

EPISODE TWO THE ETHICS OF FUNDING

Interviewer

Olly Parsons, Senior Market Engagement Manager at GSMA

Guest

Bernhard Kowatsch, Head of Innovation Accelerator at the United Nations World Food Programme

Intro You're listening to the GSMA Mobile for Humanitarian Innovation programme's podcast.

Olly Hi everyone and welcome to our GSMA Mobile for Humanitarian Innovation podcast episode on funding ethics.

I'm Olly Parsons, senior market engagement manager on the Mobile for Humanitarian Innovation Fund. The Innovation Fund aims to promote innovation in the use of mobile technology to address humanitarian challenges, test new technical solutions, catalyse ideas to improve or transform institutional systems and enable solutions to empower, assist or protect individuals and communities affected by complex emergencies and forced displacement.

On the Mobile for Humanitarian Innovation Programme we believe the Innovation Fund has the potential to play a positive and transformative role in accelerating the delivery and impact of digital humanitarian assistance. However, this model involves a range of ethical questions and potential dilemmas at three levels: individuals, their communities and the wider humanitarian system.

Specifically, we must consider the impacts that The Fund can have on populations affected by humanitarian crises and the inherent power symmetries between those providing protection or aid and those in need of assistance, and how we can ethically introduce innovation or, as it could otherwise be termed, 'experimentation' in complex situations. Innovators must contend with a system that lacks flexible financing, appetite for risk and a marketplace for new ideas.

In this podcast episode we will unpack these ethical questions and dilemmas through conversation with the World Food Program's Innovation Accelerator.

We're excited to welcome Bernhard Kowatsch today with us. Bernhard is head of the Innovation Accelerator at the United Nations World Food Programme, WFP. The accelerator identifies nurtures and scales disruptive start-ups and innovations for Zero Hunger. Bernhard co-funded the award winning share the meal app.

Bernard it's great to have you with us today. WFP is one of, if not *the* largest humanitarian organisations out there. And via the WFP Innovation Accelerator you fund and support innovation in a range of complex humanitarian contexts.



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Can you tell us about WFP's approach to innovation and how you adopt ethical considerations when it comes to funding?

Bernhard Absolutely Olly, it's great to be here.

Innovation is really a way of being for the World Food Programme. So in any operation where we operate across the globe in any of the 83 countries innovation is actually paramount in how to get food or cash or other sorts of assistance to the people that we serve.

So it's both in our core operations already that we are embodying these ways of doing new things for the benefit of the people as well as having built-up a systematic way centrally of a support infrastructure. And this is actually our Innovation Accelerator.

So what we do is we're look for innovations globally, it can be both inside of the World Food Programme and it can be also outside, so it could be any NGO or any start-up company that has a solution for emergency assistance as well as for sustainably ending hunger. And we at accelerator then invite those teams to a one-week innovation boot camp as we call it, a training programme, and then have a programme similar to your mobile phone humanitarian Innovation Fund that's actually geared towards providing that hands on support and connections to our field operations.

And we really focus on having those solutions tested and implemented together with the people that are affected by them. So really keeping the user not only in mind but actually co-developing it with the user and learning from what's happening on the ground, really thinking about not only from a theoretical point of view what an innovation would do, but actually learning with the people.

Does this actually address a problem that's being observed and if it's actually addressing, you know, some of the people that we're serving or if it's an internal solution like optimising payments or digitising processes.

So I think that's really one of the aspects of these in how are these ethical conversations can be in there, and it's one of the specific criteria that we're looking for is whether it addresses a problem of the people that's supposed to serve.

Olly And when you're approaching innovation in the way that you do it WFP clearly that doesn't always need to be a technological innovation. And we very clearly recognise that technologies are not a silver bullet in terms of solving some of these challenges.

How though do you support the design of tools and services that do combine technology with the humanitarian principles?



