

Conversation with GiveDirectly, October 6, 2014

Participants

- Paul Niehaus — Co-Founder and President, GiveDirectly
- Carolina Toth — Manager, People and Partnerships, GiveDirectly
- Eliza Scheffler — Research Analyst, GiveWell
- Ben Rachbach — Research Analyst, GiveWell
- Milan Griffes — Research Analyst, GiveWell
- Rebecca Raible — Research Analyst, GiveWell

Note: These notes were compiled by GiveWell and give an overview of the major points made by GiveDirectly.

Summary

GiveWell spoke with GiveDirectly as part of its process of staying up-to-date on the progress of top charities. GiveDirectly prepared a written update to accompany this conversation, which is available here:

<http://files.givewell.org/files/DWDA%202009/GiveDirectly/20140929%20GW-GD%20annual%20update.pdf>. The following notes provide a supplement to this document.

Topics covered in this conversation include GiveDirectly's room for more funding, operational model, partnership opportunities, and adverse event management,

Room for more funding

GiveDirectly believes it could use \$20 million in 2015 at its current pace of providing transfers and \$40 million at optimal pace after expansion.

There is a tradeoff between saving money to protect against downturns in fundraising and moving at a faster pace. During the past year, GiveDirectly attempted to move most of its funds as quickly as possible. In the event that it ever had difficulty attracting donations, GiveDirectly has on reserve sufficient funds to cover senior staff salaries for one year, though it would not be able to retain junior staff with these reserves.

GiveDirectly's ideal funding scenario would ensure sufficient funding for the full utilization of its current operational capacity in a given year, with funds left over for the next year. This would enable:

- Better planning
- Coordinated research activities
- Longer-term commitments to staff
- Allocation of senior leadership away from fundraising and towards operations

In the past year, funding from Google helped GiveDirectly better plan its research agenda. In 2014, a large amount of senior staff time was spent on fundraising to ensure operations in 2015.

Funding GiveDirectly's general equilibrium study

GiveDirectly has applied to a grant from the United States Agency for International Development's (USAID) Development Innovation Ventures (DIV). This money would be used to fund additional households to be included in GiveDirectly's ongoing General Equilibrium (GE) study. USAID has not yet decided whether it will provide this support.

There are other possible sources of funding for the GE study including:

- General holiday revenue
- Grant application to Pershing Square Foundation (PSF) for \$3 million

The application to PSF will be discussed at PSF's board meeting in December.

Operational model

GiveDirectly is planning to use campaigns in Uganda to try out new approaches to operational challenges. This is intended to allow GiveDirectly to learn more about activities it could undertake in the future. The board asked Piali Mukhopadhyay and the Uganda team to propose appropriate experimental activities, e.g. work in areas where payment infrastructure is less developed or work in humanitarian settings where the speed of payments supersedes other goals.

Uganda naturally presents more operational challenges than Kenya, so it makes sense to experiment with new operational approaches there. In addition, the GE study is the focus in Kenya, so GiveDirectly thinks it is better to locate its operational experimentation elsewhere.

GiveDirectly has begun discussing a pilot project in Bukedea District as part of this focus on new operational challenges. GiveDirectly is considering managing cash withdrawals for recipients in the pilot rather than relying on an independent mobile money network, pending board approval.

GiveDirectly is considering expanding its eligibility criteria to include:

- Widows living in iron-roofed houses
- Houses with iron roofs that are severely corroded
- Households with partially cemented floors

Government approvals for expansion

In Kenya, the GE study is the primary focus of GiveDirectly's expansion efforts. GiveDirectly's board is visiting Kenya in November and will be meeting with government officials and potential board members in order to develop contacts that will enable an accelerated expansion process.

GiveDirectly generally expects the process of securing approvals to happen faster and more smoothly than it did in Ugunja district, which took about 2.5 months. GiveDirectly is seeking permission to expand its operations into Ukwala, which would add an additional \$3 million of capacity for transfers. There is a short list of counties GiveDirectly is seeking to expand into including Homa Bay, Nyando, and Kisumu. The timeline for these expansions is expected to be between 1 and 2.5 months.

Expansion is unpredictable. Permission can be granted after a single meeting or take much longer, depending on resistance from local officials. GiveDirectly is not attempting to get government approval for all of its expansion efforts at one time because there is a risk that officials might deprioritize working on requests for expansion efforts that are not imminent.

Relatedly, GiveDirectly is considering hiring a new staff person for an East Africa networking position. This work has been performed by Field Directors (FDs) in the past, but a dedicated person could achieve more. GiveDirectly is conducting a search for candidates, but may still choose not to fill this position in the near future.

