

A conversation with Ian Bassin and Piali Mukhopadhyay, August 23, 2016

Participants

- Ian Bassin – Chief Operations Officer, Domestic, GiveDirectly
- Piali Mukhopadhyay – Chief Operations Officer, International, GiveDirectly
- Rebecca Raible – Research Analyst, GiveWell
- Catherine Hollander – Outreach Associate, GiveWell

Note: These notes were compiled by GiveWell and give an overview of the major points made by Ian Bassin and Piali Mukhopadhyay.

Summary

GiveWell spoke with Mr. Bassin and Ms. Mukhopadhyay of GiveDirectly as part of the ongoing charity review process. Conversation topics included GiveDirectly's Segovia platform, processes, refusal rates, expansion to Rwanda, and approaches to risk management.

Segovia platform

Benefits of using Segovia

Segovia, the product GiveDirectly uses for end-to-end data management, enables GiveDirectly to track recipients' progress through each step of its enrollment, payment, and follow-up processes and manage other tasks such as data merging, matching checks between different steps, audit flags, and roster generation.

Currently, Segovia automatically generates lists of pending payments, but GiveDirectly must log in to a mobile payment portal, such as M-Pesa or MTN, to upload payments; this additional step takes time and could pose a security risk. Segovia is working to bring the entire payment process into Segovia by directly integrating GiveDirectly's platform with the payment portals. This new feature should be available within the next quarter.

Segovia's monitoring and reporting tools, including its dashboards, provide significant value to GiveDirectly, particularly as its campaign numbers increase.

Monitoring dashboards

Data from almost all of GiveDirectly's processes is collected through and integrated into Segovia. Important data outputs include:

1. **Recipient status.**
2. **Enrollment numbers.**
3. **Speed metrics** – These are used to set targets and track data on the time it takes GiveDirectly to move recipients between different steps in the process (for example, from census to token payment or census to second lump sum payment). These metrics might be further refined in the future.

Some of the recent delays in Uganda were caused by GiveDirectly's decision to delay payments during the country's 2016 elections.

4. **Adverse events** – GiveDirectly uses this data to increase customer service accountability. For example, following concerns about missed inbound calls, it decided to upgrade its call center technology. This upgrading process is ongoing; GiveDirectly expects to see progress in this area within the next few months.
5. **Registration and productivity metrics** – During weekly meetings, field managers can use this data to show teams where they fell relative to targets.
6. **"Standing in Community" data**
 - a. *Complaints*: When GiveDirectly enters a new area, complaint rates tend to be relatively high. This is because GiveDirectly records as "complaints" callers who request payments but are not eligible for its program. When GiveDirectly initially enters a new area, word spreads that GiveDirectly is distributing funds but people misunderstand the program, so these call volumes tend to be high. For example, the initial rate in GiveDirectly's new Rwanda campaign was 30.94%. Field teams are responsible for identifying the source of and addressing high complaint rates. Complaints that come in through GiveDirectly's hotline are not currently integrated with Segovia. Data on recipients' experiences with GiveDirectly's hotline is gathered in follow-up surveys and is in Segovia.
 - b. *Refusals*: In 2016, GiveDirectly observed a significant increase in refusals in Kenya. It made this a priority issue, and has developed a separate, detailed refusals dashboard. Data is broken down by village and sub-county, and is used by GiveDirectly's newly formed refusals outreach team to understand and address the problem.
7. **Data on staff actions** – Segovia tracks which staff member is involved in each recipient interaction. It also flags when staff members enter conflicting recipient profile information at different steps and tracks which staff member ultimately resolves the discrepancy.

GiveDirectly's country directors frequently check topline dashboard numbers. Ms. Mukhopadhyay checks topline numbers in the operations quality dashboards on a daily basis. GiveDirectly is relatively confident that the dashboards are accurate; when they were first developed, errors were identified and addressed through a vetting process.

Relationship between GiveDirectly and Segovia

Michael Faye and Paul Niehaus are co-founders and board members of both GiveDirectly and Segovia. In order to mitigate the potential legal and ethical risks of this situation, they are recused from GiveDirectly's decisions about Segovia. Ms. Mukhopadhyay and Gavin Walsh, Director of Finance and Information Systems, manage the decision to do business with Segovia and the details of that contract.

