

Notes from GiveWell and Good Ventures 3-day site visit to Western Kenya to visit GiveDirectly's operations in November 2012.

Notes from day 1: Tuesday, November 6, 2012

We visited three households in Siaya. Two of these households had received their first of two \$500 transfers in July 2012 and were selected in advance by GiveDirectly. The third was a non-recipient household chosen once we were in the village. We made the visits with a GiveDirectly staff member (Piali Mukhopadhyay) and the village elder accompanying us.

- The village has a total of 52 households, of which approximately 30 received transfers.
- The village is relatively dispersed. We saw (from afar) 6 homes and visited with three households, and we covered a few hundred yards of ground. The village was ~1km off the nearest paved road. At the intersection where the dirt road starts, there's a small set of shops (~5-6 shops selling a variety of random things, some of which seem industrial but I couldn't see what they were selling). There's also a large, relatively nice-looking school (building looked well-maintained from the outside, students' uniforms looked clean) on the corner and (according to Piali) a large new hotel. Piali told us that she chose this village because it was closer to a paved road than the average GiveDirectly village to reduce the amount of time we'd have to walk in potentially bad weather. We visited during the rainy season and there was heavy rainfall each day we were there.
- We visited with three homes, 2 of which had received a transfer and 1 of which had a tin roof and therefore did not meet GiveDirectly's criteria. All three seemed very poor though the house with the tin roof was noticeably wealthier. GiveDirectly chose the 2 people we met with ahead of time; we asked to speak with someone who had not received a grant and we went to the nearest house that had not.
- Both recipients told us that they decided jointly with their spouse how to spend the funds.
- **The first recipient** had had a small (~12'x15') thatched-roof house pre-GiveDirectly.
 - She has 8 children + 2 additional children she cares for because their mother is sick and can't take care of them. She appeared to be in her late 30s/early 40s. She and her husband both farm their own land and do other agriculture (unclear to me exactly what they do). We saw ~5 of the children. Most (at least) weren't wearing shoes; all had tattered looking clothing (e.g., obvious large holes in their shirts).
 - She used the GiveDirectly funds to purchase a new roof (~27k Ksh; \$315 @ ~85 Ksh per dollar) and buy a cow (11.5k Ksh/\$135) with her grant. She had a new mud house built with the new tin roof. The old house was still there nearby her new house, and had a thatched roof.

- She said that the thatched roof often leaked when it rains (so she'd have to move her kids and belongings to another house, sometimes in the middle of the night.) When she lived in the thatched roof house, the roof had to be repaired/replaced (not sure which) about every 3 months, which cost 1,500 Ksh (\$18) each time. She said she is also more comfortable leaving her kids at home alone in the new house with the tin roof, though we did not fully understand why this was.
 - She told us that the reason she bought a cow is that her children are in primary school, and she foresees having problems paying the school fees in the future, so she will sell the cow products to pay for them. The cow is too young now so there is no milk yet. She currently buys milk for her family. When we asked, she affirmed that yes, she could sell the cow for more money later on.
 - Assets we saw:
 - She owned ~5 chickens and 2 cows
 - She had furniture in her home (e.g., multiple wooden, cushioned chairs for sitting) and a couple small tables
 - A bicycle
 - She had no other "comfort" assets we saw (e.g., no tv, radio, electricity, electric light). She had a gas light hanging from the ceiling.
 - She had an outhouse in the corner of her yard.
 - She has a separate thatched-roof structure which is now her kitchen, and which was her old house.
 - A very loosely fenced-in area for the cattle to sleep in at night.
 - She is due to receive their next transfer in January. She said she'd like to use it to build a cement-walled and -floored house because she is tired of frequently needing to re-cow-dung her house to close cracks in the wall. (She had built this new home in July/August and we already saw major cracks appearing.) This doesn't cost her money but does cost time, and is an unpleasant task.
 - Some questions we asked:
 - Have you heard of complaining from non-recipients? Yes. They sometimes say, "We worked hard to get where we are and these recipients did not." But, she said, non-recipients also understand that recipients are poorer.
 - What would you change about the program? She wanted a water tank like World Vision provides. When we asked whether she wanted this instead of cash, she said she wanted both. Lydia (a GiveDirectly employee) pointed to a stream down a hill about ~100 yards away. There was also a borehole somewhat nearby but we didn't see it.
- **The second recipient** lived in a house within a "compound" i.e., a set of 5-6 structures (e.g. houses, kitchen buildings, animal pens) on an area of land

belonging to and occupied by members of an extended family. The recipient is 32 years old and lives with his wife and 3 children in a very small (8'x12') house. He first said his wife doesn't work but then said his wife "does some farming." His father lives in 2 larger (~16'x20') houses with tin roofs. The father has two wives and a house for each wife.