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Bernhard I totally agree. In a lot of cases the innovation is coming from both, and technology. But it can also be a new business model, a new way of how to actually approach the people that we're serving. This is actually then an aspect of that, why the innovation may be enabled by technology. It may be the approach that's different.

For instance, we've been supporting different tools that really change the paradigm of how we are dealing with our current beneficiaries.

For instance, like a mobile app that's kind of a Yelp for refugees where they can look for the cheapest price for a good that they want to buy in the store with a cash card. And this is really one of the aspects of how do you bring in the person, that really has to be the benefiting from the solution.

Now if you are looking for the type of solution that's actually addressing a real problem, co-developing on the ground is really really important and you realise that a lot of times the technology that may have attracted interest in the first place may be an element of the solution but not the real innovation at all.

Olly Of course, yeah, I completely agree with that as well. When it comes to the Mobile for Humanitarian Innovation Funds we require that all applicants demonstrate their commitment to adhering to the code of conduct, to principles for digital development and to the humanitarian principles within their proposals.

How does the WFP Innovation Accelerator go about incorporating these ethical standards within your application and selection process?

Bernhard So the first level for us is always at an application level so everybody can apply online on our website on <u>innovation.wfp.org</u>, then we are actually screening those innovations and doing video interviews. And then in that process already when we're doing the review we are also vetting those against certain criteria like how innovative is it, does it actually address those principles for digital development for the benefit of the people.

> Then the next step in our selection process is we actually invite teams to a one-week Innovation Bootcamp. This is for us and a training programme that focusses to get the teams to really move onto the next level. What is the solution that they currently work on? How does that fit to the problems of people on the ground in developing countries?



...So we have the teams take a step back and really rethink who are the users of that solution. What's the problem they are trying to solve, what's the solution, the technology and the marketing of the solution in a one-week training, and for us that's really ...very very insightful in that one week. And we also ask the teams then to do a little bit of homework.

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So at the end of the week the teams define what are their critical assumptions with regards to how that's beneficial to the people that we're serving. And then we actually have them tested and tested in a low risk environment such as like you may have assumptions like what is it like a certain population who has access to internet or has access to smartphones then this is something that you can easily test in the respective country and see are your assumptions actually correct.

Olly Of course, and I think then that that testing of assumptions before actual delivery is really key in ensuring that where we are looking at innovative projects and innovative solutions we're being quite careful about that experimentation component that we mentioned earlier.

And I'd be interested in your thoughts on this but I think it is possible to launch and run innovative solutions but it's really key that we're reducing the experimentation component wherever that could have risk for the very people that is trying to positively impact...

Bernhard Yes I agree. Like it's a lot of times when you talk to a start-up in private sector they will say well we need to launch a prototype or a minimum viable product. And oftentimes that's something that just gets you to learn. Now obviously when you're dealing with some of the most vulnerable groups on this planet you really need to think about what testing really means.

So obviously you might not be testing the very very first prototype but something that's there to already help people and you need to have tested it maybe in a safe environment beforehand. And I think that's one of the learnings in the humanitarian space.

The other one is really about learning with the people and co-developing it. So it's not as much about experimentation or failing as it is to avoid waste for instance.



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...And this is, I think, an interesting connotation when you think about the concept of ethical innovation and ethical standards in innovations it's not only that yes you should be solving a problem that the people actually have but actually already while you are testing it seeing what unintended consequences are, because oftentimes you may not have thought about some of the consequences, both in positive effects but as well as negative effects.

Olly I think that's really key. There are a number of published principles which exist around minimum standards for humanitarian response or, for example, the principles for digital development as we already mentioned.

Do you think there's anything additionally that needs to be added with regards to ethical issues within these standards which are perhaps covered in principle that need more attention in practice?

Bernhard I think those principles, taking for instance the digital principles for development, are pretty all encompassing in terms of what you need to consider already.

However, one aspect that those principles cannot bring out is the need for the people. Both in terms like yes you need to design with a user but it's also you need to have the right people to run innovation projects or run innovation processes.

