# Challenge 1: Future Financing

Respond to impending climate-induced natural disasters by applying weather prediction technologies to autonomous financial mechanisms, with the goal of enabling access to relief funding for pre-event preparedness and early action response.

*Descriptive Vignette:*

A non-governmental disaster relief organization is planning to distribute financial aid to a local population that *could be* affected by seasonal flooding. Aid recipients can use the financial aid to replace lost crops, remove debris, and to mitigate lost income. In the past, financial aid issued *after* the flooding and losses have occurred has taken months to arrive and led to greater individual losses and prolonged disaster impacts.

This organization would like to use correlated indicators of pending disaster, such as heavy rains, to trigger the autonomous release of financial aid to potential victims, with the intent of expediting the distribution of aid. Furthermore, if financial aid can be securely distributed just before the disaster, potential victims could implement flood mitigation procedures, which could significantly reduce individual disaster impacts.

# Potential Applications

* Making aid disbursement more secure and transparent.
* Early predictive triggers to raise funds from the donors.
* Dispersal of funds from the aid organizations to the beneﬁciaries.

# Conceptual Design

Develop a conceptual design to demonstrate the use of blockchain technology for providing financing before the event occurs and other potential applications.

The conceptual design should include initial thoughts on the following:

● Technology architecture

● Business model

● Legal framework

● Deployment plan

# Criteria and Judging

Teams are expected to:

* Pitch their project idea at hackathon through a 3-minute presentation with 2-minutes of Q&A.
* Submit PDF version of presentation on <http://bit.ly/2018fdpitchsubmit>
* Upload their final project materials through a GitHub <https://github.com/mitmedialab/MIT-Humanitarian-Hack> repository under an open source license.

Judging criteria will include:

* **Overall Quality of the Idea and Delivery**

Project addresses problem statement, is innovative, and is communicated effectively. Benefits / improvements are clearly articulated and realizable.

* **Creativity in Application of Tech Innovation**

Project has high creativity, design and originality with strong feasibility.

* **Desirability, Impact and Business Viability**

Project is a viable business idea and could potentially disrupt or significantly improve the

particular aspect of the finance world in question.

* **High Level of Technical Feasibility**

Project is highly feasible and implementable. Features a good working model which can either be a sophisticated implementation, working prototype, a diverse use of APIs, a wizard-of-oz presentation or a simple system model.

* **Ability to apply the system within the**[United Nation’s Sustainable Development Goals](http://www.un.org/sustainabledevelopment/sustainable-development-goals/).

Context Reference Links:

### [Forecast based financing - Red Cross Red Crescent Climate Centre](http://www.climatecentre.org/programmes-engagement/forecast-based-financing)

### [Forecast-based financing - IFRC](http://www.ifrc.org/en/what-we-do/disaster-management/preparing-for-disaster/risk-reduction/forecast-based-financing/)

### [Forecast-based financing: case studies from Togo and Uganda](https://reliefweb.int/report/world/forecast-based-financing-case-studies-togo-and-uganda)

### [Open Data Institute: The ODI](https://theodi.org/)

### [Asilomar AI Principles - Future of Life Institute](https://futureoflife.org/ai-principles/)