CHARITIES
& NON-GOVERNMENTAL ORGANIZATIONS

Blockchain applications - regulation, policy & strategy

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Parliamentary
Group on
Blockchain

LOCKCHAIN

2019 OCTOBER

BIG INNOVATION CENTRE

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1. APPG Blockchain Evidence Meeting on the impact of Blockchain on the Charity and NGO Sector

1.1. Purpose

The mission of the All-Party Parliamentary Group on Blockchain (APPG Blockchain) is to ensure that industry and society benefit from the full potential of blockchain and other distributed ledger technologies (DLT) making the UK a leader in Blockchain/DLT's innovation and implementation.

The tenth APPG on Blockchain evidence meeting partly explored the use of the Blockchain technology in the Charity sector and in Non-Governmental Organizations (NGOs).

The video recording of the session is available on our websites APPG Blockchain *www.appg-blockchain.org/* and Big Innovation Centre *www.biginnovationcentre.com/*

1.2. Details of the Meeting

- Date, 25th June 2019
- Time, 5:30 – 7:00 pm BST
- Location, Portcullis House, House of Commons
- Participants, 47 attendees

From left to right: Lisa Short (Director, Z School), Oner Avara (CEO, My Next Match), Dr Maria Viglioteli (Director, GradBase), Jens Albers (Decentrl) and Marco Robinson (FreedomX)

1.3. Panellists: Evidence Givers, Chair & Secretariat

The evidence meeting was Chaired by APPG Blockchain Chair Damien Moore MP and Vice-chair Lord Truscott.

Big Innovation Centre acts as the Secretariat for the APPG on Blockchain, led by CEO, Professor Birgitte Andersen and Fernando Santiago-Cajaraville as the Project Manager and Rapporteur.

Building a robust Blockchain ecosystem is part of the mission of the APPG on Blockchain. This APPG meeting had representatives from entrepreneurs and start-ups in the Charity and NGO sector which aims to adopts the latest developments in the application of Blockchain technology.

Charities & NGOs

Jens Albers
Co-Founder Decentrl

Marco Robinson
Founder
FreedomX

Chair	Vice Chair	Secretariat	
Damien Moore MP House of Commons, UK Parliament	**Lord Truscott** House of Lords, UK Parliament	**Professor** **Birgitte Andersen** CEO Big Innovation Centre	**Fernando** **Santiago-Cajaraville** Project Manager & Rapporteur Big Innovation Centre

2. Background

The tenth APPG on Blockchain evidence meeting on the charities and NGOs aimed to explore the current uses of Blockchain and most successful use-case within the sectors.

The APPG on Blockchain presented the following questions to the Evidence givers,

Charities and NGO's

- How might Blockchain/DLT increase public trust and confidence in charities, promote legal compliance and improve management of the administration of charities?
- How might blockchain improve confidence in the effective use of charitable resources and the actual impact achieved?
- How might blockchain help charities comply with regulations?
- How might Blockchain/DLT and the internet of value support a more equitable distribution of wealth?

APPG on Blockchain evidence meeting at Portcullis House

3. Charity Sector Meeting Takeaways

Jens Albers, Co-Founder of Decentrl and Marco Robinson, Founder of FreedomX

1. Blockchain can help to increase the trust in the Charity sector

Blockchain has the potential to provide full visibility to the charity sector. The technology is able to track any donation from the donor to the recipient. The technology can help in building trusted transparent systems.

> *"Transparency in Blockchain technology is a crucial feature."*
>
> *(J. Albers, Decentrl)*

With the current need for increasing the trust in the donations within the charity sector, the increase in transparency will not only build trust can also encourage and boost donations. Blockchain can bring to public the information on every pound spend on charity operations.

> *"Blockchain is a fantastic use-case for the charity sector. It could revolutionise the way that people trust and increase the donations."*
> *(M. Robinson, FreedomX)*

2. The Charity and NGO sector should start with simple and straight forward use-cases

The sector can begin with the simple solutions as a foundation. Further, more complex layers can be added to such solutions and address other challenges too.

The development of blockchain technology is incredible. However, charities, human beings, and human data are most sensitive areas in the world and thus we should make simple solutions and make elementary steps. These simple primary steps will kick-start the journey of tech within the sector and might involve pilot projects within the government.

> *"We should make simple solutions and take elementary steps. A few steps with a technology, will lead the sector to take massive steps automatically." (J. Albers, Decentrl)*

3. The Government should support the deployment of Blockchain technology in the sector

Within a sector, where many actors think that technology is no need for innovation, governments should get involved in pilot projects. The Government can provide the charities with the much-needed support to trigger the use of Blockchain technology in the sector.

At the moment any charity wants to try new technological solutions. In order to test the technology, the government would be a perfect partner. Gift Aid programme could be a perfect field to try the use of Blockchain, with the support of the government Blockchain and smart contracts could be fully automated the process.