- The recipient works as a motorbike driver. He'll pick people up on his bike like a taxi driver. He used to pay 300 Ksh/day (\$3.50) to rent a bike; he used his grant funding (\$500) plus some additional savings (15k Ksh, \$175) to purchase a bike. He says he worked (and still works) 6 days/week, 11 hours/day.
 - We saw few of the assets we saw other places: he has a thatched roof, paraffin lamp and battery-powered radio; he does not have any kitchen structure but just cooks outside; he had no livestock that we saw; we saw no outhouse. He said he doesn't mind the thatched-roof because he's packed it in well and it keeps out the rain.
 - His work history: years ago, he worked in Nairobi and then Kisumu as a carpenter. In 2010, his father retired and the whole family moved to Siaya.
 - When we asked why he had not chosen to buy a tin roof, he said that he wanted to buy a bike, and that he can now save up money from his earnings to get a roof if he wants.
 - With his next installment, he said that he would open a business for his wife to sell second-hand clothes.
 - When asked what he thought of the idea of giving out cash transfers, he said that "it is good because you might be having a particular problem, and you can solve that problem with money."
- **The non-recipient we spoke to** was noticeably wealthier though still extremely poor.
 - She appeared to be in her 30s-40s. She has 6 children. Her husband is a welder. For a while, he worked for someone else as a welder; he has now opened his own welding business. The recipient said that she farms maize, beans, cassava, and sweet potatoes on land that they own.
 - Her house appeared to be made of cement (the only house like this we saw on day 1) and she had a tiled (rather than dirt) floor; she had a solar panel on her roof (which she had purchased). She had a radio, a TV, and two electric lights. She had modern light switches to turn on lights and an electrical outlet in her wall.
 - Outside her house, she and her husband had rigged up a large empty oil drum to collect rainwater that ran off the roof. This gave her easy access to relatively clean water for washing (though she doesn't drink it). This required cutting a hole in the oil drum and welding a faucet on it. She had a structure with a door for the cattle to sleep in (far superior to the fenced-in area of recipient #1), a metal roofed-kitchen. There was a second home with a thatched roof for wife #2. She had an outhouse similar to recipient #1.

- She said that GiveDirectly should help people like her too because even though she has a nicer house, she is still very poor and needs help. She said that some people may have nicer homes because relatives gave them money for their homes and they may not be wealthier.
 - She appeared to have a roughly similar amount of livestock to the first recipient: a handful of chickens and a couple goats/cows.
 - She was noticeably very poor. Her clothes were worn. Her home was small (12x12'). With funds, she said that she'd try and open a business to sell cereals or buy a motorbike to give to someone to use as a business.
 - The village elder told us that in her view this woman is one of the wealthier families in the village.
- The **Village Elder** (which is the village's appointed government representative) was a woman in her 50s-60s. She told us that there was complaining in the village from non-recipients but no major problems.

Notes from day 2: Tuesday, November 7, 2012

On day #2 we drove to another village in Siaya district to observe GiveDirectly's enrollment process and another village to visit more households. During the drive, we had the chance to speak in great detail with Piali about the selection and auditing process GD has used throughout its history. We then visited:

- households that are being enrolled in GD's process (enrollment comes after an initial "census" and precedes back-checking and phone check-ins with recipients, all of which are completed before transfers are sent); this is the step where households learn that they are going to receive ~\$1,000
- additional households who had (and had not) received funds via GD

The households in the first village we visited were much more rural than households we had visited a day earlier. Where a day earlier, the village was within 100 yards of a paved road, these households were ~3 miles of very narrow dirt roads away from the paved road. Even once we had driven the 3 miles to a point near the village, we had to walk down paths for ~5-10 minutes in between each household. So, for these households the closest "major" market (Siaya town, more on this below) was about 30-60 minutes away, assuming they had a ride once they reached the paved road.

These households are part of a batch of 1,000 that GD is currently enrolling to distribute \$1 million of a \$2 million grant they received in mid-to-late 2012. The other \$1 million is being set aside to start up operations in a new country.

