

Management Response to the Independent Evaluation of the

Inclusive and Affordable Financial Facilities for Resilient and Developed Filipinos (IAFFORD) Project

The *Inclusive and Affordable Financial Facilities for Resilient and Developed Filipinos* (IAFFORD) Project was funded through DFAT's innovationXchange as part of the 2016 Google Impact Challenge. The DFAT Technology Against Poverty Prize grant of AUD \$500,000 was intended to encourage non-profits in Australia to explore new ways of delivering social impact internationally, using technology.

The independent evaluation was designed to assess the performance of a project testing the use of an innovative technology (i.e. IAFFORD's digital cash transfer platform), hence the report presents lessons learned rather than recommendations for future implementation. As such, the evaluation provides useful lessons to DFAT on how to better design, manage, and oversee projects intended to test innovative approaches to address development problems. The lessons on the use of IAFFORD's digital cash transfer platform can also inform any future programming of Australia's bilateral development assistance interventions, particularly in relation to disaster response and risk reduction, in the Philippines.

Management Response to Lessons Learned

Lessons Learned	DFAT Response	Explanation	Action plan	If practical, please specify timeframe
<i>Lessons Learned 1: M&E Systems.</i> Future DFAT investments with a digital cash transfer (DCT) platform component must have a robust and built for purpose M&E system. This means making effective use of partner systems' data and taking advantage of partners' expertise in analysing data to make decisions about interventions related to digital cash.	Agree	DFAT agrees with the importance of maximising the use of data to inform project implementation decisions to improve effectiveness	To be considered by DFAT for future project proposals with similar components	n/a

Lessons Learned	DFAT Response	Explanation	Action plan	If practical, please specify timeframe
<p><i>Lessons Learned 2: Investment Governance.</i></p> <p>In future interventions involving a DCT platform, governance arrangements should be set up so that the implementing entity is contractually obliged to test the innovative potential of the digital cash modality.</p>	Agree	DFAT is committed to ensuring value for money by assessing the effectiveness of new approaches being tested through innovative projects	To be considered by DFAT innovationXchange for future project proposals with similar innovative potential	n/a
<p><i>Lesson Learned 3: Intervention Design.</i></p> <p>With respect to future interventions, it is best to regard the IAFFORD DCT platform as a risk reduction modality. However, using the DCT platform for other development intervention (e.g. financial inclusion, social protection, and security), is conditional on getting many factors right and in place (e.g. addressing barriers to participation of small merchants; working with community-based non-bank financial service providers to sustain the mechanism).</p>	Agree	DFAT agrees with the importance of having an enabling environment for the effective use of a DCT platform and recognises the platform's potential use in DRR	To be considered by DFAT Manila Post for any future disaster response and risk reduction programming	n/a
<p><i>Lesson Learned 4: Use of the IAFFORD Card as Identification.</i></p> <p>The IAFFORD digital cash card served as a form of identification and acted as a safeguard against abuse of the DCT system.</p>	Agree	DFAT agrees with the importance of safeguarding any DCT platform if used to deliver Australian Government assistance	To be considered by DFAT Manila Post for any future disaster response and risk reduction programming	n/a