal data. It will also direct efforts to operationalize data sharing mechanisms agreed with partners such as UNHCR, IOM, World Vision and governments, in a manner that upholds beneficiary protection and safeguards and secures sensitive beneficiary data.
17. This area will focus on enhancing people's data privacy. In doing so, it will entail ensuring processes and solutions conforming to the highest level of standards for the management and protection of information regarding beneficiaries' personal data. It will also direct efforts to operationalize data sharing mechanisms agreed with partners such as UNHCR, IOM, World Vision and governments, in a manner that upholds beneficiary protection and safeguards and secures sensitive beneficiary data.
18. Specific efforts and deliverables will include the development of registration guidance and tools, including those related to beneficiary verification and conditionality, as well as support to the creation of a Data Protection Office. Standards for beneficiary management will be implemented for all cash programmes, as well as other types of programmes in prioritized countries. The biometric infrastructure will be scaled-up in terms of capacity, and will be improved to include iris technology in addition to the current support for face and fingerprint biometric modalities.
19. The SCOPE solution will be re-architected to become a digital platform and re-scaled to support up to 100 million identities, accessible by Non-Governmental Organisations (NGOs) for use in their own and WFP's programmes, and inter-operable with NGO solutions should these be available. A new set of mobile tools for beneficiaries will be made available as part of the platform services, enabling new ways for beneficiaries that have digital access to interact with humanitarian agencies. These tools will include a digital identity for each beneficiary and will foster transparency and digital inclusion by allowing beneficiaries to see what personal information WFP and its partners hold of them, enabling them to control of their information, provide feedback, obtain information and specify their preferences. Creating a standard technical foundation will also allow WFP country offices as well as partners to develop and extend the SCOPE platform with functionality to suit each context and need, without relying on systemic changes to the central solution. This will enable a set of collaborative tools with the potential to go beyond support for cash programming and into other areas such as nutrition or small-holder farmer support, while still retaining the process-oriented rigor and legacy of business controls inherent in cash operations.
20. **Improve programme design and delivery**. The focus is to improve CBT programme design and quality, including cross-sector programming, enhance technical implementation skills through staff capacity-building and address and mitigate risks. The work includes enhanced needs analysis as well as cost efficiency and cost effectiveness analysis for better decision making, programme design and outcomes.
21. This CCI will support the rollout of SCOPE and digital beneficiary management to CBT programmes as well as implement minimum standards of analysis across all of WFP's CBT operations. Solutions support for other transfer modalities will explored and, where possible, integrated. Financial service provider (FSP)/mobile money operator (MMO) due diligence, contracting and technical

and reporting capacities will be strengthened, as will financial and retail context analysis and engagement.

22. **Enhance transfer delivery.** Digitization and automation create new options for people to access goods and services from humanitarian partners. This area will further develop systems for digital transfers of benefits (e-vouchers, mobile wallets and mobile money) as well as the digital management of cash, voucher, and in-kind transfers (payment and distribution planning, payment and distribution instructions to benefit and services providers, digital and real time redemption of benefit entitlements, etc.). The investment will include improved capacity of WFP to assess and prioritize financial service providers that are able to provide more financially-inclusive services for beneficiaries.
23. A payment gateway will be established to ensure secure and effective communications between WFP and its FSP (Financial Service Providers), which could be made available to partners as feasible. Global payment solutions will be integrated with SCOPE and available as on-demand delivery mechanisms. In due course, distribution tracking for in-kind support will be implemented for all operations, with resulting integrations between SCOPE and LESS (Logistics Execution Support System). Payment instrument and credential tracking and management processes will be strengthened with the introduction of automated support and tools.
24. **Increase assurances, safeguards and risk management.** Digitizing each stage of a rigorous end-to-end business process enables a robust assurance framework using performance and risk management tools at critical junctures of the business process: beneficiary verification, distribution reconciliation, vendor management, transaction anomaly analysis, post distribution monitoring, beneficiary complaints and feedback and whistle-blower mechanisms, second level data analytics.
25. This investment will focus on systematically capturing, integrating, sorting, and analysing the data from CBT transactions to enhance both delivery assurance and programme effectiveness, and will also develop standards and capabilities for more secure exchange of data and information between operational partners and service providers. A reconciliation and triangulation mechanism will be made available as well as enhanced biometric services through face, iris and voice recognition. Overall transfer oversight, fraud detection, internal controls and risk management systems will be enhanced. A strong capacity building component is included in this portion of the investment.
26. The CCI will support the establishment of a service centre (helpdesk) solution essential to creating an effective complaints, feedback and support mechanism for beneficiaries as a standard. This solution will provide the technical ability for each WFP office, as well as its partners, to establish a single hotline or online chat line that beneficiaries can use to request help, assistance or information. This will be integrated to SCOPE and other WFP systems, so service centre operators can easily check both historical interaction and transaction history during each beneficiary engagement and provide personalised support. The service centre solution will also support information campaigns, automating call outs and sending of SMS to advise beneficiaries of upcoming distributions, programmatic changes and context-specific information.
27. **Centralized data analytics and insights.** Closely linked to increasing assurance, safeguards and risk management, the objective is to support country offices through cross-functional analysis and expertise in functions such as programme, supply chain and finance. This will support in reviewing the efficiency and effectiveness of and the risks and trends in programmes.

28. The CCI will support the enhancement of data analytics and its roll-out to all country offices as required. Operational and anomalies dashboards to support decision-making and oversight will be developed and digital support for cash transfer oversight, operational risk management and proactive fraud intelligence will be implemented. WFP's analytical capability of operational outputs and outcomes for end-to-end CBT data assurance will be professionalized and enhanced.
29. ***Strengthening workforce capabilities and capacities*** is a critical element underpinning each of these priority areas. WFP and partner staff will need to both augment and enhance digital competencies and capabilities to be able to define context-appropriate technology needs and to adapt existing systems and solutions to specific operational contexts.
30. The investment also envisages a suite of initiatives to support capacity building of both WFP and partners, normative guidance development and the roll-out of digital capabilities. It is expected that policy gaps will be resolved, and cross-functional operational guidance developed. Learning and development programmes (e.g. SCOPE Academy) and CBT cross-functional trainings will be enhanced and implemented.
31. As part of the roll-out of digital capabilities, new functionalities will be tested and learned from as they are prepared to be mainstreamed to broader operational functions. At the same time, WFP plans to conform, to the degree possible, to industry quality systems and process standards.
32. Going forward, as the CCI is implemented, WFP should expect to see progress across a variety of aspects. These can include, but are not limited to, guidance developed and disseminated, WFP and partner staff trained and deployed, and new tools or functionalities developed and released. Corporately, as a starting point, WFP should expect to see an increase in the percentage of beneficiaries who have had cash assistance initiated digitally.