

#NT100IS5 ONE TO WATCH: ALICE

Celebrating 5 years of NT100

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BRINGING TRANSPARENCY TO CHARITABLE GIVING THROUGH BLOCKCHAIN TECH

By Alice

Project URL: <http://alice.si/>

Project Twitter: [@alice_si](https://twitter.com/alice_si)

The problem

According to a 2016 report from UK Fundraising, trust in charities has fallen from 6.7 out of 10 in 2014 to 5.7 in 2016. The decline is understandable: the UN believes that up to 30% of aid failed to reach its destination in 2011, and lack of transparency over charity spending contributes to a reduced willingness to donate to good causes.

The response

London non-profit Alice believes that blockchain can help introduce such transparency to charity spending. Launched in May 2017, Alice makes use of smart contracts built on open-source blockchain platform Ethereum to 'freeze' donations until a recipient charity can complete pre-set goals to demonstrate real impact.

With grant funding from Nominet Trust to support their growth, Alice teamed up with charity St Mungo's to help 15 people living on the streets of London get back on their feet. St Mungo's works to help each person find and keep a permanent home – a long-term challenge, which can be broken down into a number of milestones like registering with a GP, or securing a lease on rented accommodation.

When a donation is made to St Mungo's, the money is held in the Ethereum system. Each time the charity reaches a milestone, the donor receives a notification, and the charity receives the relevant part of the donation. Each milestone is verified by a third party, in this case the Greater London Authority.

The potential

“Once those goals are validated, payment is triggered and then reported to the funders,” Raphael Mazet, Alice’s CEO, told the New York Times. “So you know that your money has gone to help a person find a flat.” Three out of the target 15 people have been helped through the pilot so far. Mazet aims to bring in more charities in the UK, USA and South Africa in 2018.

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