

Phone conversation between MSF-USA (Jennifer Tierney, Director of Development) and GiveWell (Natalie Stone) on March 8, 2012

GiveWell: It is our understanding that MSF-USA is the fundraising arm that reviews proposals to fund particular field projects, such as ongoing programs that add capacity to health systems and disaster situation. Is that correct?

MSF-USA: Yes, that's a good synopsis.

GiveWell: How does your process of reviewing and funding proposals work?

MSF-USA: To give a bit of background on the institutional structure, there are five operational centers in Europe and those are the offices that determine our operational priorities. Very early in the movement there was a decision that decisions about operational priorities should not be decentralized to offices all over the world, that while we should maintain diversity in our centers and centers should be able to challenge each other, that to have 30 different offices making 30 different decisions and wanted to have offices in all of the countries where we work, it would become very heavy and bureaucratic.

Those five operational centers go through an annual process where they set their priorities. Actually, one step further back, they just went through a process where they evaluated their prospects for the next 4 years, came up with aspirations for the next four years, and presented this to the other offices to let them know what their financial commitments were going to be. There is a new revenue sharing agreement; they put financials to their ambitions and we have set targets to raise funding to meet those ambitions.

On an annual basis each of the five centers go through a process where they evaluate each of the country that they work in and all of the projects. It's very in-depth, very intensive operational and budget review. They then come up with proposals for what they want to do for the year, so that might include closing a project or handing over a project, opening new projects, expanding the emergency budget if they anticipate a nutrition crisis for example. We then have a board of directors at MSF-USA that has a program committee. They are presented with the operation plan for the year from each of the operational centers. So the head of operations for each of those 5 operational centers will present to the program committee. They will approve plans for the year and approve a block grant, which essentially funds those priorities. We used to do it on a one-off basis for each project and it just an incredibly strenuous administrative and bureaucratic burden.

GiveWell: So, just to make sure I understand, each of the operational centers makes a pitch for how much money they want from MSF-USA, is that correct?

MSF-USA: Yes. The program committee then makes a recommendation to our board on whether to support the grants.

GiveWell: Are those competitive, or are the centers generally receiving what they ask for?

MSF-USA: They are getting the amounts that they request up to this point. We've had a bit of a slow start to fundraising in 2012. Right now we have enough savings that we will be able to meet our operational commitments even if we don't raise the amount of money that we need for the year. We'll just do deficit spending. But if we have a year like that, then next year we'll certainly have to reconsider what our commitments could be. We keep 9 months of operational expenses, ideally, in the US office, so that if we have a bad year or if there's a bad emergency, we are able to meet those grant commitments to the operational centers.

GiveWell: When those operational centers come together to plan, how are they allocating? Do they each have their own priorities, or are they dividing up the work?

MSF-USA: It depends on the situation. There's a lot of overlap. If you take, say South Sudan where I worked this summer or Haiti or the DRC, there's so much need from a medical perspective, that it's not feasible to assign one operational center to that place. So in those places, there is overlap. That doesn't mean that there's redundancy; it just means that they're doing similar functions. That being said, for instance, the Belgian office has more of a focus on HIV, the Paris office is building a hospital in Haiti. There are projects that are distinct to a particular operational center. Another example, migrants is something that MSF-Spain focuses quite a lot on.

GiveWell: How does it go from an overall budget to projects run by particular operational centers?

MSF-USA: The 4 year budget was established among the 5 operational centers, but the annual budget is done at the level of the operational center and is then shared with the other centers.

GiveWell: So you are currently able to meet the commitments that the operational centers come to you with. How much are those budgets driven by how much they know you have raised versus how much capacity they have to implement projects?

MSF-USA: In the past, they were definitely looking at how much it was feasible to raise. We've changed that almost entirely with this revenue sharing agreement. So you've got the operational priorities defining the need for funding 100% at this point. They've come to us and told us, collectively as a movements, what their needs are and all 30 offices have revenue goals that are inline with those operational plans.

GiveWell: Is it the case that if you raised more money than you currently expect to raise, you would do more? Are there activities in the four-year plan that have a chance of not being funded?

MSF-USA: No, at this point, one of the things we're most concerned about is making sure we have the infrastructure and the staff to be able to support those operational ambitions. The operational centers did an initial round of projections for operational ambitions and they were told by the international governing body: 'you need to cut back' for two reasons. One, for funding reasons, and two, and probably the primary reason, is because it just isn't feasible for us to support that at the level of administrative and human resource support that we have at this point. So one of the things the plans are doing is basically keeping operational ambitions growing but not at a huge rate and building more field human resources, infrastructure, and support systems around the operational ambitions. That's a key part of the plan.

With Haiti, we spiked in a massive way in 2010, both from an income and an operational perspective and in 2011 we anticipated that we would drop staff a little bit, but that really didn't happen in a significant way. Haiti has been an ongoing emergency with cholera and we're still one of the primary health actors there. We also had conflicts in the Ivory Coast, which was a large response. We've had Libya. So, we've had large emergency responses that we've mounted.