> *"Without government involvement, this technology can be hazardous too." (J. Albers, Decentrl)*

4. Charity and NGOs Evidence Giver's Transcripts

4.1. Jens Albers, Co-Founder, Decentrl

Jens Albers, Co-Founder at Decentrl

It was at Lesbos refugee camp where I met bitcoin. I had heard of it before but, it was there where I met refugees, in late 2012, utilising Bitcoin for remits to send money back home, a very easy use-case.

When we started Decentrl, we were doing heavy due diligence in several technological projects to understand what technology could bring to the sector. There are so many promises in the space and amazing things that could be done with this technology.

However, when you follow an innovation, the simple solutions, the easy solutions, solutions where the government might be included are very often the best to build a foundation, to then build the more complicated layers on top of it.

Charities do have a lack of trust in public opinion

We can regularly see the news in the press that talk about the charity having very high overhead costs, misusing funds, as so on and so on.

Blockchain and Transparency

When you look at the Blockchain technology, the first thing that might come to your mind is transparency.

Transparency in Blockchain technology is a crucial feature.

However, at the same time, in every round we discuss the topic with charities themselves, the problem with transparency is if you put all costs and spending of the charity in a public ledger, which is transparent to everyone to see, it creates a vast amount of data that is very difficult to explain, and it needs to be explained.

People could read these data wrong, for example, overhead costs is a topic with the charities, making everything public it could end in a public relations or marketing disaster, even if the charity does good things.

Every data entry on the ledger is as true as honest as the party that makes the entry.

Blockchain does not give the fairy and honesty; it is the person who does the entry: the trusted entity or the oracle of the blockchain that is the weak point. If the entry is not done in the right or honest way, then we have the same problem with or without Blockchain technology.

Charities are full of complicated processes, which are not only based on facts, but also morals and ethics. To create morals and ethics in a Blockchain database is nearly impossible.

It is a complicated topic when it comes to the charities

It could be the case a charity would agree spending ten thousand pounds more on the same thing than other charity because a different environment surrounds them. There are morals and ethics that you have to apply on decisions in the charity space; there cannot be a naked figure or a Blockchain entry.

Simple Solutions

Blockchain is still an incredibly young technology, and charities are in a very complicated environment.

If we want to use Blockchain technology for charities, we can start with elementary solutions, which might involve pilot projects with the government. For example, a fully automated solution that uses smart contracts on Gift Aid.

Gift Aid is a fantastic government programme when a donor gives money to charity the donor can fill up a form and give the charity a 25% extra in Tax related donations claimed by the charity on behalf of the donor. Blockchain and smart contracts could fully automate the process.

It could a government control project with a basic Blockchain where the entry happens but two confirming parties per entry. The charity receives the money from the donor and confirms it, the donor also confirms the donation (the entry) and giving the Gift Aid so that the charity can claim it. The government can just read out the data because it is a simple exchange to information in a trusted ledger, with two confirming parties where no one would have a benefit from doing the wrong entry.

The benefits, in this case, would be for the donor because he/she will save time with a very fully automated process instead of filling out a form and sending back to the charity. For the charity and the government, with less administration and overhead costs. Super easy and very simple use-case, if encouraged by the government could be a good starting point when it comes to charities.

Charities need technology to innovate

Recently, in a charity technology conference, they did a poll at the end of the three days, the question of this poll was literally *"Do charities need technology to innovate?"* There are lots of ways to innovate, but technology is the easiest path for innovation, the foundation of digital transformation. The poll result was that "*82 per cent of charity people considered that they don't need technology to innovate*".

Blockchain technology, with straightforward solutions like one mentioned before, would be liked by those charities presented at the conference. Charities would have more money, less overhead, fewer administration efforts in many ways. However, none of those charities wants to start producing new solutions. Here is where the government would be a perfect party to come in.

We are in the stage of experiencing a very disruptive innovation.

The definition of Clayton Christensen about the innovation dilemma, *"the value to the innovation most likely follows an s-curve, which means the first ones out there wanted a message impact first, but once of foundations are provided at once you have adoption, the value of the information will increase exponentially, each iteration from there is drastically better than the last one."*

The development of blockchain technology, when it comes to the technical level is incredible; however, when we talk about the public, charities, human beings, and human data (the most sensitive in the world), we should make simple solutions make elementary steps. As soon as we have a few big ones working with technology, then you will make massive steps automatically.

Government involvement

Blockchain technology is here to stay. This technology and its positive and negative implications are as big as the disruptions caused by the internet. It is the same size and innovation.

Without government involvement, this technology can be hazardous too.

We would welcome the government involvement in pilot projects because that would provide us with a basic safe layer where we can look then at the crazy and exciting stuff.

The Potential of Blockchain

The potential of Blockchain technology is hue, but unfortunately, there are also several buts.

At the moment we do not have an easy onboarding process for Blockchain technology, this is the biggest problem in general. Onboarding with blockchain technology is complicated. We have to create simple solutions where every single citizen in the whole world is able to use Blockchain. Governments leading the way would be beneficial.

If we get to the point where it becomes easy for people to onboard on Blockchain technology, we can liberate people from intermediaries in a massive way.