Technology tools

Segovia enrollment system rollout

The rollout of the Segovia system is ongoing. So far Field Directors and Project Associate (PA) have not realized the predicted time savings because they are still testing the system. During the rollout, FDs and PAs have been running existing enrollment processes in parallel with the Segovia processes intended to replace them. This has allowed staff to note differences and unexpected outcomes.

Testing and refining the Segovia system over the past couple weeks has taken approximately 15% of Carolina Toth's time as well as a few hours per week for field staff members. It is vital that this testing take place, though it has taken longer than was initially estimated. Predicted time savings are expected by early November 2014.

Partnership opportunities

GiveDirectly is exploring several potential partnerships.

International Rescue Committee (IRC)

GiveDirectly is in discussions with the IRC about elements of GiveDirectly's model that could be incorporated into the IRC's CT program in Pakistan.

Indonesia

GiveDirectly met with representatives from the World Bank, the Indonesian government, and the Australian Aid Agency to discuss conducting an impact evaluation comparing one time CTs with other interventions in Indonesia. There is strong interest in CTs in Indonesia but it will be some time before GiveDirectly knows the outcome of these discussions.

The Indonesian government and their counterparts at the World Bank are also interested in elements of GiveDirectly's operational model. For example, they are considering setting up call centers to facilitate tracking outcomes of government sponsored CT programs. GiveDirectly believes that direct communication with CT recipients could positively impact bureaucratic programs, though it would be hard to quantify this impact.

Adverse event management

GiveDirectly is refining its approach to adverse event management. These efforts are listed on page 7 of the update document that GiveDirectly provided: <http://files.givewell.org/files/DWDA%202009/GiveDirectly/20140929%20GW-GD%20annual%20update.pdf>.

It is hoped that these actions will make it easier for recipients to speak up and ensure that problems are dealt with effectively when brought to GiveDirectly's attention.

GiveDirectly has considered offering financial rewards for whistleblowing. It has concluded that the risk of incentivizing rumors and the resulting wasted time investigating false accusations outweigh any potential benefits. GiveDirectly has spent time investigating rumors that turned out to be false.

GiveDirectly is communicating to villages that participating communities need to help ensure that GiveDirectly's rules are followed. If evidence is found that the rules are being systematically abused, GiveDirectly will freeze work in that community as a whole. These pauses allow GiveDirectly to determine whether it is possible to continue and encourage community members to report problems so that they can be addressed.

A new system of payday monitors and local informants was recently introduced in Uganda. Communities nominate and vote on candidates for the cash out day

monitor positions. Monitors acquire prestige through their work with GiveDirectly and the public recognition from their peers.

Posing as eligible

There are larger numbers of community members pretending to be eligible (gaming) in villages located near villages that were enrolled in prior cohorts, because people have better information about eligibility criteria and can more convincingly represent themselves as eligible. Examples of gaming include pretending not to be a dependent in a family member's household or having a sibling to pretend to be a spouse.

GiveDirectly believes that the increase in gaming that (likely) results from increased information is not so substantial as to be alarming. They use the % of households censused as eligible that then turn out to be ineligible during backcheck and audit as a measure of gaming. The overall variability in this measure is relatively small—2.6% of households are found to be ineligible in an average village, and villages at the 90th percentile have 6.3% of households found to be ineligible (n=111 villages).

As GiveDirectly continues to grow, it is possible that gaming will become a more widespread problem. It is unlikely that GiveDirectly could be better known in districts where they already work. With greater national fame however, it is possible that people living in districts GiveDirectly expands into in the future could have accurate information regarding eligibility criteria before GiveDirectly gets there, causing the levels of gaming in those villages to be similar to the well-informed villages we see today. This is a common problem in development work and there is no consensus within the development community regarding whether it is better to publicize eligibility rules or not.

GiveDirectly takes a direct approach when gaming becomes a serious problem. In the Kenyan village called Ayoo A, in which there were much higher levels of gaming than is common, GiveDirectly held a community meeting to discuss the problem. At the meeting, staff told recipients that GiveDirectly would not work in areas where people are dishonest, and that it was pausing transfers until the issues were resolved. GiveDirectly also asked recipients to report any information they had about the gaming.

Recipient deaths

The death of a CT recipient from natural causes is considered an adverse event operationally. In cases where there is a CT pending, GiveDirectly follows up with family members of the deceased to determine who to send the transfer to instead of the original recipient. .

All GiveWell conversations are available at <http://www.givewell.org/conversations>