GiveWell: Could you elaborate on how you are constrained in capacity?

MSF-USA: From a staffing perspective, keeping people in the field for long periods of time, not burning people out, having experienced humanitarians who can take over leadership, filling field coordinator and mission positions for long periods of time. So we're looking at the staffing structure and considering if we have the right formula for finding and retaining staff: are we paying them at the right level? Are we retaining them for the right time? Should they be on contracts or one-off missions? We're taking a hard look at that this year. No conclusion yet.

GiveWell: It sounds like you're saying that additional funding would not allow you to do more because of the staffing issues.

MSF-USA: No, even if we pour money at the problem, at this point we're a billion dollar organization, and we're working on how to manage that appropriately and making sure the quality of medical care is where it needs to be. Our four year plan does include an increase in funding so there's no doubt that my team has to be very ambitious this year, especially with the economy being a little bit of a question mark. But the growth isn't so far outside of a normal growth plan.

GiveWell: If you were to receive \$5 million more than expected, would that change your plans?

MSF-USA: No, we have a deficit spending plan for the year. We plan to raise \$190 million but we're still going to be spending from our reserves to support operations. Receiving an additional \$5 million would just mean that we wouldn't start dipping into our savings to fund our operational plan. It would of course be a huge help, but

it wouldn't shift what we're doing. That's not how we work really. Funding doesn't drive the action. If it were a different moment in time for the organization, if we were a smaller organization, that might have shifted the way we were doing business but right now we have the ambitions we have. We could certainly use the extra \$5 million. So far it's looking like a rather anemic fundraising year, so that's not to say the money's not needed, it just won't shift the plan.

GiveWell: Could it shift any longer-term plans?

MSF-USA: No, we have the four-year plan at this point. We know what the priorities are. We know that we have to raise X amount of money to fund them, which is above and beyond what we're raising at this point, so extra funds could help us meet that aspirations that we've already set for ourselves.

GiveWell: What is the likelihood that you will be able to grow at the rate that the plan has set out for you?

MSF-USA: That's my team's entire job, to create plans so that we invest in the right way in this first year of the plan so that we do raise the money. We're looking at diversifying our income, asking for increased gifts from major donors, increasing number of monthly donors, and we hope that the plan will result in increased funding. We will do our best, and as much as it's in our control, I think we'll succeed. People really respond to our mission. We have really good content to share with people. It's a really results-driven oriented type of activity and I think people respond to that a lot. So, we have all the building blocks and we'll see how it goes.

GiveWell: On a different topic, I'm wondering about the process that is used to determine whether programs are working. You mentioned that there is a lot of discussion and evaluation of the programs – what specifically does that involve?

MSF-USA: The program committee of the MSF-USA board approves those overall plans, and on a monthly basis meets to review particular operations. So for instance when we went back into Afghanistan a couple of years ago, there was a lot of attention paid to how that was going. We've had two of our staff killed in Somalia so we did a review with operational staff members of the operations there. It's an ongoing evaluation process and they pay a lot of attention to some of the more complicated emergencies.

We also have an evaluation unit that travels to projects. We use very experienced field staff to do evaluations of our projects and make recommendations as to how to improve.

We have a system where the head of mission in a country reports on a monthly basis to what we refer to as "the desks" in each of the operational centers, i.e. the person who oversees the country program. They have a set of key performance indicators and ongoing statistics that they're monitoring all the time to make sure the

programs are doing well. So there are multiple, multiple layers of evaluation. We do our best to keep them practical. We say it should be "actionable data."

We also have internal audits. We have staff trained from MSF-USA trained to go and audit the programs from the different operational centers. We're training more of them now. We do a number of audits a year to make sure the funding flow is clean, to see if we catch any inconsistencies, to see if the money can be used better.

GiveWell: Is there a way we could see, say the monthly reports coming to operational centers from heads of mission, minutes from program committee meetings? What information might be shareable?

MSF-USA: The operational reports, I would say no. That includes a lot of internal HR information that we wouldn't share, security reports, etc. That's very much just an internal report where the mission can be really transparent with the leadership without worrying about endangering the program in any way. I could probably see if we could get an evaluation unit report to you, or more than one. Those are based on the efficacy of the programs. We could probably share program committee minutes, though not on issues like Somalia where it's all security discussion. I can also send you a template of the reports from missions to desks to show you what type of information is in there.

GiveWell: Are there summaries of the mission reports?

MSF-USA: All of that information would be collated and reported on when they do their annual planning, so that would be available, but I don't know if that would be public. There's sensitivities around the discussions of other actors in the field, governments, NGOs, etc. Even disease statistics can be quite sensitive. I can see what they have that they give to other parties, which I could share with you.