- **The first recipient household** we visited had a thatched roof and iron door. The house was small (about 10'x10'), with a bike inside and a few chairs but not much other furniture. The parents in the household had two children.
 - Both the wife and husband were home when we visited. They decided that the husband would be the official recipient because he had a national ID

card (which is required for GD's enrollment process), but the wife said that she manages their M-PESA account, even though it is in the husband's name.

- There was an iron-roofed building next to the recipient household, which the husband said belongs to his brother who lives in Kisumu (a nearby city). When we asked the two native-Kenyan GD staff people if it was appropriate to ask why the family would not stay in that house, they told us "you don't stay in your brother's house."
 - The husband said that he farms corn for household consumption and sometimes sells some as well.
 - The family owned one cow that their relatives currently take care of, but the relatives bring some milk to the household from this cow.
 - The husband had a national ID, which he said that he had gotten in 1996 in order to vote in the election.
 - The compound on which their house was located had two iron-roofed buildings, one was the house of the husband's mother and one was her kitchen. These iron roofs had been put on in 1990 and 1994, and were still in use, though very rusty.
 - There were homes of a number of other sons of the family on the property, including one with a tin roof, that are not often occupied because the siblings have moved elsewhere.
- **The second recipient household** had been built about 11 years ago. It was very small (~6 x 10 ft.), had a thatched room and wooden door. There was a clock in the room and some paraffin lamps, as well as a number of chairs.
 - We spoke with two women (grandmother who was born in 1930 and mother probably in her 30s-40s) who lived in the house with 2 young children.
 - Both women usually sell charcoal and do "casual labor" in other people's farms for income, but the grandmother was temporarily not working because she was ill.
 - They said that they fetch water from a river 1-2 times a day that is a 20-minute walk away.
 - When we asked what they would do with the GD grant money, the grandmother said that first she will replace her roof, and then she has so many problems she will solve, for example she doesn't even have a cow, so she may buy one.
 - This recipient asked if there are any restrictions on the money.
- **In the third recipient household**, we met with a woman who lived in the thatched-roof house with her husband and 6 children. There were mosquito nets hanging over the two beds.
 - This household was on a compound with 2 other homes (for each of the recipient's father's two wives). Both of these other homes had cement walls, iron roofs, and glass windows.

- We also spoke with the GD field staff member who was conducting the enrollments. She has degrees in community health and medical lab, and before coming to work for GD, was involved in surveying and data collection for a school water and sanitation program.
 - She told us that the most common question she receives from people who are being enrolled is if they will be expected to return the grant with interest. In response, she tells them, no, GiveDirectly is a project aimed at alleviating poverty and that they are the ones who know their problems and how pressing each one is. She said that she emphasizes that they should spend the money in a way that benefits the whole family, especially if the recipient is male.
 - She expressed strong views that women are more likely to use the money responsibly and are generally more hardworking. She has the impression that many of the men are drunkards, which she says is from meeting them. When asked what she thinks possible "bad" uses are for the transfers, she mentioned alcohol, and that men might marry a third wife who will see the money and think that the man can support her, but then the money will run out.

Then, we went to the next village to meet with recipients and a non-recipient.

- **In the first recipient household** we visited, we spoke with a man who lives in the house with his 3 daughters (we were not clear on whether he also lived with his wife).
 - This man worked as a farmer on other people's farms.
 - He said that he had used the first transfer to purchase cattle (15k Ksh), 2 goats (3.6k Ksh), clothing for the whole household (4k Ksh), school uniforms for his children (1.6k Ksh), 2 sacks of maize (5k Ksh), to pay school fees (400 Ksh), and to pay for a funeral for his mother (did not report amount). He said that he bought the cow because it will produce milk for his family and to sell to neighbors, and in the future he can sell a calf.
 - He said that when he builds a new house, he will construct it of iron, but he wanted to take care of the other things first. He said that he does not think the next transfer will be enough for cement walls as well.
- **In the second recipient household** we met with a woman who had received the first of two 40k Ksh transfers. The house was larger than the earlier ones we had visited, with a more spacious main room and had a bike.
 - She had used the transfer to build a new house, but was not able to buy enough iron sheets for a roof. She said that if she gets more money she will re-do the walls with cement, and send her kids to school (they were currently enrolled in school but she said that she sometimes paid for their school fees in produce from the farm because she didn't have enough money). The woman said that she and her husband had not gone to school, so she is working hard so that her children can have a better life. Her