And I think this is oftentimes an overlooked issue where it's seen as like with looking at a piece of paper or a great concept in theory but then it's forgotten that who is actually the team that is going to implement this.

This is one of the learning that we've had in the early days of our World Food Programme Innovation Accelerator that we really need to also assess what are the current team strengths, what are their development needs, and how in our case as accelerator can we best help those teams.

And it's actually a very interesting question of how do you actually take those principles and get them into action, because some of those things are new concepts and are also uncomfortable. Like designing with the users or for instance, being data driven to a certain extent requires you to think differently. So all of a sudden it's not about just having a concept but you have to actually see what people think about it, and see what happens with this particular product.



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...And you obviously want to have hypotheses of what works and what doesn't but the only person who is right is the user, right, and this means that if you're designing something you need to have that empathy for the people, and also willing to change course if you realise that what you had originally designed does make any sense or should be changed.

Olly The second principle for ethical humanitarian innovation, coordination and collaboration stipulates that humanitarian response is planned and implemented in coordination with the relevant authorities, humanitarian agencies and civil society organisations engaged in impartial humanitarian action working together for maximum efficiency coverage and effectiveness.

What do you consider the role of the mobile industry is in advancing this objective?

Bernhard In the humanitarian space for the mobile industry there is definitely an area for stronger collaboration that has to do with technical assistance or knowledge transfer or even financial contribution, or offering services at a lower cost, right. So this is definitely an area where mobile has an enabling role for a lot of innovations that we're seeing. And this is both in emergencies but then also when it goes more into the transition period from emergencies towards development.

But then there's also an area for a more, I guess, strategic partnerships role or where business outcomes or results of the corporate can actually be totally in line with creating impact for some of the most vulnerable people.

Olly There's a growing understanding that how data is collected and used is of critical importance from both the humanitarian rights perspective and across the international development sphere.

Less work is currently being undertaken in the humanitarian space, although organisations such as ICRC [International Committee of the Red Cross] have worked to publish the handbook on privacy and humanitarian action.

Humanitarian, private sector and mobile network operators face significant barriers to implementing clear and actionable processes when operating in humanitarian contexts.



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...Mobile operators, for example, commonly receive multiple requests from third parties including humanitarian organisations to share data such as call detail records (CDR) before, during or after a humanitarian crisis.

What do you consider the challenges in taking data privacy policies into practice?

Bernhard Data privacy is definitely one of the core concerns for any humanitarian operation and specifically also for innovations. And I think this is a principle that we should be aware of in any of those circumstances specifically when it comes to people who are sometimes the most vulnerable in humanitarian settings so this is a core priority.

At the same time, what we're seeing is that for innovation in that space you also need to actually have the right either sets of rules agreed or you need to have the sets of capacities in the respective organisations.

So one learning, for instance, by work on this is in our context of the World Food Programme having a vulnerability analysis and mapping team that actually has the data capabilities to work on innovations in that space is actually crucial.

And then these things can be combined functions like in interagency mechanisms so they are functioning networks like the cluster system - there's a logistics cluster, there's emergency telecommunications cluster - that provide services to the whole humanitarian ecosystem and, for instance, something like that or other new mechanisms of how to better coordinate and share can be of value to the broader humanitarian ecosystem.

Olly What I think is really interesting here is that combination of experiences and expertise.

So, for example, if you look at the mobile industry a really key area of focus is data privacy and evidently in protecting subscribers CDR so it's something that when combined with other organisations that have apps that humanitarian experience, or the vision to see how that information could be utilised for a humanitarian purpose, that is both interesting and has a huge amount of potential, but also combines the right set of skills and expertise which can allow that type of activity to be done safely securely and ethically, combining that private sector expertise and focus indeed with then the humanitarian perspective and focus on humanitarian principles that organisations such as the WFP can bring as well.



