

# **A conversation with Alan Fenwick and Blandine Labry, April 27, 2015**

## **Participants**

- Alan Fenwick – Director, Schistosomiasis Control Initiative
- Blandine Labry – Finance and Operations Manager, Schistosomiasis Control Initiative
- Tyler Heishman – Research Analyst, GiveWell
- Timothy Telleen-Lawton – Research Analyst, GiveWell

**Note:** These notes were compiled by GiveWell and give an overview of the major points made by Professor Fenwick and Ms. Labry.

## **Summary**

GiveWell spoke with Alan Fenwick and Blandine Labry of the Schistosomiasis Control Initiative (SCI) to get an update on SCI's progress and plans for 2015. Conversation topics included SCI's finances, country programs (including treatment numbers), and an overview of the drug donation process.

## **Finances**

### **Financial reporting**

SCI is in the process of analyzing data on all of its grants. To track its finances, SCI uses the Imperial College's accounting system, which has some limitations. It has been an onerous and sometimes inefficient process. The analysis has been further complicated by the differing financial year periods of SCI's funders (e.g. the British Department for International Development (DFID)'s financial year is from April to March).

Within the next two months, SCI hopes to have established more efficient processes for accessing grant data and preparing financial reports. It expects to provide an updated, accurate financial report by September 2015. The initial outlook from the grant data analysis is positive and, in general, revenues were underestimated in the past.

SCI is in the process of creating a three-year financial plan. This will allow SCI to more accurately identify future funding gaps and needs.

### **Budget reserve**

Looking ahead to the next three years, SCI is still determining the budget reserve it needs. This amount should be about 25% of unrestricted funds received from British donors and U.S. donors, which might be approximately £400,000. This figure does not include unrestricted funds from three large donors (e.g. MaxMind, Good Ventures, and an individual donor).

### **Fundraising**

SCI does not have a professional fundraiser. It has considered hiring one, but would have to fund the salary with unrestricted funding.

Apart from MaxMind's donation and Merck & Co., Inc.'s (Merck's) drug donations, SCI has not formed any additional corporate funding partnerships.

### **Room for more funding**

#### *2015 funding gap*

The current SCI budget reflects recent reductions to country program budgets. Given its current financial situation, SCI might not be able to cover even these reduced amounts. SCI's current funding gap is approximately \$1.5 million.

SCI has some funds in its bank account, and expects to receive additional revenue through its unsecured funding pipeline (some of this funding has been confirmed in the last month). This is not accounted for in the budget, but acts as a financial buffer. Examples include:

- \$200,000 in GiveWell donations in the first quarter of 2015.
- Approximately £20,000/month in smaller donations
- £15,000 in donations from foundations.

SCI is optimistic that, if it receives these amounts and delays some projects, it will be closer to closing its funding gap and meeting its current program commitments. This will not leave SCI with much of a budget reserve.

SCI would have liked to receive approximately \$1 million more from GiveWell sources, but was grateful for the amount it did receive. It would have liked to receive a larger portion of total GiveWell donations (i.e. 25% instead of 13%).

#### *Impact of more funding in 2015 on treatment programs*

GiveWell might have underestimated SCI's room for more funding in 2015 by approximately \$5-7 million. If SCI had received this additional amount at the beginning of the year, it would have been able to undertake additional treatment programs in 2015.

At present, SCI's approximate fundraising targets are \$1.5 million for 2015, and \$4-8 million for 2016, which would roll over into 2017.

Receiving an additional \$1.5 million would put SCI in a much more comfortable financial position for the rest of 2015 and would ease planning for future years. For example, it could commit multi-year funding to some countries (e.g. it could sign a contract with Madagascar for three years instead of one). It also would be able to meet country program needs without trimming budgets and help maintain positive relationships with program managers. This amount of additional funding would not enable SCI to carry out additional treatment programs in 2015.

If SCI were to receive an additional \$5 million in funding, it could start establishing a new, multi-year country program. Nigeria, Sudan, and Democratic Republic of the

Congo are potential candidates for new or expanded programs. Most of the funding would not be used until 2016, when the treatment programs would take place. In December 2014, Nigerian officials requested SCI's support in initiating a schistosomiasis program in several states that do not have one. USAID supports treatment in about 10 Nigerian states, and DFID supports about 7 additional states. With \$5 million in additional funding, SCI would be able to accept the government's request and provide financial support for the delivery of Nigeria's request for praziquantel (PZQ) tablet donations.

## **Country program budgets**

### *Fund allocation across country programs*

Based on fluid budget projections, SCI must decide how to allocate country program funds and inform countries of its decisions in a timely manner. SCI generally considers countries on their own merits, though it must prioritize meeting its long-term country program commitments.

