

**GiveDirectly**

**February 2016**

# Agenda for today's discussion

- Process: reflections & feedback
- Plan: 2016 priorities & budget
- Policy influence: objectives and approaches to performance measurement
- Recruiting: update
- Partnerships: update
- Research: update
- Ongoing M&E: walkthrough of three recent decisions
- Room for funding

## Process: reflections on review process

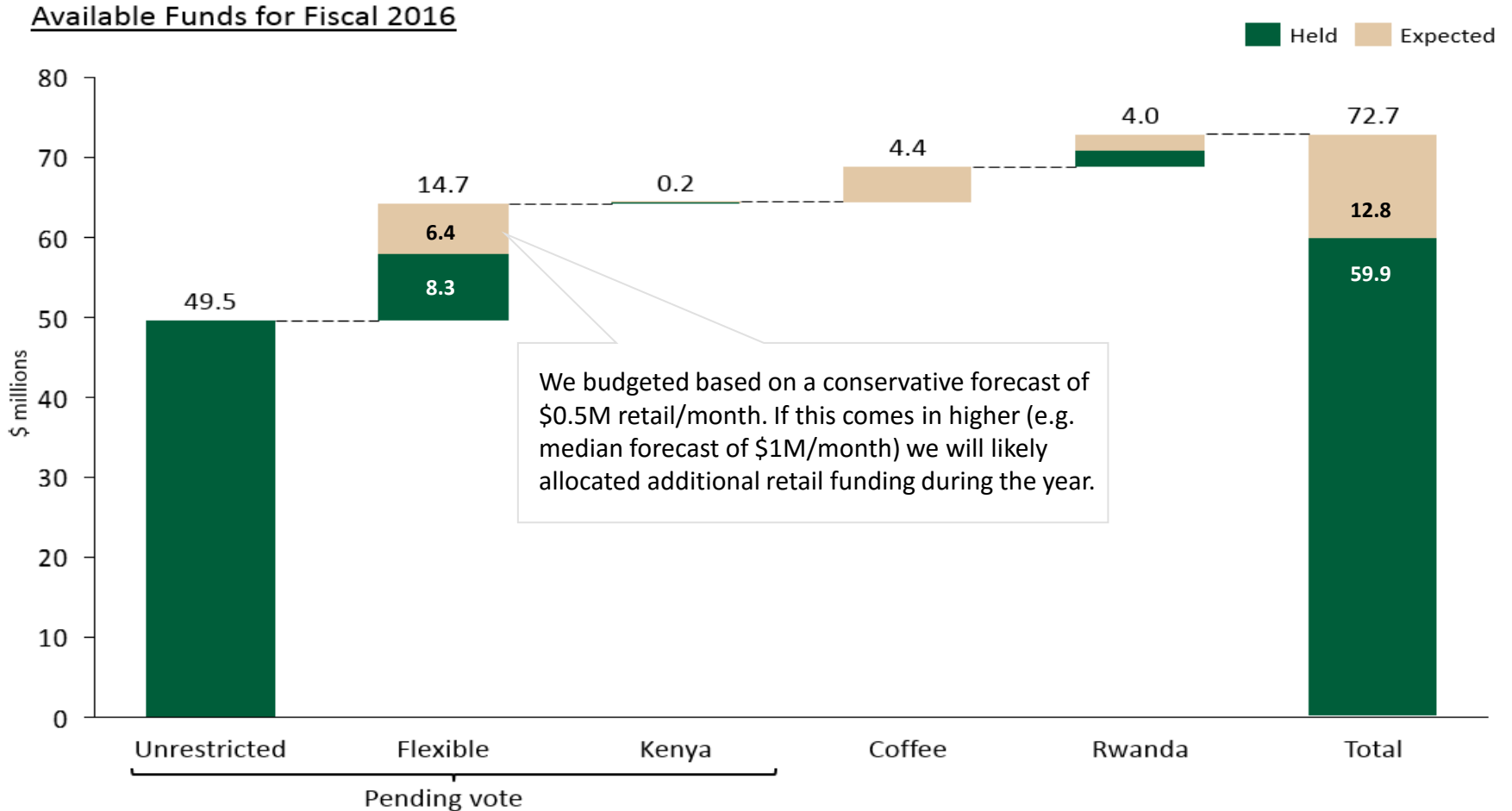
- We discussed our feedback from last year while it was fresh on our minds in January. The changes we have already discussed we feel will lead to a better process:
  - Hearing your evaluation criteria and adding the 6 month update, so that we are sharing information relevant to your recommendation throughout the year
  - Ensuring we are on the same page about cost-effectiveness analysis and take the appropriate amount of time to provide input on it
  - Continuing to discuss policy impact and find ways to incorporate it into your recommendation
- We also want to flag that a higher proportion of funds delivered this year will be through projects designed for policy influence – which increases the importance of aligning on how to think about ROI beyond direct impact

