

Digital signatures, financial crime protection and blockchain at IFAD

This session allowed for discussion and exchange on how innovations can make IFAD's work more efficient and agile, while also ensuring an adequate level of security.

The event was structured as a Fireside Chat between H  l  ne Papper, Director of IFAD's global communications and advocacy division, and Advit Nath, Director and Controller of Financial Controller's Division. The event also included a Q&A section with lively engagement from the audience.

On Tuesday 19 July 2022, IFAD's Change, Delivery and Innovation Unit (CDI) hosted the tenth IFAD Innovation Talk to engage in a dialogue about digital signatures, financial crime protection, blockchain and other innovations at IFAD.

Opening the session, **Dana Vettel** introduced the speakers, H  l  ne Papper and Advit Nath.

H  l  ne opened the conversation by reflecting on how funding development is crucial at a time of continuous shocks and evolving challenges, to make sure no one is left behind. However, bribery and corruption hinder the progress towards the Sustainable Development Goals. Donors and taxpayers are increasingly calling for transparency reporting - indeed financial transparency is a cornerstone for ensuring the effective functioning of the development system, as it is of vital importance for donors that the funds they give to organizations like IFAD are invested prudently and for the stated purpose and reach the populations most in need. How, then, can new technologies be used to improve transparency and traceability funds? Advit spoke about how blockchain technology can provide a form of accounting ledger to do so, and presented TRACE Blockchain – a new blockchain-based solution that IFAD is working on. The solution has been tested in Kenya on a US\$100 million IFAD project in the country, aimed at enhancing climate resilience of agriculture practices for smallholder farmers. Using TRACE Blockchain, IFAD successfully traced funds all the way from the donor to individual farmers. And such were the accomplishments of this project, that IFAD was written up in the annual report of a leading Global Blockchain Publication as the first development finance institution (DFI) in the world to have explored this specific application of blockchain in the development world. IFAD's project was also presented at the European Blockchain Convention and spurred much interest among a wide range of stakeholders.

Building further on the topic of fighting corruption and ensuring transparency, Advit and Helene dived into IFAD's unique anti-money laundering software system. IFAD was the first DFI to elaborate an anti-money laundering and counterfeiting policy in the United Nations system outside the World Bank, and today, this solution is seen with much interest from other International Finance Institutions (IFIs). Specifically, the

Speakers and panellists at the event

(In order of appearance)

- [H  l  ne Papper](#), Director of IFAD's global communications and advocacy division, IFAD
- [Advit Nath](#), Director and Controller, Financial Controller's Division, IFAD

Moderator: [Dana Vettel](#), Strategic Communications Partnerships Consultant, Communications Division, IFAD

"We do have to look at the new technologies that are going to enable us shape new solutions going forward (...). It's a new phase for the development architecture."

H  l  ne Papper

"We are now in a moment in which we can use technology in a way that can completely change the game."

Advit Nath

software developed by LexisNexis has 2 billion entries in its databases, and everyday it screens over 20 thousand entries in IFAD's vendor, partners, and staff master files. IFAD is also the first DFI to have decentralised the software globally.

Hélène then elaborated on how technology can also be used to gather data and be closer to the people that we serve, and to ensure they are listened to. She illustrated how at the Food Systems Summit, IFAD partnered with FarmRadio International for building radio programmes to engage smallholder farmers, capture their voices, and generate data which served as a basis for evidence-based decision-making, with the support of artificial intelligence (AI). Advit complemented this by highlighting that, for instance, digital ledger powered solutions can also be used to obtain near-real time data from farmers.

When discussing the role of new technologies in ensuring efficiency of development organizations, Advit underscored how we can make development aid much more efficient and cheaper to implement, in a way that was not conceivable before: for instance, IFAD is improving efficiency by implementing digital signatures through DocuSign - a digital way of signing a document so securely that we know with certainty the person signing is the person they say they are. This solution is able to save time, is environmentally friendly, and significantly speeds up corporate processes.

During the [Live Q&A](#) that followed, Advit replied to a question regarding how IFAD plans to cooperate with governments in harnessing technology to fight fraud and crime. In this respect, being technologically agnostic in looking for solutions to problems and challenges is key, as well as cooperating with partners and stakeholders. Indeed, fraud can only be effectively tackled with a holistic approach, that does not only comprise technology, but also collaboration and information sharing. Attendees also asked about whether the use of new technologies in the development sector encounters enthusiasm or resistance. According to Hélène, a lot of effort is yet to be made in the field to ensure that the use of data, information and technology, and the dialogue that is created with it, is fully trusted. *(If you are interested in the discussion with the audience, please consult the event [recording](#) on the [event page](#).)*

In summing up and final comments, Advit and Hélène agreed on how there is increasing capacity to use innovative solutions to shape a new era of the development sector, using technology in a way that can put beneficiaries at the centre.

CDI would like to thank the participants for taking part and for making the event such a success and showing how increasing interest and ample opportunities to create systematic approaches for improve global comprehension of progress.

Missed the event? Watch it online!

A recording of the event can be found [here](#).
 Join the [IFAD Innovation Network](#) to receive our updates and to contribute to the knowledge sharing and learning of our innovation community of practice.

If you would like to skip directly to certain sections of the event, the times are listed below:

Time (minutes)	Section
00.00-03.25	Welcome by moderator Dana Vettel
03.25-44.30	Fireside Chat featuring Hélène Papper and Advit Nath
44.30-56.47	Q&A
56.47-1.01.12	Closing thoughts by Hélène Papper and Advit Nath

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The increased need for digitalization prompted by the COVID-19 pandemic has resulted in accelerated digital transformation, which has brought many benefits but also perils as organizations become more vulnerable to fraud attempts and hacking attacks.

Therefore, organizations must also focus on finding solutions that mitigate risks through the use of new digital technologies and a change in the way they do business. In this context, IFAD undertook a reengineering of processes – one of which consisted in introducing digital signatures.

The event aimed to answer the following questions:

- What methodology informs the IFAD’s Basic Electronic and Secure Digital Signatures?
- What is the thought process leading to the design of this kind of solutions?
- Which approaches can help ensure both agility and security when digitizing corporate processes?
- What could be the costs of distribution for this type of solutions?
- How can innovations like this be mainstreamed in the organization?