

A conversation with Jeff Brown and Karen Levy, February 26, 2016

Participants

- Jeff Brown – Chief Executive Officer, Evidence Action
- Karen Levy – Director, Global Innovation, Evidence Action
- Elie Hassenfeld – Co-Founder and Co-Executive Director, GiveWell
- Sophie Monahan – Research Analyst, GiveWell

Note: These notes were compiled by GiveWell and give an overview of the major points made by Mr. Brown and Dr. Levy.

Summary

GiveWell spoke with Mr. Brown and Dr. Levy of Evidence Action as part of its investigation into a grant for the No Lean Season program. Conversation topics included Evidence Action's current level of funding, fundraising goals, and plans for allocating funding this year.

Current funding and funding goals

Available funding

As of December 31, 2015, Evidence Action had \$7.8 million in available funding. This number excludes the Good Ventures funding that was provided for deworming toward the end of the year, which Evidence Action did not receive until 2016. Approximately \$6 million of available funding is earmarked for the Deworm the World Initiative (Deworm the World).

Funding from individual donors

Past fundraising and current goals

In 2014 Evidence Action raised approximately \$3 million from individual donors. In the 2015 calendar year, Evidence Action projected that to rise to nearly \$3.8 million (some 2015 gifts are still incoming).

Plans for allocating funding from individual donors

Mr. Brown plans to allocate the funding in tranches as it comes in, distributing it among Deworm the World, Evidence Action Beta, Dispensers for Safe Water (DSW), support for core office functions and monitoring and evaluation (M&E), and reserves. The proposed distribution of these tranches across workstreams has been shared with GiveWell, but Mr. Brown sees them as highly preliminary and thus will not make them public at this point.

Of funding contributed through individual donations, typically about one-third is earmarked for deworming activities. The remaining two-thirds (approximately \$2.5 million if Evidence Action matches the \$3.8 million target for 2015) is unrestricted. If in 2016 Evidence Action matches its expected 2015 level of fundraising from individuals, within several months it should be able to allocate approximately

\$300,000 to the Beta program. The remainder of the \$2.5 million will be put toward the other areas named above.

Goals for reserve funds

Historically, Evidence Action has not had a policy on how much funding to hold in reserves. Mr. Brown is planning to work with the board to set a policy of holding at least three months' spending in reserves, and possibly up to six months'. Currently Evidence Action has a relatively small pool of reserve funding to support Beta, DSW, and the organization's core functions.

This shortage of reserve funding has occasionally affected Evidence Action's work. Some partners or funders have been delayed in issuing the payments that they have committed. This could mean that multiple \$500,000 payments from multiple sources are not delivered when anticipated, which would require Evidence Action to adjust its budgeting. However, Evidence Action is now establishing a line of credit with its bank to help alleviate this problem.

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