The potential of Blockchain taking a significant role in the redistribution of wealth is there.

For now, we should take the little problems, simple solutions and create safe environments to use this technology

4.2. Marco Robinson, Founder, FreedomX

Marco Robinson, Founder of FreedomX

Bitcoin is the first use-case of Blockchain. It is still widely used mostly in third world countries where people do not have access to bank accounts, a way of remitted money, to live or exist.

Ten million children starve every single year because they do not have access to clean water, food, or houses. Three billion people are socially excluded, which is very daunting considering those people are human beings. They do not have a house, and they do not have an address, so they cannot have a bank account, to have a bank account you need an address. The system is geared to help the people that are socially included.

We, as a human race, have lost our sense of community. We have to go on Facebook to find out who our neighbours are. When I was a kid, the back door was open, the front door was open, and we played at night.

Blockchain, a way to connect people again

We live in a "disconnected society". When we walk down a road and see someone holding a cardboard sign saying "I am a homeless" people usually consider that if unacceptable as a society, however as a society we will have doubts if we give money to that person that money might be most spending on the wrong things. That is a disconnected society.

That person is generally outside a supermarket or a coffee shop, and the coffee shop allows that person to be outside of the cardboard site. However, they will not bring that person into their economy and help them, because ignorance is bliss, and there is no reward.

Blockchain is not the silver bullet to the charity sector; we have to change the model of charities as well.

If we could see the person giving the money to, it would do worthy of your donation. How do we verify that? How do you qualify?

A lot of people do not have IDs, do not passports, they do not exist for the system because they are not in the included, Blockchain can potentially solve the problem

We have developed a system with an app developed on Blockchain technology, creating kind of an Amazon for the social exclude. We onboard businesses and the public will rate the business based on how they help the local community, in terms of unprivileged people.

For example, if a coffee shop were able to take that person off the street, give them some accommodation, rehabilitate them, train, and mentor them to be a barrister, it would be something worthwhile in the community. Or that business could microfinance someone to run a coffee shop with a bicycle for 500 pounds, and we can get them off the street pretty quickly.

It is not just about the home it is about the economy around that home.

We have to educate. Education is the most important to the transformation of where people are in life. As a personal experience, I was a school dropper; I did not go to university, I was the guy in the back of the room looking out the window because at home it was a nightmare. I went to 15 different schools before was 12 years old, I got bullied in every one of them. I have learned the hard way.

It is all about getting that help to the right people, now.

Blockchain is a fantastic use-case because, with blockchain, you can provide transparency to the donors, people can see. Blockchain allows the donor to talk to the person who is giving a blanket online, giving those homeless people phones would allow full transparency.

Forty per cent of restaurants and supermarkets food is thrown away every day; fashion brands shred the clothes and throw them away. These examples are an indicative sign of the society we live in today, there is no reward, there is no fulfilment, there is nothing for people to give. It is all about guilt or seeing an adverb on a TV show where a well-known actor asking to send three pounds to Africa for a pair of loves only ten pees get there. Talking about foreign aid, for example, the South African president in 2015 spent seventeen million pounds on his residence and was sent nineteen point five million foreign aid. This is the abuse of the charity sector we got today.

Blockchain can change the charity sector. It will depend on the persons behind the charities, but opacity problems could be sold with a reward system in place.

Fourteen million people are living in poverty in this country; however, there are enough houses to put those people in, local authorities have if not hundreds of thousands of houses that they could be you renovated and used for accommodation.

Blockchain is a fantastic use-case for the charity sector. It could revolutionise the way that people trust and increase donations.

People would increase the amount given to charities because they will know where the money is going to.

APENDIX – Speakers' Bios

Marco Robinson – Founder, FreedomX

Marco Robinson is the creator of the prime tv show "Get a House for Free" on Channel 4 TV Station in the UK, a number 1 bestselling, an award-winning entrepreneur Knighted philanthropist;

The success of this tv show globally-inspired Marco to start the first charity using Blockchain technology FREDOOMX.

This follows on from the massive success of NAKED Technologies, which created the world's first asset and business-backed Cryptocurrency NAKED DOLLARS currently listed on www.latoken.com

Marco Robinson was also given the honorary title of Dato' Seri (knighthood) for his work with the charity sector, particularly in helping the blind in Malaysia be allowed to guide dogs to be allowed into the country. This initiative started with the successful short documentary "Are You Blind" attracting over 15 million viewers.

He will release his third book this year entitled: "On the 2nd day God created Bitcoin & Blockchain – the beginners' guide to the unstoppable revolution."

Jens Albers, Co-Founder, Decentrl

Decentrl.Agency a boutique consultancy for blockchain start-ups which specialises in crypto-economics, investor relations, business development and community building.

Operating since 2013 and founded by Cecile Baird and Jens Albers, Decentrl has worked with over 40 start-ups and raised over $200M. Decentrl is located in London and Los Angeles. The Decentrl Blockchain channel will tap into their extensive network to bring you expert advise and thought-leadership from the world of crypto.

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