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How can innovators ensure that the tools and services they are developing are actually ethical by design in the first place?

Bernhard This is really one of the core questions for any innovator or any entrepreneur out there. How can they design a product or service that people love and the people are actually using for benefit.

...I think this is the question for the silver bullet to a certain extent. It requires to have a great idea in the first place or a great concept as well as having a great team that's actually able to implement it.

And this is the challenge that every innovator and entrepreneur faces is how do you actually combine the key strengths of both worlds that are there right. On the one side you need to have cutting edge technology knowhow and the ability to actually build a product. At the same time, you need to really have a deep understanding of the circumstances and contexts and lives of the people, the local communities and the ecosystem.

Olly I think effective partnerships in this space are certainly key. Again, it's combining experience, the contextual knowledge and understanding, and as you've said several times Bernhard, ensuring that those individuals who will actually be utilising the service are involved in either developing or creating or heavily providing feedback on what is being produced to ensure that is does meet those needs.

And what would your advice be, Bernhard, for other funding organisations who want to ethically fund innovation in humanitarian crisis and complex emergency settings?

Bernhard I would have two pieces of advice. The first one is to somehow include the step to assess the team or the skill-sets or capabilities of the team in the process before making a funding decision.

And this is crucial to really look into whether the team has the capabilities not only from a technical perspective but also from understanding the people on the ground to do that, or if they have the right partners on board to actually make it happen.

The second piece of advice is to ensure and enable design thinking process or lean start-up process in the development of the innovation. And I know that this is one of the challenges in our traditional funding mechanisms.



...In particular, when it's a donation money a lot of times a process would be geared towards submission, is made towards a final product and then the final product has to be delivered.

Now if you're really listening to the user or designing with the user it's actually intended that the solution will change and that the ultimate product or solution or innovation that you are building will be adapted towards the needs of those people.

Olly I agree, I think being able to be flexible and pivot when an organisation can see that what they're developing needs to change, or needs to be adapted, it's actually going to result in not only potentially a much more successful solution or intervention, but actually it goes a long way to ensuring that it remains ethical.

And so I'm going to turn to another couple of questions.

So Bernhard, we spoke a little bit about unintended consequences of innovations once they're tested or once they're implemented. Obviously those could be positive but also negative.

There really can sometimes be little way of assessing exactly what unintended consequences may occur from what seems like a very positive intervention until it is tested with reality.

How should innovators and funders balance that delicate line between testing something that has potentially a huge amount of potential for good, but within a context that is particularly vulnerable?

Bernhard Personally I would say having a strong partner on board who really understands the humanitarian environment and who can assess the extent of testing such a solution I think is paramount.

And what I mean with that is that testing per se does sound maybe dangerous but it may be actually an experiment to learn. So there's different ways of how you can actually find out what the needs of the people are. For instance <u>ideo.com</u> has produced a field guide for human centred design. Its toolkit that's available online for everybody to actually try out and it's something that lets you, or allows you, to really find out and understand the user's needs before you're really testing a product as such and then that already de-risks something that you will be doing afterwards.



...And similarly you if you have somebody on board on the team or in the network that really also looks into the leaving nobody behind, and making sure that the people are really being served – that really enables you to also have a higher level of assurance that the innovation is actually money well spent rather than just doing something quickly.

Olly That can mean that individuals engaged in those pilots are maybe accessing services for a brief period of time before those no longer exist.

How can this sector, and perhaps how does WFP Innovation Accelerator, avoid multiple pilots and instead focus on those which really have the potential to scale-up and provide sustained impact for those engaged with the projects?

Bernhard So for our work at the WFP Innovation Accelerator the ultimate goal is to really help identify in earlier stages innovations that have the potential to be transformative, but then also helping scaling innovations to grow further.

And so right now we have actually successfully identified and supported several innovations that are now, in our language 'in the scaling phase', and for us that means that can reach more than a hundred thousand people, impact their lives positively as well as going from one country to the next, and this really has to be the goal.