- children dream of becoming a doctor and a teacher, and she hopes that they can achieve their dreams.
- She collects rainwater and fetches water from a borehole that is a 15 minute walk away. One jerry can of water costs 3 Ksh because the borehole is privately owned.
 - She sells cassava, beans, and corn that she farms.
- We also visited a **non-recipient household**. We spoke with the husband of the family, who was sitting there with his wife and child, and his father, who is the village elder.
 - The husband expressed the view that the cash transfers have really helped the village, even if his family didn't get the money, because it has helped the other households. He said that there are not problems in the village, but that if GiveDirectly wanted to help people, all of the villagers could have been helped, because all people have different problems. When asked what he thought about using roof materials as the eligibility criteria, he said that you can't tell someone's problems by this – maybe he lived in this house, but he took a loan.
 - He used to sell fish, but said that he couldn't make enough money, so he became a motorbike driver. He used to rent the bike every day, but then he took out a microfinance loan to buy one, which he is still paying off. He also said that he had taken a loan out to replace his roof. In both cases the interest he owed was approximately 50% of the loan size and the term of the loan was 1-2 years. Once he pays off his current loan, he said he would like to get a loan to fence off his land, to prevent other people's animals from grazing there.
 - He said that after people in the village got the cash transfers, he had more motorbike business because people would need a ride to town to purchase items with the money.
 - It was his impression that most recipients used the transfer money to build houses with iron roofs, pay dowries, buy livestock, start a business, or buy a motor bike for business.

Notes from Day 3, Thursday, November 8, 2012

On day 3 we visited the village in Rarieda county where the RCT is currently being completed. We observed IPA field staff members administering the endline survey to people in their homes. This village was very spread out, with at least 5 minutes walking distance between each home. The area was very scenic and lush, again we saw many farms near the houses implying that agriculture was common in this village as well.

Innovations for Poverty Action (IPA) staff told us that they compensate surveyed individuals with in-kind gifts (e.g., with cooking fat worth roughly the wages the household could earn during that time) for the time they spend on the survey. IPA surveys both adult family members together (for about ½ day) and then surveys the male and female heads of household separately (for about ¼ day each).

The survey asks many detailed questions – e.g., how much have you spent on meat, fish, eggs, milk, etc. in the past month – and we found ourselves wondering whether respondents could realistically provide accurate answers.

Also, given the duration of the interviews we wondered whether respondents would likely be willing to maintain sufficient energy to respond thoughtfully and carefully.

Later, we drove to a nearby village to meet with a few recipients we had chosen randomly from a list of recipients GiveDirectly gave us and the village elder. This village had homes that were slightly more clustered together in parts.

- The **first recipient** we visited had received \$300 as the total transfer (she was from one of the treatment arms of the RCT). She still lived in a thatched roof household, but was storing iron sheets to use for a roof once she had purchased enough of them (she said she had 20 and needed 38).
 - The woman had six children, and was living in a house owned by her parents until she and her family could afford to move to their own house.
 - She said that she had purchased the iron sheets in Kisumu because they were sold for cheaper prices there. She knew this because her husband drives a matata, a large van that is a common form of public transport, to and from Kisumu for a living.
 - The current roof had to be repaired every 4 months, the repair takes 2 days and costs 1000 Ksh.
 - The woman told us that there was no other NGO activity in the village.
 - When we asked what she thought would benefit the whole community, she said electricity.
 - We talked about whether she'd considered moving to the city; she said that she had not, because it was cheaper to live where she lives, and she had no relatives who had moved to the city to stay with there.
 - She said that she got drinking water from Lake Victoria, which was 15 minutes away on foot, and they her family used a WaterGuard filter to purify their water.

- The **second recipient household** had received 2,800 Ksh/mo from June through October (as part of its RCT, GiveDirectly experimented with different disbursement schedules). We spoke with a woman there who lived with her husband and 3 children in the house.
 - With this money, the recipient had purchased cattle and 10 iron sheets. She said that she needs 10 more iron sheets.
 - When we asked if she thought it was better for fewer people to receive the full amount of the transfer, or everyone to receive a

smaller amount, she said everyone a smaller amount so that they won't complain.