SCI also provides some countries with short-term program funding. For example, SCI's programs in Madagascar and Sudan are new, and SCI has not committed funding beyond 2015. If revenues were to decrease, SCI would have to cut back funding to these programs. However, revenues have generally been increasing from year to year. If funding increased significantly, SCI would be able to expand these programs and work towards achieving national coverage. Geographic coverage levels are currently approximately 25% in these two countries.

SCI would require significant additional funding to initiate a new country program. When considering a request to expand to a new country, SCI examines several factors, including need, capacity, and political will. Staffing is an important concern, as the SCI staff is currently working at full capacity. To start a new program, SCI would need to hire at least one program manager.

### *Country program budget trimming*

Sometimes, SCI is unable to provide as much funding as a country program requests. When this happens, the program manager might choose to reduce the number of planned treatments. Alternatively, SCI might request modifications to areas that could withstand some cost-cutting measures without reducing the number of planned treatments. Program managers would then discuss the modifications with country program staff and propose a reduced budget. Though budget trimming is often necessary, it can appear harsh and have negative consequences on SCI's relationships with program managers.

## **Country programs**

### **Ethiopia**

Previously, Ethiopia's largest PZQ administration program covered 1.5 million individuals. SCI has increased support for the program and it will now provide schistosomiasis treatment for 7.5 million individuals. The budget is approximately

£1.7 million, with a treatment cost of approximately 25 pence/individual. Given the country's size, SCI had to allocate more funding than it expected to staff costs. The number of treatments planned has not increased significantly.

Along with the Ethiopian Ministries of Health and Education, SCI is responsible for implementing the program. SCI's Ugandan staff members have also provided training. The Deworm the World Initiative, run by Evidence Action, has contributed significant technical advice (its Kenyan staff provided training). Professor Fenwick does not believe it has provided any additional program funding to the government.

The Children's Investment Fund Foundation (CIFF) is considering providing funds to bridge the program's funding gap.

The END Fund has provided deworming program funding both to SCI and directly to the Federal Ministry of Health. This is included in SCI's program budget.

### **Tanzania**

In Tanzania, the government has historically chosen to coordinate treatments for schistosomiasis and several other neglected tropical diseases (NTDs) (e.g. lymphatic filariasis (LF), onchocerciasis, and trachoma). As a result, the progress of the schistosomiasis program has been slower than SCI had hoped. Recently, the government has made efforts to move the program forward, and has requested SCI's support in treating a large number of individuals in a region with a high prevalence of schistosomiasis and intestinal helminthiasis. As a result, SCI has increased its funding to the program.

The Tanzanian government is responsible for program implementation. It has a very strong NTD team and a significant amount of political will. The program is co-funded by USAID in partnership with IMA World Health (IMA). IMA has sent in an expatriate staff member to assist the government team. The African Programme for Onchocerciasis Control (APOC) also provided funding in the past, though this program is in the process of closing.

### **Sudan**

Sudan's schistosomiasis program costs were approximately \$400,000. SCI contributed \$250,000 and the Sudanese government contributed the remaining \$150,000. Treatments have been delivered, and a report is forthcoming.

### **Madagascar**

SCI plans to undertake a treatment program for schistosomiasis and intestinal helminthiasis in Madagascar, and is waiting for a potential donation to support this plan.

### **Cote d'Ivoire**

SCI had planned to treat approximately 3.5 million individuals in Cote d'Ivoire in November 2014. 1.6 million individuals were treated in December 2014. The remaining treatments were rescheduled for April 2015, but these have not yet taken

place due to a university partner's delay in taking baseline measurements at some sentinel sites. As soon as these measurements have been taken, about 1 million additional treatments will be administered.

### **Country treatment numbers**

Overall, SCI's actual treatment numbers appear to be lower than projected for this year. In a month, these numbers should be updated to include recent treatments in Malawi, Rwanda, and Ethiopia. SCI expects the updated data will be reasonable close to its initial projections. Treatments in Burundi have been delayed due to an election. Treatment numbers in Tanzania were lower than expected, as were Mozambique's.

### **Drug donation process**

Every August, African countries submit a request for the number of PZQ tablets they require for schistosomiasis treatment programs. Stakeholders meet in October or November to assess these requests and decide on allocations, taking into account PZQ availability. In 2015, countries requested a total of 140 million tablets, and Merck provided 105 million tablets. In 2016, donations will increase to 250 million tablets. A country's capacity to undertake successful treatment programs is a primary consideration. Requests from countries partnering with organizations such as SCI are more likely to be approved. Those with inadequate financial backing might receive fewer than they request. For example, Sudan requested 14 million tablets and received 11 million. Nigeria also received less than requested.

Merck's PZQ donations are increasing, and the company may also provide funding to the newly formed Global Schistosomiasis Alliance (GSA). Professor Fenwick will chair the GSA's implementation working group. He expects to hold meetings with African program managers in mid-2015 to train them on the use of a standardized template for drug requests. It is hoped the GSA's work will facilitate collaboration between countries and stakeholders.

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