During recent contract negotiations, they assessed the quality and cost implications of building a similar product to Segovia in-house, because no similar product is offered by any other vendors. They concluded that using Segovia's product was the best option and negotiated a pricing model with its product lead and head engineer. GiveDirectly received a discounted quote in line with the planned volume of transfers. Ms. Mukhopadhyay and Mr. Walsh's proposal was accepted by the other independent board members. In making this decision, board members reviewed information about the extent to which Segovia's growth relies on GiveDirectly's business to ensure that GiveDirectly was not too large a percentage of Segovia revenue; this was out of a concern that such a scenario could cause some to question the relationship even if the decision to use Segovia is independently sound.

Mr. Faye and Dr. Niehaus split their time between Segovia and GiveDirectly, and make efforts to ensure that each organization always has the equivalent of one full-time CEO. For the sake of efficiency, staff member Melissa Harpool, who manages Mr. Faye's and Dr. Niehaus' schedules across Segovia and GiveDirectly, is employed by both organizations. All of the other staff members are employed by only one of the two organizations. There have been no issues related to staff leaving one organization for the other; the organizations' respective staff profiles are quite different.

GiveDirectly has been splitting office space with Segovia, which has helped defray office costs. Cost-splitting is pro-rated based on each organization's staff member count. Because of increases in staff numbers, the two organizations will soon be moving into separate, but still proximate, office spaces.

Beyond what is publicly available (for example, if Segovia chooses to respond to a USAID request for grant applications) and what is shared during contract negotiations, GiveDirectly does not have access to Segovia's internal information.

Processes

With a few exceptions, GiveDirectly has not made significant changes to its donation reception, disbursement, or follow-up processes. The following processes remain the same:

1. **Disbursement schedules** – GiveDirectly's disbursement schedule in Kenya and Uganda involves a token payment followed by two lump-sum payments.
2. **Follow-up schedules** – GiveDirectly conducts follow-ups with all recipients after the token and first lump sum payments, respectively. In campaigns in which recipients receive larger numbers of payments, follow-ups might be done near the beginning, midpoint, and end of the process rather than after each payment.
3. **In-person follow-up** – In both Kenya and Uganda, GiveDirectly conducts in-person follow-ups with recipients flagged as "vulnerable." Vulnerability flags include a recipient designating a trustee to receive payments on his or her behalf.

4. **Withdrawal fee** – Mobile money payments are subjected to a small, less than 1%, withdrawal fee; GiveDirectly absorbs this cost by increasing the transfer amount accordingly.

Updates

New follow-up rule in Segovia

For its standard Kenya and Uganda programs, GiveDirectly has implemented a rule in Segovia to block payments until the previous one has been confirmed: for example, first and second lump sum payments are blocked until token and first lump sum payments, respectively, have been confirmed via a follow-up call or visit. In an effort to ensure implementation quality, GiveDirectly seeks to keep the percentage of households with blocked payments under 5%. The delay between the first and second lump sum payments tends to be the longest.

After the final payment, GiveDirectly aims to follow up with a geographically representative sample of roughly 50-60% of households. Staff in Kenya and Uganda have been focused on following up on the first two payments because of the new rule described above; they are in the process of catching up on the schedule for final follow-ups.

Audit flags

GiveDirectly has adjusted some of its audit flags based on factors such as changes in enrollment numbers and eligibility criteria. Households might be flagged for an audit for a variety of reasons, including SIM card mismatches, GPS coordinate distance mismatches beyond a certain threshold, and, in programs where housing materials affect eligibility, the appearance of a metal roof on a recipient's home after registration.

Spending data

Following its Google-funded campaign, GiveDirectly surveyed recipients in detail on how they spent their transfers. Given the limitations of this kind of self-reported data, GiveDirectly has not continued this practice. It prefers to rely on more accurate data gleaned through randomized controlled trials (RCTs), and expects to collect more this type of information in future studies or campaigns, such as its ongoing RCT in coffee farming communities.

