

**Conversation between Trickle Up (Bill Abrams, President, and Jo Sanson, Director of Monitoring and Evaluation) and GiveWell (Elie Hassenfeld and Natalie Stone) on March 7, 2011**

**GiveWell:** What do you do? What is your role versus partners' roles?

**Trickle Up:** There's a couple of critical things to know. First, we focus is on the very poorest. We have always existed to serve the most vulnerable. This defines our approach. The specifics vary by region. We have three core inputs: training, grant (there's a specific reason why we don't do loans), and savings groups (meet weekly to increase financial literacy and lend to group members). We are very strongly focused on women. Greater than 90% of our participants are women. The model is delivered by partner organizations. We have 25 partners in 3 regions. They are responsible for training, participant selection, savings groups, and a variety of degrees of involvement in monitoring and evaluation. We're really looking to have measurable impacts in a number of ways over time: income and assets, consistency in consumptions especially though the hunger season, confidence, voice in decision-making in the household and community, and the ability to access services they have right to access.

**GiveWell:** Could you talk about the differences between regions?

**Trickle Up:** We work in 3 regions: India, Central America (Guatemala, Nicaragua) and West Africa (Mali, Burkina Faso) India is a window into our future. We just finished a 3-year-long pilot supported by CGAP. We are one of a handful of organizations around the world selected to pilot the Targeting the Ultra Poor program. We work in some of the very poorest communities in India. We combine our three core inputs with a more holistic approach. The participants have vulnerabilities that required support from many angles. One is health—women could build up profitable businesses but with one major health shock could be wiped out. We helped them gain access to government and other services. We are also involved a lot more in coaching/mentoring support than we are in other areas. The women don't always have confidence, skills, or ability to plan ahead. We will take what we learn and will apply to it to the other regions. We were the first or one of the first of the CGAP pilots to finish. We are now tracking the sustainability of the results. We've found that retention in savings groups of is above 90%.

**GiveWell:** Will you take the coaching and health aspects to other regions?

**Trickle Up:** We will expand elements of the India program to other regions. Where we work in India, there is a higher population density than in the area areas we work, so it was more feasible in India to do all the following up. The targeting in India has been a very transparent process and we follow up with surveys. We are now rolling out this process in West Africa. The mentoring is something we are exploring in other places. We are now implementing ways to increase the intensity of the program in West Africa.

Trickle Up has been around for over 30 years. In the first 20, the founder was very active and there was a fixed idea of what program should be. In the last 5 years, we have been looking at everything we do and thinking about how to adapt it both to conditions of 2011 and to country needs and context; we don't want to go out with a cookie cutter program. From what we've learned in India, we've begun to redefine certain fundamentals. For example, we always gave a \$100 grant before, but the value of money changes over time and purchasing power varies by region. India was the first place where we said 'we need to provide capital that represents a critical mass, that really lets a participant get a business going. The average grant is \$225 in India now. We're also reconsidering the length of our involvement. Traditionally it was one year; it's now three to five in India. People need time to gain experience through a couple of business cycles, set backs, etc. We are spending more per participant in India that we have before. We have changed how we do training. Instead of teaching in a classroom, we are providing continuous training and coaching and providing training when it's most useful. People remember ideas better if they are applicable to what they are doing. While our model is centered around the three core aspects, we want to look one step further to what else is needed and how to prevent leakages. We know from experience that if people don't have resources to turn to, they will de-capitalize their business. In India the leakages were most often health. We don't know yet where the leakages are in West Africa.

**GiveWell:** How are you evaluating the Targeting the Ultra Poor program?

**Trickle Up:** We start off with a technique called “participatory wealth ranking” and surveys. We do a baseline survey on assets, productive activities, health behavior, etc. Participants are visited every week by mentors who ask about their productive activities, issues, major purchases, and health. This information is consolidated monthly and sent to the field office. Through this system, issues can be followed up on immediately. We began to include questions on food security, 30% of which are verified by field staff. Our own field staff visits the programs to check up on things. We do a mid-term evaluation and rank people on how well they are doing. We identify who needs more support. We also track savings group indicators. At the end of the 3-year program, we re-administer baseline questions and then follow up a number of years later. We have been following up on the pilot that finished 1 year ago. We also track the community context—is there a new government or NGO program or program? How were harvests and rainfall? We need to take this into account in assigning causality.

**GiveWell:** Is there randomized assessment of the pilot program?

**Trickle Up:** No, there's no randomized assessment of our pilot. CGAP organized 9 pilots. Some had formalized randomized controlled assessments through IPA. Not every one of the pilots got a randomized controlled trial (RCT). Ours did not. There were two other pilots in India: one by SKS and the other by Bandhan. There's been some initial reporting from those. One of the really important benefits of this project is that it creates a community of practice that didn't exist before. BRAC is doing an enormous amount on this. We have the opportunity to contribute to a global model.