# Plan: 2016 priorities

From board deck

1. Raise >55M in revenue (45M outside of GV funds)
2. Implement [redacted] partnership in Rwanda and secure 2 more institutional partnerships (2x our previous JV goal)
3. Implement and evaluate first meaningful test of a Basic Income Guarantee; use surrounding publicity to diversify the brand from “the lump sum cash transfer exponents” to “the cash transfer experts”
4. Scale field operations:
  - Double capacity of field org, moving \$43M
  - Prepare to double capacity again to \$100M in 2017 (systems, hiring pipeline)
  - Build specific operational capabilities:
    - Test payments in areas with no payments infrastructure
    - Test lower-cost/higher-throughput variants of model

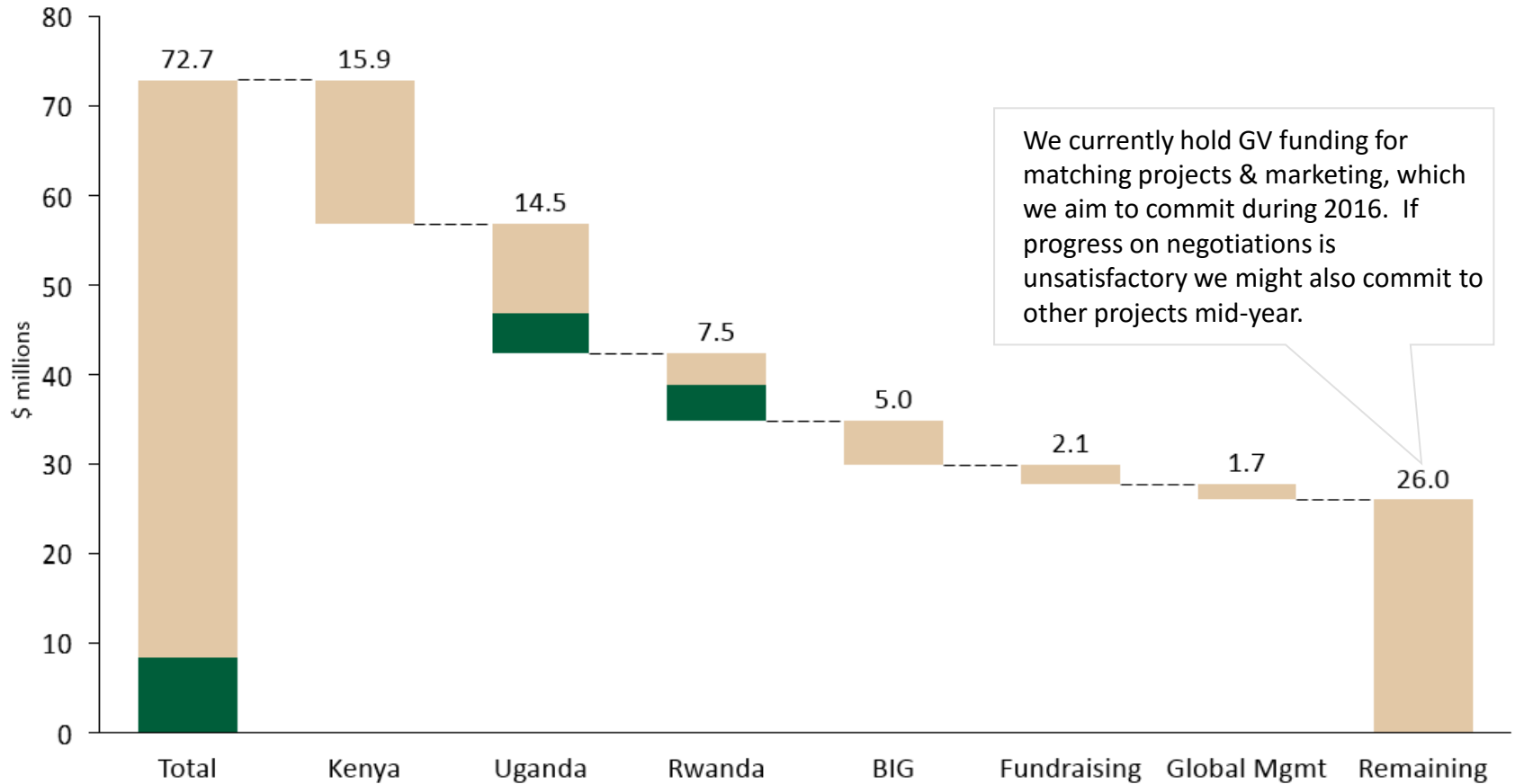
# We budgeted based on 60M cash in hand and 13M in (conservatively) forecast revenue



