Conversation between New Incentives (Svetha Janumpalli, Founder and CEO) and Good Ventures (Cari Tuna, President) on 12/13/2012

Summary

New Incentives is a 1.5-year-old organization focused on conditional cash transfers (as opposed to GiveDirectly which focuses on unconditional cash transfers).

It is still very small. It has 1 full-time staff person (Svetha Janumpalli), 1 part-time staff and 4 volunteers. It has raised $70,000 dollars to date. In its history, it has completed 5 small pilots (in India, Nigeria, Kenya and Cambodia) and is currently aiming to raise funds to scale its programs in India and Nigeria.

Svetha Janumpalli, New Incentives' founder, emailed us and we met with her because of our interest in and support of cash grant organizations. In this conversation, we focused on:

- The story of New Incentives' founding
- Its organizational track record, current situation, and future plans
- Its approach to delivering conditional cash transfers, with some of the questions we asked

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Note: This set of notes gives an overview of the major points made by Svetha Janumpalli in the conversation.

The story of New Incentives' founding

Ms. Janumpalli worked as a policy intern at University of California at Berkeley's Center for Effective Global Action. There, she was exposed to the body of research on government-run conditional cash transfer (CCT) programs. Because of the strength of the evidence, she went looking for a Kiva-type organization that delivered CCTs but didn't find one. At the time, she didn't intend to start an organization, so she approached larger organizations like Kiva and Save the Children where she aimed to convince them to offer CCTs. But, they couldn't for various reasons including discomfort with the model or bylaws didn't let them make cash grants.

She started New Incentives in the middle of 2010 and has been working on it since. New Incentives is trying to raise funds from the general public for CCTs and use funding to deliver them where they're most needed.

Organizational track record, current situation, and future plans

New Incentives raised seed funding of $40,000 in May 2011 and is still awaiting receipt of 501(c)3 status, which it expects to receive in early 2013. New Incentives has 1 full-time staff person (Svetha Janumpalli), 1 part-time staff and 4 volunteers.

To date, New Incentives has run five pilot projects in four countries:

- *Cambodia*: One hundred families received a one-time $9.90 cash transfer, conditional on the parents

enrolling their young children in primary school.

- *Kenya*: Twenty-five youth whose parents had died of HIV received a $9.90 cash transfer, conditional on attending vocational school for 12 months. New Incentives decided to discontinue this program because it seems less promising than other programs.
- *India*: Thirty families are receiving $8.10 each month for two years, conditional on their children attending school and meeting achievement benchmarks.
- *Nigeria*: Two programs:
    - New Incentives' field partner, Excellence Community Education Welfare Scheme, completed a pilot where three hundred families received cash transfers conditional on vaccinating their children and obtaining birth certificates for their children.
    - Thirty pregnant women with HIV received $10.80 each month for taking actions to prevent the transmission of HIV to their children (such as complying with antiretroviral therapy before pregnancy, and practicing certain breast feeding techniques after pregnancy).

It is currently aiming to raise $100,000 to scale up the India program to 3,000 children and is in talks with a funder. It is also trying to raise $216,000 to reach 1,000 women and 1,000 infants in its Nigeria program focused on the prevention of mother-to-child transmission of HIV (PMTCT).

New Incentives approach

New Incentives doesn't have a set of standard conditions it intends to use in each program. Instead, it tailors conditions to the particular program it is implementing. New Incentives surveys beneficiaries about what conditions they want to be necessary to receive money. It completes a baseline survey to determine what major problems a community faces so that it doesn't reward people for meeting conditions they would have met in the absence of the cash incentive.

New Incentives aims to reach populations that have not been reached by other organizations. Ms. Janumpalli says that it does this "because there are some people who have been forgotten and with such a simple model of CCTs we should try to reach the unreached."

The mechanism that New Incentives has used to transfer money to recipients varies by location. In Kenya, it used M-Pesa; in Nigeria, it is developing a system to use bank accounts; and in India it distributed paper money.

It aims to serve those with the greatest need. It analyzes census data and conducts a baseline survey to select beneficiaries. It also employs field workers to look at the houses of survey respondents to determine whether the report seems accurate.

New Incentives organizes a community meeting to explain who's going to receive the funds and why they will. It uses that as an opportunity to answer any questions community members may have about the program.

Q&A about New Incentives' approach

How did you settle on the locations you chose for your pilots? How did you pick those initial conditions?

India

We chose India as a country because they're implementing a unique identification system, which is a great way to identify beneficiaries. Also, the Indian government is going to test cash transfers so working there is a way to inform a larger conversation. Finally, we wanted to demonstrate that CCTs could even work in places that are notorious for corruption, which India is.

We picked schooling as the condition because in India there's a tough decision children face between continuing in school and going to work, and the type of CCTs that has been proven to have the greatest impacts is attendance-conditioned CCTs. In India, we interviewed many different NGOs, and the recurring thing we heard is that children just weren't going to school. Also, in Maharashtra, India, every child has free education up to age 16 under the Rashtriya Madhyamik Shiksha Abhiyan government scheme, so there's underutilized infrastructure.

Then, inside of India, we looked for communities with high drop out and low attendance rates.

Nigeria

When we went to work in Nigeria we thought that they had an existing CCT program, but then we learned it wasn't the case. We decided to stay because we found that no funder really wanted to go into Nigeria.

Nigeria was a good fit because it has recently made significant investments to provide free maternal health services for pregnant women and health services for children under 5 and they're not being utilized. There's also extremely high need there. People we serve there probably live on less than $.30 a day.

There are probably a lot of places we could have picked. We wanted to choose a place based on where we could influence the conversation.

We settled on PMTCT as the condition based on community preferences. We asked women what they wanted and they told us that they were allowed to use the government's facilities for free but couldn't actually access the services because of various financial constraints. We talked to youth and other leaders to decide on the most appropriate conditions, vetted them with hospitals and settled on the ones we chose.

In both places we work with local NGOs. We found these based on hundreds of phone calls to NGOs and references from NGOs to NGOs, etc. A key criterion in selecting an NGO partner was that it was willing to run a program for just 30 people but could also scale to 300, 3,000, 30,000 people down the line.

Why did you choose programs in India and Nigeria to scale up?

Of the pilots we ran, we felt that the programs in Nigeria and India had the largest impacts. In India, a small monetary incentive caused attendance to rise from 40% to 95%.

How do you evaluate yourself?

We track recipients on conditions. We're not planning to use money raised for transfers to run our own randomized controlled trial. There's enough from CCT RCTs that we feel like we can apply what we know worked to our program. We are, however, working with academic researchers that will conduct a RCT on our program in Nigeria if we receive enough funding to implement the program for 1,000 women as a lump sum versus through ongoing donations through our website.

If you're relying on evidence from other RCT's, don't you need to offer conditions that have already been studied?

In India, we know that education CCTs work. In Nigeria, we know that conditions on utilization of health services have been proven effective and we know that PMTCT works so we're trying to attach a cash incentive to a health program that we already know works.

Is it really true that education "works?" Major funders – like the Hewlett Foundation – are focused on improving quality of schooling, so they must believe that you need to increase the quality and not just quantity of schooling.

We're also tracking achievement, and when we implement a program we need to ensure that the program is high quality. When we select a school, we're ensuring that they're high quality and underutilized. That's part of why we work with them.