Originally there was supposed to be a RCT. I think it was a question of funding. We've done other research, including qualitative research.

There has been some external assessment. A researcher from the Institute of Development Studies at Sussex looked at how the program fit within the life histories of the women. While it would have been an advantage to have had RCT, we think it would be much more cost-effective to do it in the near future, reflecting a number of program modifications were made during the pilot. We are exploring doing a RCT in the future.

There's still a lot of learning to be done around the RCT methodology.

**GiveWell:** How does the partner selection process work?

**Trickle Up:** The role of the partner is to implement the program. We have developed the selection techniques. They know the community, politics, etc. They do everything from selection to training. We train the partners and do a great deal of monitoring along the way, including observing selection. The partner is responsible for administering the grant; we send the funds to the partner. There are controls around that.

Part of what we're looking for is their input on the process. Very often they have complementary skill sets. For example, one partner in India had skills in small-scale irrigation and had ideas about the right way to do Trickle Up in that village. We don't look at our partners just as delivery systems.

We select them very carefully. They have to share our mission; we're very specific about that. In some cases the prevailing development philosophy in an organization is loans not grants. We can't be partners with organizations that don't share our belief in grants. We also assess the management, financial transparency, etc. We only work with organizations that have reached a level of maturity. We can spend a year in the getting to know you process. We are always thinking about who else might become a partner.

**GiveWell:** Who pays for what?

**Trickle Up:** We pay for the grants and pay for the partner to do the training. We are looking to pay all the direct costs. We think about details down to how much the partner needs to put gas in the motorcycle to get to the field. We also pay small amount for administrative fee (\$35 per participant). All partners, for the most part, are local/national organizations. We don't partner with international NGOs.

**GiveWell:** How do the participant selection process and follow up checks work?

**Trickle Up:** In all regions, participant selection starts off with geographic selection. We use local government data. We also check to see if there are other NGOs working in an area and if so we avoid that area because we want to serve the most underserved populations. We look at a variety of socio-economic factors.

In India, we use a process called Participatory Wealth Ranking. We start with a community mapping exercise and then, through a carefully facilitated process ask local people: what are the main characteristics of poverty here? Then we ask the community to rank who fits in each of five wealth level categories. We want to be very transparent about the criteria that are being used to determine who qualifies for participation. Our partner staff visit households in bottom 2 categories. We apply a combination of our criteria and community-determined criteria for poverty. Our criteria include women head of households, and lack of productive assets. We visit the households that the community indicated were the poorest (politics can get in the way of accurate sorting by the community). While visiting households, staff will also look for additional households that didn't get included originally but appear to be very poor. This is then verified by partner level coordinators, and a sample is verified by Trickle Up staff. After selection, a baseline survey is implemented, which includes the Progress out of Poverty Index. This is administered by partner staff and verified by our own staff. Through analysis of baseline results a further check on selection takes place. We use baseline surveys in all regions.

In regions other than India, we have careful selection procedures as well.

**GiveWell:** How often do you find that the selections made by partner staff don't match the data from your own surveys?

**Trickle Up:** Depends on the partner. With new partners we have to do more verifying and we find more discrepancies. We try to identify problems early on so that we can do re-training. Once a partner is established, it's less common to find discrepancies.

In Mali, when we started using the Progress out of Poverty survey we found lower poverty likelihood scores than we expected. There were a number of complications with using the survey there. For example, there are polygamous households and so there is a problem with defining what a household is. It's a tricky technical issue.

When we started this current generation of M&E work 4-5 year ago, we had two goals: inform donors and improve management. If we're not using this for program improvement, then we're wasting it. When we saw the scores we expected in but not in Mali, we asked ourselves: how do we look at take the techniques from India and apply them to other regions? We sent our India director to Mali to assist the program there. We benefit from being multi-region organization. I was sort of happy to see the bad results from Mali because that told us that we were using a sensitive tool. It's about using the data to improve the program. We've made a hefty investment into M&E.

If we didn't have field officers, accurate participant targeting would be extremely concerning. We started opening field offices in 2004. We really did need to do a lot more verification. It's been a real learning process. The verification process consists of a variety of data sets, including our staff observing how partners are administering surveys and re-administering them. I'm not sure the precise prevalence of errors, but I could get that information.

**GiveWell:** Do field officers send reports to headquarters? Are those reports you could share with us? We are interested in seeing what you look at to make management decisions.

**Trickle Up:** I think that is something we could do.

We've been working on improving our baseline surveys. When we checked the consistency of our surveys, we found a high level of inconsistency. Though piloting we found more rigorous questions that lead to more consistency.

Would it help to see the surveys/tools we use?

**GiveWell:** Yes, that would be helpful.

**Trickle Up:** We go through number of process steps to look for outliers and strange patterns. Then we analyzing the data to find meaning. For example, in a recent survey, we excluded some data because of errors.