Of this we have allocated 47 M now, and expect to allocate more during the year

Spending Allocation for Fiscal 2016

Requires Vote Allocated by Donor



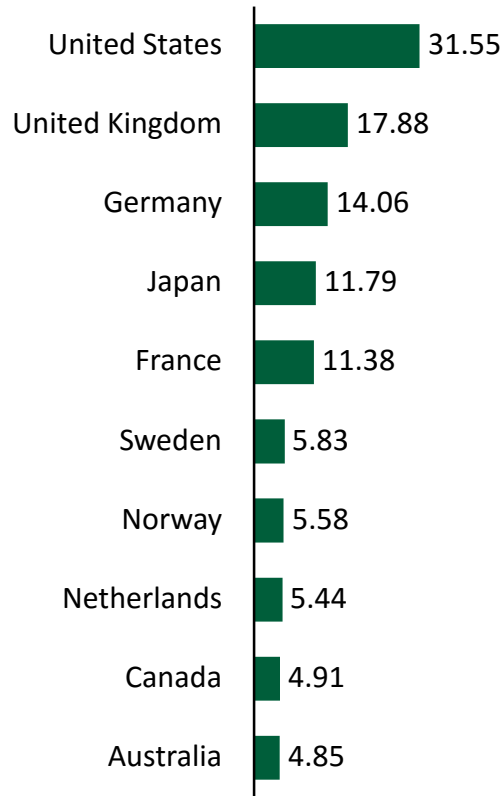
# Recruiting: we added a domestic lead and have three offers out in field management and partnerships development

