

A conversation with One Acre Fund, March 13, 2018

Participants

- Andrew Youn – Executive Director and Co-Founder, One Acre Fund
- Kim Siegal – Monitoring and Evaluation Director, One Acre Fund
- Chelsea Tabart – Research Analyst, GiveWell
- Andrew Martin – Research Analyst, GiveWell

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

Summary

GiveWell spoke with Mr. Youn and Ms. Siegal of One Acre Fund (OAF) to explore the possibility of evaluating OAF for a GiveWell top charity recommendation. Conversation topics included an overview of OAF's work, its monitoring and evaluation, and its room for more funding.

Overview of OAF's work

One Acre Fund (OAF) maximizes the profits of poor smallholder farmers by providing them with a suite of services, including flexible loans for farm inputs (such as seeds and fertilizer), delivery of farm inputs to easily accessible locations, training on effective agricultural techniques, and connection to markets. OAF works in six countries and provides a unique bundle of services in each country.

OAF generated approximately \$110 million in additional profits for farm families in 2017, with the majority of revenue coming from OAF's program in Kenya.

Monitoring and evaluation

OAF is committed to conducting rigorous monitoring and evaluation of its program in order to improve operations. Every year, it selects approximately 10,000 treatment and control farm families across all the countries it serves and all the crops it delivers. OAF then compares the difference in profits between treatment and control groups to estimate its impact, taking into account program participants' additional expenditure on agricultural inputs. OAF periodically confirms the quality of its data and control groups by conducting randomized controlled trials (RCTs) or difference-in-differences analyses.

OAF also monitors social return on investment (SROI), which is its total impact divided by the total cost required to generate that impact.

RCT of Kenya maize program

OAF's maize-growing program in Kenya is its largest and most rigorously studied program, although it still represents less than half of OAF's overall work. Approximately 45% of farmers in OAF's program farm in Kenya, and the Kenya maize-growing program represents about half of OAF's impact in Kenya.

An independently conducted RCT of the impact of the Kenya maize program on farm family income, funded by the Global Innovation Fund, was recently completed. OAF believes the results of this RCT validate its monitoring and evaluation systems in other program locations.

The RCT did not measure consumption because detecting consumption effects caused by OAF's program would require an infeasibly large sample size.

Room for more funding

OAF spends approximately \$8.5 million per year (\$6 million on program costs and \$2.5 million to contribute to OAF's working capital) on the regular budget of its recently evaluated Kenya maize program. OAF has very little restricted funding for this program but considers financing the regular budget to be the highest priority use of its unrestricted funds due to the program's high cost-effectiveness.

The programs for which OAF has the most room for more funding have not been evaluated by an RCT. One exception is that some portion of any incremental funding OAF received would be applied to expand and develop support departments to enable future growth of the Kenya program, outside the regular budget. OAF is not currently able to fully fund these expansions.

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