Once per year we provide an overview of our monitoring and evaluation for our board. I can send you that. Another piece that well send you is "Definitions of Success," which came of a year of detailed conversation with field staff. We have six critical definitions of success. In India, in addition, we've created a log-frame to put metrics to this. It's specific about the benchmarks, indicators, source of the data, and how often it's conducted. We think we've done a good job of connecting the dots. The metrics of success may vary by location.

**GiveWell:** Are you tracking participants long term?

**Trickle Up:** There's been ad hoc tracking down of people who used to participate. Systematic baselines were introduced in 2008. We have been following up with savings groups and found that retention rates are greater than 95% in Mali. We can also look at the savings levels of participants to see how well these groups are functioning. We don't have as much long term data as we like at this point.

The current era of M&E began in 2008. Before that Trickle Up's M&E consisted mostly of exit interview-type questionnaires. For example, asking people how they felt about the improvements they had experienced. There wasn't a great deal of methodological rigor. As part of the new era of M&E, one of the things we want to look at is long-term results. Over time the information will get built up. We are always refining the tools and methodology. We are trying to get the tools in as good shape as possible. For example, our use of the Progress out of Poverty index needed refining. We don't only want to look at the numbers. We want to look at whether the data has been triangulated, and we want to look at qualitative information from semi-structured interviews for texture for the numbers. This is very important to us. Part of our philosophical approach is to always look for negative unexpected consequences.

**GiveWell:** How do you look for negative unexpected consequences? What are some examples?

**Trickle Up:** We interview other community members who aren't participants. Overall the results have been positive, but there are some instances of jealousy. Within households there's concern around child labor. If women are doing more labor outside of the house, who takes on the work inside house? Overall the results have been positive for other household members. I think some of the reports we send you will suggest some of these issues.

**GiveWell:** How does money mechanically move from Trickle Up to the participants and how does Trickle Up monitor that funds do in fact reach participants?

**Trickle Up:** Because one of the things we do is give out money, we have a lot of controls around that. It starts with being very careful about who we partner with. We require transparency of their books. We conduct audits and spot checks. There is also transparency to participants. We tell them what they are going to receive. We give it out in two installments and there is a training period before people get grant. Participants have to have a clear idea of what they are going to do with their money. We won't give money to participants if they don't have a credible plan. At the end of the grant period we look and see if the planned deliverables are there. Are there in fact 6 goats here? If not, why not? Of course, you're never going to have 100% compliance.

Field offices do spot checks. They look for things happening the way they are supposed to. They do random/unannounced spot checks. Otherwise partner could set things up. Field officers come in and say, "We're going to this village and I want to see X, Y, and Z."

In India we distribute money through bank accounts. Part of the program is helping participants establish a bank account. This gives us a way to monitor grant distribution. Each household maintains a logbook. In Africa and Guatemala, participants will be asked to sign a receipt, and we ask for ID docs.

Another very important part of this is our zero tolerance policy. Every year we have a couple instances of something going wrong. We do an investigation and will drop a partner if we find problems. One time, I was in India and we were visiting with staff in Calcutta where we had recently found a problem. I asked our staff how they found the problem. They told me that it starts with a gut feeling, which is followed up with looking closely at the data. For one, missing data is a concern.

We had a situation 4 years ago where we had several partners in Mali who made a concerted effort of conspiracy to take back money from participants. We went there and did an intense investigation. We dropped all partners and withdrew from Timbuktu. It was a painful experience. The women of Timbuktu were the ones that lost out, but we had to be absolutely true to the standard. We disclosed this to donors. Funding for the program was from institutional donors. This is where you really have to step back and learn lessons. We came up with new procedures.

Trickle Up also has an independent auditor. They do audit-type testing of funds going into regions. They don't do site visits.

**GiveWell:** You talked about field office performing spot checks. Is there documentation?

**Trickle Up:** We can share documentation. We don't keep a list, but there's a paper trail.

**GiveWell:** Field officers talk to both partner staff and participants. Is that correct?

**Trickle Up:** Right. The savings group is a critical piece of protecting participants. There is a solidarity effect that holds people accountable. If one woman on her own is not likely to raise her voice against partner staff, but there is a group of 10 that have access to Trickle Up staff member, it gives people a way to act upon issues. We have data on attendance and savings rates, which lets us identify problems. Why is that one person not saving?

**GiveWell:** How would Trickle Up use additional funds?

**Trickle Up:** We need funding to help us to continue to scale our India program. We really think the innovations and changes there are showing us the path to the future of Trickle Up. We are looking to grow the size of the program in India, to export some of the methodology to other regions, and to contribute to the CGAP body of learning. We sent off a proposal today for India to large-scale donor.