	Existing employees	Additions since last update	Ongoing searches
<b>Marketing</b>	<ul style="list-style-type: none"> <li>Sharon, customer service</li> <li>Max, Comms. associate</li> <li>Sean Moriarty and Jeff Kayser, full time front and backend developer contractors through app v 1.0</li> </ul>		<ul style="list-style-type: none"> <li>VP Marketing: engaging search firm</li> <li>High net worth fundraiser – ongoing discussions</li> </ul>
<b>Partnerships</b>	<ul style="list-style-type: none"> <li>Paul and Michael</li> <li>Support from Carolina</li> </ul>		<ul style="list-style-type: none"> <li>Senior Partnerships Manager- one offer made, person with a unique and strategic network</li> <li>VP Partnerships- deprioritizing search given above</li> </ul>
<b>General Management</b>	<ul style="list-style-type: none"> <li>Paul and Michael</li> <li>Piali</li> </ul>	<ul style="list-style-type: none"> <li>Ian Bassin, COO-Domestic</li> </ul>	
<b>Finance &amp; Operations</b>	<ul style="list-style-type: none"> <li>Carolina</li> <li>Rebecca</li> <li>Gavin</li> <li>Outsourced providers (BDO, Skadden)</li> </ul>		<ul style="list-style-type: none"> <li>Finance Director (East Africa): in-person interview round scheduled with finalists</li> <li>Finance and Investment Associate (US): still sourcing</li> <li>Software Engineer: engaged search firm, sourcing</li> </ul>
<b>New roles adding field capacity</b>	<ul style="list-style-type: none"> <li>Joe Huston: Regional Director, Special Projects</li> </ul>	<ul style="list-style-type: none"> <li>Paddy McCann, Operations Manager</li> </ul>	<ul style="list-style-type: none"> <li>Special Projects Field Manager: closing finalist candidate</li> </ul>
<b>Country Directors / Field Directors</b>	<ul style="list-style-type: none"> <li>Mitch Riley (CD*, Rwanda)</li> <li>Will Le (CD*, Kenya)</li> <li>Eric Friedman (CD*, Uganda)</li> </ul>		<ul style="list-style-type: none"> <li>Up to 7 more Field Directors: two offers made, several candidates in the pipeline</li> </ul>

# Policy: we aim to use the direct delivery of transfers to also influence the broader aid sector

## 10 donor governments give 84% of total development and humanitarian aid ...

Official development assistance 2013  
\$ billions

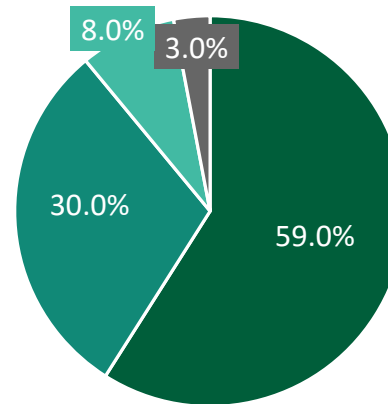


Total ODA: 134.8 billion

## ... which they use to do work through their own agencies or give to multilaterals

2013 ODA components

- Development work contracted by donor gov't
- Funds sent to multilaterals (UN, IMF, WB, etc.)
- Humanitarian aid contracted by donor gov't
- Net debt relief grants



- **The proportion of ODA that is cash** is not consistently reported, but estimated to be very small (e.g., <6% of humanitarian aid)
- **Total ODA is much more than the global poverty gap**, estimated at \$66B (Brookings)



# We see three broad opportunities for such influence

Type of transfer	Example project	Example effects beyond direct impact of transfers
“Vanilla” transfers funded by the public	Kenya rolling campaign	<ul style="list-style-type: none"><li>▪ GD’s general growth &amp; visibility led to the inclusion of two GD board members on DfID’s humanitarian cash panel</li><li>▪ Press coverage of our charitable work has led directly to increased institutional use of cash transfers (e.g. [Redacted] Rwanda project) and to self-reported changes in decision maker’s use of the thought experiment “is this better than just giving the money away” (e.g. [Redacted])</li></ul>
Transfers evaluated by an external researcher	GE	<ul style="list-style-type: none"><li>▪ Will enable us and other cash advocates to address concerns raised by senior policy-makers (e.g., VP of [Redacted]) concerned about inflationary impacts</li><li>▪ Will enable us to identify impacts by sub-groups that matter for specific funders (e.g. women, children for [redacted])</li><li>▪ May attract coverage due to its scale and audacity which increases the visibility of cash transfer to policy-makers more generally (as above)</li></ul>
Transfers delivered as part of a structured partnership with a donor gov’t	[Redacted] Rwanda	<ul style="list-style-type: none"><li>▪ Cleared a path through procurement and [Redacted] so that future cash projects can be more easily funded</li><li>▪ Has led [Redacted] mission to request RCTs of two new activities in health and education (employability training)</li><li>▪ Depending on results, may shift spending patterns of [Redacted] Rwanda mission</li><li>▪ Now being used to motivate set-up of a mechanism to more easily enable other countries to do the same</li></ul>