Experiments with new processes

New implementation model in Kenya

In early 2016, GiveDirectly allocated a fairly large sum of money to test a new implementation model in Kenya. A separate field director and team were hired approximately six months ago, and the experiment is taking place in an area close to GiveDirectly's other field operations. The primary aim is to double the program's size in 2017 without significantly increasing the management structure. The new model seeks to increase throughput per manager by eliminating the token payment

and back check steps. GiveDirectly will assess gains in throughput as well as costs, which might occur in the areas of comprehension and fraud. Results and data should be available after a few months of disbursements. By the end of 2016, GiveDirectly hopes to have a blueprint for implementing a similar model in other countries.

Cash-out model in Uganda

GiveDirectly has often found the "payday" payment model too restrictive. In its Uganda program, it has successfully tested a "cash-out" model. Recipients and agents were able to overcome liquidity constraints, and in Uganda, GiveDirectly distributes \$700,000 to \$1 million per month without any increases in fraud.

Division of tasks/steps

In GiveDirectly's standard operating model, each field officer is responsible for completing one type of step in the enrollment process; for example, a field officer might be assigned to the "backcheck team." In two of its experimental campaigns (the experiment to increase throughput in Kenya and its work in a coffee farming community), GiveDirectly is experimenting with a "wave" approach. In this scenario, the same officers perform multiple steps; however, for steps intended to provide a check on previous steps, officers do not perform multiple steps in the same village. This ensures that the same field officer does not visit a household twice during the enrollment process.

Refusal rates

Increased refusal rates in Kenya

After observing an increase in refusals in its Kenya program, GiveDirectly began offering services in a different sub-county (Nyando). Initial refusal rates in Nyando were also very high, which indicated that this might be a broader problem requiring additional attention and resources.

GiveDirectly created an outreach team to focus on this issue, which has been operating for three months. The team is employing a variety of different tactics: for example, it is communicating with relevant community stakeholders and using media to disseminate recipient testimonial videos and other materials. It will use A/B testing to assess the effectiveness of different strategies. During a period of a couple of months, the refusal rate dropped from an average of 70% to 20-30%, but it has rebounded significantly in the last couple of weeks.

While GiveDirectly is still determining the root causes of this problem, it has developed a few hypotheses. These include the presence of vocal religious or political leaders who might believe they have reason to mobilize the community against the payments (such as politicians who worry the organization or payments may be aligned with their opponents), or a history in the area of hostility to NGOs born either of bad prior experiences or otherwise. Recently, GiveDirectly engaged in productive conversations with some of these stakeholders. The problem might also be exacerbated by the upcoming national elections.

Impact on productivity

High refusal rates primarily impact the productivity of census teams; for example, if 50% of households refuse registration, the team must replace them with new households. In order to continue to reach enrollment targets in Kenya, GiveDirectly has provided additional support by increasing census team sizes and adjusting team members' locations. As lists generated by census teams only include eligible and interested recipients, refusal rates are much lower during subsequent steps.

In Kenya, GiveDirectly's enrollment numbers are still roughly 10% above target; this margin is even greater in its Uganda program.

Refusal rates in other countries

GiveDirectly is aware that similar drivers might arise elsewhere, though refusal rates in its other countries of operation are very low; for example, in Uganda, they are less than 1%. In Rwanda, refusal rates have also been very low. In a few cases where community members have been skeptical, the government has offered supportive backing to validate the program.

New program in Rwanda

In October 2016, GiveDirectly will launch a \$5-million-dollar retail campaign in Rwanda. Enrollment will continue until the end of February 2017. This program will provide GiveDirectly with more stability in case problems arise in other countries of operation, and offers an additional platform for interesting projects.

Approaches to risk management

GiveDirectly encounters different levels and types of risk in its countries of operation:

1. **Political risk** – In order to maintain support for its field operations, GiveDirectly adheres to the necessary registration and reporting requirements and makes efforts to keep all levels of government informed of its activities. For example, it recently met with Kenya's Principal Secretary of Labour. National elections often pose challenges to foreign organizations. For the 2016 Ugandan elections, GiveDirectly's successful risk mitigation strategy involved developing protocols and contingencies and suspending field operations and payments for a week and a half.
2. **Regulatory risk** – Some countries offer more favorable regulatory environments for cash transfers.
3. **Perceptions of foreign NGOs and workers** – GiveDirectly is making efforts to hire more in-country personnel.

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