We have specific needs in each region. Our work with people with disabilities is very important to us. About 10% of our participants have a disability of some form. We are learning how to meet their needs. We have gotten recognition for this work. We received a grant from USAID for Guatemala to work with people with disabilities. We have sent a proposal to USAID for Mali to work with people with disabilities.

We are also looking for core support to build our M&E work, etc. We are fortunate that about 60% of our income is unrestricted.

We have needs in every area. We're in an interesting strategic planning process right now. What will be our larger vision over 10+ years to allow us to expand our impact? The answer is not raise a lot more money and serve lots more people in the same countries. We want to develop tools that others can use. We hope this will be applicable for governments. We'd still stay in direct service business, but we'd become a more prominent voice in the development community. We've come to place where people have a more balanced view of microcredit—that it works as banking but maybe not as poverty alleviation. There's more interest in conditional cash transfers. There's an opportunity to step forward and say, "here's what we've learned in 30 years." I will be looking for donors to help build the new Trickle Up. The other piece in that vision: advocacy to make people understand that you can't just say, "here's all the people under \$1/day"—there are distinct categories within that. This understanding will help us make better decisions.

**GiveWell:** Assuming that the funding you got was unrestricted, what would you do first? How much would each cost to get started? How much would you spend on priority 1 before you moved on to priority 2?

**Trickle Up:** I want some time to reflect on that.

**GiveWell:** In the participant selection process, is weight given at all to non-poverty characteristics such as expected outcome?

**Trickle Up:** We are screening vulnerability and other economic and household factors. I don't know of screen for entrepreneur success when you're starting with people who are very poor and who lack business experience and education. I don't believe it exists. One of my hopes is that after "graduation" we could identify that. Our research is showing us that you get a bell curve for success. What's going on with the most and least successful? I think the ability over time to identify people with greater upward potential is interesting. Anecdotally, you meet someone and you just know. In screening people for disabilities, they also have to meet poverty criteria.

**GiveWell:** Earlier you mentioned jealousy. Could you talk more about that?

**Trickle Up:** We think using participatory methods of participant selection is very important. The community is making the selection. We're taking them through the methodology. There's a lot of transparency around the process, which really helps. We are respectful to the elites in the area but don't let them drive the process. We want to stay away from government and elite selection. If you go through the chief of the villages, you'll just end up with his friends. In our experience, people in a village understand the differences between the better and worse off. Anecdotally, in West Bengal, there was a guy was following us asking us why he wasn't getting money. Another woman was also following and said "they're here to help the poorest." Our process allows us to do the best we possibly can.

**GiveWell:** Do you have a way to check whether husbands take the money from the wife?

**Trickle Up:** We ask ourselves: How do you educate men around this? Many of our households are female-led. In households with men, the men benefit from the program. We aim to speak to their self-interest—the whole family will eat better and there's less pressure on the man to provide. We use a combination of education and informing people about what's going on, including all of the control and oversight methods we have. There's no question about patriarchal nature of these places, but the women are stronger than you think in terms of keeping control of the money. As participants in the program, they become more outspoken about the abuse they get from their husbands. Women get more defenses. Sometimes it can be a savings group that will support her. It's also important to keep in mind that most of the men I've met also have a desire to see their children do well.

**GiveWell:** Is your involvement in an area a one-time thing?

**Trickle Up:** We're looking to maintain continuity. It's not a one-shot deal. We can't reach everyone. There's efficiency gains in getting to know the village. It would be foolhardy for us to just move on. The grant is one-time only. There are no further grants. Participants can access additional capital through savings groups. We might, very rarely, do grant replacement after a disaster.

Some one was here recently doing research on penetration. In India, a typical village has 200-300 households. The first time we create 1-2 savings groups. I don't think we've done the math to know when we reach saturation and exit.

**GiveWell:** How did the CGAP collaboration start?

**Trickle Up:** They came to us. They had an enlightened view that microcredit was not the key to everything. A former BRAC staffer was the champion of the project. BRAC ended up inventing their own version of Trickle Up. CGAP went looking for other groups to pilot this. The vehicle was the "pro-poor innovation challenge." I think we were the first or one of the first. The group meets now annually.

**GiveWell:** What types of businesses do participants have?

**Trickle Up:** People are either starting or expanding businesses. In India, they are generally agricultural based businesses—goats, fish ponds, chickens, ducks, and vermiculture (compost). We used to let people do whatever they wanted. Now in India, we've taken the step of directing the types of businesses participants enter. To the extent that we can bring market knowledge and get better at helping people, we want to do that. In Central America, many people do weaving. They already have the necessary skills. We help with seed capital and business knowledge. For example, we tell people take the trip to market instead of selling to trader. Our value-added is in business knowledge and group purchasing. In West Africa, it's largely petty trading—buying rice in 100kg bag and processing it and selling it.