While the definition of ultimate success is straight-forward, indicators of intermediate progress and GD contribution are trickier

	<u>Near-term indicators</u>	<u>Ultimate metrics (&gt;10 years)</u>
<b>Measures of shifts in the sector</b>	<ul style="list-style-type: none"><li>▪ Donors adopt cash, and cash benchmarking, into their policy statements (e.g. UN Secy Gen'l report for WHS)</li><li>▪ Increased frequency of cash projects reported, e.g. via CaLP</li><li>▪ Decision-makers reference cash option as influencing their choices</li></ul>	<ul style="list-style-type: none"><li>▪ Lower proportion of people living in extreme poverty</li><li>▪ Higher share of aid spending for which a clearly defined use is reported</li><li>▪ Higher share of aid spending on cash and programming with evidence of being at least as effective as cash</li></ul>
<b>Indicators that GD was impactful</b>		<ul style="list-style-type: none"><li>▪ Policy statements or press releases mention GD or reference evidence we helped to generate or publicize</li><li>▪ When asked, decision-makers attribute an important role to GD or to GD-influenced actors in their choices</li></ul>

**Partnerships:** the offer of matching funds for partnerships with institutional actors has opened up negotiations

[Redact entire page](#)

# Research: several studies will have results available by end of year, Rwanda and [redacted] kicking off mid-year

<b>GE</b>	<ul style="list-style-type: none"><li>• Baseline complete and report attached</li><li>• End line beginning this spring</li></ul>	<b>Aspirations</b>	<ul style="list-style-type: none"><li>• Re-located after refusals in Rachuonyo North disrupted coordination</li><li>• Tentatively beginning baseline late spring</li></ul>
<b>Ideas42</b>	<ul style="list-style-type: none"><li>• Preparing for endline, complete by fall</li></ul>	<b>Gender contracts</b>	<ul style="list-style-type: none"><li>• Still working on IRB</li></ul>
<b>Phone data collection</b>	<ul style="list-style-type: none"><li>• Complete– following up for results</li></ul>		
<b>[Redacted] (coffee)</b>	<ul style="list-style-type: none"><li>• [Redacted] is a German foundation very aligned with effective altruism and transparency principles</li><li>• RCT aims to study how UCTs impact recipients with access to high investment return opportunity, in this case coffee growing, which is an industry core to [Redacted]’s mission</li><li>• Broader goal is using [Redacted] and study to introduce model to German and UK philanthropic sectors with evangelizing partner</li></ul>		
<b>Rwanda</b>			

NB: Redact Rwanda information prior to publishing, not public until pilot complete

# Ongoing M&E: for process changes not evaluated by RCT, we assessed likely impacts on performance and efficacy as follows