Now I think what you're learning and in that aspect is it's not just always what's on the piece of paper, but yes it's also a certain risk involved or an opportunity with innovators or teams that are working on it.

In the earlier stage you go, the more you're actually providing funding to a team in an innovation concept rather than having traction and obviously as the more advanced, or the more mature an innovation is, you can then start assessing the progress and you can be data driven.

For instance, you can actually test things that are not necessarily putting people at risk but you are able to actually test your critical assumptions or key assumptions for a concept. Now that could mean like if for instance it's a mobile solution and the basic assumption is that people have access to the internet you are able to test whether people have access to the internet, for instance by doing focus groups or by going to different places.



...Similarly, you can actually test products before you're rolling it out to a large number of people and then realising that it's not sustainable. And I think actually having this critical conversation about does this product actually work, does it fulfil the people's needs and looking at the data to prove that, is I think critical.

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Olly And I believe that some of the solutions the WFP Innovation Accelerator support, much like the GSMA Mobile for Humanitarian Innovation Fund, do have some type of commercial sustainability or business model underpinning them – not all of them, but many of them.

> Can you talk to us a little bit about how you think the balance between something that has a commercial model vs an ethical humanitarian impact balances out in reality?

Bernhard So for us it's really a question about what can help us reach the goal of this Zero Hunger. And reaching the goal of Zero Hunger will not be possible just by focussing only on donations and non-profit projects.

> And this is something where I think the private sector and also for profit start-ups can play a huge role because with investor money you may be able to develop solutions that you might not be able to actually develop from donor money alone.

> And it may actually also not make any sense, for instance, to give you an example we are working right now on a block chain solution to digitize shipping documents from the port of Djibouti into Ethiopia. Right now we're doing this for the benefit and the purpose of humanitarian supply chain.

But there is actually no reason or restriction why this block chain solution could not be used by the broader humanitarian ecosystem. But even by potentially private sector and being funded by private sector going forward and that may be for the benefit of both transport in the private sector but also for our humanitarian supply chain purposes.

Olly And that then sounds like the best scenario, again where you're bringing those multiple partners with different skills and expertise to enable something which is sustainable, can operate at scale but it still routed within the humanitarian principles I think sounds like the type of project that everybody would like to see more of.

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...And so, Bernhard, what would you say on a final note would be one or two of the key things that you think need to continue to happen around this conversation of ethics and humanitarian innovation to make sure that the stakeholders within the sectors that we work are fully engaged in this really critical conversation?

Bernhard I would think there's three topics:

One is we need to broadcast the message and some of the success stories of, you know, apps that are really working for the benefit of the people or changing the paradigm from an aid recipient for instance to a consumer to somebody who is actually a customer of a service.

...So I think that broadcasting and that message is really important to inspire both traditional funders but also corporates but also innovators and start-ups out there to use their great minds to actually solve the problem.

Second is, yes, definitely we also need always more funding opportunities for innovators and great ideas that are out there. There is funding available for certain aspects of innovations already but sometimes it's too restrictive. Sometimes it's just as we are in the World Food Programme, I mean we are focused on either emergency assistance or zero hunger but then there's maybe other innovations out there in other adjacent spaces that we may not be able to fund because it doesn't just fit into our programme. So definitely there's more funding needed.

And then the **third** is really the best and brightest minds on this planet have to actually get together and also work on solutions that are addressing problems of the people that are in the higher end of those innovations which are like getting people who have maybe started companies before, started start-ups, are innovation leaders in nonprofits, getting those people to really use their thinking and their brain power to work on innovations and maybe take something that's more risky but has more social meaning.

I think that's something that can really make a next step change.

Olly Bernhard, thanks so much for joining us today.

Bernhard Thank you very much Olly. Great to be here. Thanks.

Olly Thank you for listening to the podcast today. Please visit <u>www.gsma.com/m4h</u>