Decision	Question(s) raised	Assessment	
		Initial	Ongoing
<b>Moved to Homa Bay</b> , where all new enrollment in Kenya is taking place	<ul style="list-style-type: none"> <li>Are impacts in Homa Bay likely to be similar to those in Rarieda?</li> </ul>	<ul style="list-style-type: none"> <li>Physically closer to Rarieda than Siaya was</li> <li>Poverty rate is higher than in Rarieda (50% vs 46%)</li> <li>See sub-county and village selection process (attachments)</li> </ul>	<ul style="list-style-type: none"> <li>Weekly updates on refusals, which were a challenge in the region</li> <li>Standard ops reporting, hotline, follow up before next transfer send</li> </ul>
<b>Adopted new targeting rule</b> , in use everywhere in Homa Bay	<ul style="list-style-type: none"> <li>Are we still finding the poorest potential recipients?</li> <li>Do recipients still perceive the process as reasonable?</li> </ul>	<ul style="list-style-type: none"> <li>Recipients identified using new rule are living on ~50 cents per day, similar to Rarieda's 65 (consumption data, attached)</li> <li>Focus groups reported our positively on perceived fairness of criteria (attached)</li> </ul>	<ul style="list-style-type: none"> <li>Staff feedback on complaints related to criteria</li> <li>Standard ops reporting, hotline, follow up before next transfer send</li> <li>Generally we expect to re-evaluate targeting accuracy after meaningful changes using a light-weight consumption module</li> </ul>
<b>Restructured Ugandan payment model</b> , which is now the same as in Kenya (distributed cash-out with a token and two lump sums)	<ul style="list-style-type: none"> <li>Are people successfully collecting transfers?</li> <li>How if at all are impacts different?</li> </ul>	<ul style="list-style-type: none"> <li>In-person observation and calls to a selection of vulnerable recipients confirming they cashed out (attached)</li> <li>Likely makes impacts more similar to those of lump-sum transfers evaluated in Rarieda, vs stream payments (more investment impact, less nutrition)</li> </ul>	<ul style="list-style-type: none"> <li>Hotline calls to receive requests from people having issues cashing out– staff monitor for spikes</li> <li>Standard ops reporting, hotline, follow up before next transfer send – for this change, will flag recipients who have not cashed out</li> <li>Can leverage [redacted] work to evaluate</li> </ul>

## **Room for funding:** in sum, we estimate a max budget year capacity of \$78 M and current RFF of at least \$18M

- 1) We estimate max throughput per FD moving retail donations at \$14M/year in Kenya / Uganda and 7/year in Rwanda. Ke / Ug estimate is revised downward from our last due to
  - a) Unexpectedly higher rate of refusals in Homa Bay
  - b) Slower data collection due to more complex targeting criteria and content generation for donors
  - c) Desire to focus our FDs on hiring & training for the future (e.g. Office Admin, HR Manager)
- 2) We are allocating a significant share of this capacity to structured projects which typically involve more coordination and hence lower throughput per FD (4 structured projects with an average throughput of \$6M / FD, plus basic income with projected throughput of \$17.5M / FD)
- 3) Adding up, we project capacity to move \$78M this year including both structured and standard projects. With \$60M of this in hand, we project residual RFF of at least \$18M, and possibly more if we continue to hold part of the \$25M GV grant through year-end for negotiation purposes.

We have not thought about how this relates to “capacity-relevant” gaps – we’d like to discuss and understand the concept a bit more first.

# Room for funding: detail and decomposition of changes since last update

## RFF calculated for in 2015 review:

Simplest, high volume lump-sum model

	No. C/FDs	Avg. individual capacity	Annual cost (transfers and delivery)
Kenya/Uganda	5	19	94.9
Rwanda	1	8.8	8.8
<b>Total</b>	<b>6</b>		<b>103.7</b>

**Partially adjusted RFF** holding headcount and project type assumptions fixed but adjusting throughput assumption to reflect higher refusal rate, more intensive data collection, greater emphasis on team-building

	No. C/FDs	Avg. individual capacity	Annual cost (transfers and delivery)
Kenya/Uganda	5	14	70
Rwanda	1	7	7
<b>Total</b>	<b>6</b>		<b>77</b>

**Fully adjusted RFF** reflecting these changes as well as additional hiring and the addition of more structured projects, lower “vanilla” capacity due to research coordination and additional FD onboarding

	No. C/FDs	Avg. individual capacity	Annual cost (transfers and delivery)
“Vanilla” model	3.5	12	42
Structured projects	3	6	18
Basic income	1	17.5	17.5
<b>Total</b>	<b>7.5</b>		<b>78</b>