- She had started saving for an iron roof before the GD cash transfer. She had already saved up 2,300 Ksh, but had to use it on her mother in law's funeral.
 - She said that she thinks it's better for the husband to receive the money (did not explain further).
 - She said that the thing that would benefit the whole community is electricity. She does not know of any other NGOs working in the village.
 - She said that they had trouble paying for school fees. Two of her children were in private schools, which cost 2,500 Ksh/year. She believes schooling is important so that they can make wise decisions, and become teachers, doctors, or even the president.
 - She said that it takes the children an hour to go to school (one way).
- The **third recipient household** had received a \$300 transfer (24,000 Ksh). The house had mud walls and a thatched roof. There were a number of chairs in the household, which was about 10x10, as well as a poster with the alphabet and a few framed photos (of the wife and husband).
- The family bought a cow for 15,000 Ksh, and paid boarding school fees with the rest.
 - The husband is a fisherman. They used some of his income to build a bigger house in January of 2012.
 - If had more money, would get iron roof, more cattle, pay school fees
 - When we asked if the wife thought that everyone should receive transfers of a smaller size or if it was better for only some people to receive a larger amount, she said that she thinks that giving the larger grant to only some people is fine.
- We also visited the village elder, who was in a **recipient household**. He had received the \$1,000 transfer, and used it to build a new house – the one we sat in – with a tin roof. It was relatively spacious as compared to the other houses. He had a metal door, a radio, paraffin lamp. He lives alone but said he often receives guests in his house, including people from his church and relatives.
- He told us that he used to live in a small thatched roof house, so he used the money to build a new house and kitchen (a smaller structure in the yard made of narrow branches affixed in an open grid pattern on all sides).
 - He said that he still would like to build a toilet. (We did not see any toilets in this or the other villages, so it's unclear whether he meant toilet, latrine, or something else.)

- He said that he didn't have any problems with how GD works, but that people have asked him when GD will come back and help everyone. When we asked if he thinks everyone should receive smaller transfers or whether fewer should continue to receive larger transfers, he said that he thought everyone should receive smaller transfers.
- He said that what people need most is piped water for their crops, and treated water to drink.
- After receiving the transfer and building a new house with a metal house, he said he was more peaceful because his possessions remained dry.
- He noted that people need to patch their roofs often when the roofs are thatched, but at the time of our visit, there was no grass to use for this purpose. (We weren't clear why this was the case).

Note that we have mostly visited thatched-roof or previously thatched roof houses; we have only visited 2 houses from people with (pre-GD) tin roofs. The following are general observations of the characteristics of the homes we visited:

- Most homes are made up of three rooms. Homes we saw varied in size from 6'x8' to 20'x20' or so.
- The main room is a sitting area. This room has 3 doors: one to the outside; one to a storage room; one to a bedroom. The husband and wife sleep in the bedroom and the children sleep in the storage room or in the kitchen.
- The kitchen is often a separate structure, most often thatched-roof (even for homes that have tin roofs). Some households have no kitchen structure but just cook outside. Others have a small kitchen in place of a storage room.
- Most often, there are no doors in between rooms in the house, just hung curtains.
- The living room has many chairs and couches for sitting, made of metal and/or wood. They often almost fully cover the perimeter of the room (aside from doors). There are also coffee tables in the middle of the room. Some houses have more chairs and doilies or other cloths covering the table and chairs.
- People have wall hangings for decoration. The most common hanging we saw was old calendars (e.g., from 2003, though some were more recent) that have pictures and can be used for decoration.
- Most houses had 1-2 paraffin lamps that provide light since they don't have electricity. One home (the non-recipient we visited on day 1) had a couple electric light bulbs, which were powered with a solar panel.
- Many households have a bicycle.
- Some households have radios (both of the non-recipients we saw had radios; one had a TV). Of the others, perhaps 2/8 had radios. These were most often powered with what looks like a car battery (which can probably be recharged in the market).
- Most people had one cell phone pre-GiveDirectly, but are excited to purchase another one when GD arrives for 1650 Ksh (~\$20). More on this below.

- Households tend to own some livestock. Most commonly, we saw 1-2 cows and 4-5 chickens each. They say they use the milk from the cows for themselves and some also sell it; many mentioned being able to sell their cows in the future when they need money for kids to go to secondary school. (I think ~3 of the recipients we spoke with said this.)
- Physical disability is pretty common. We often saw people noticeably limping around in ways you rarely see in the US. My guess is that this is a function of some injury/illness that has had residual effects.

Overall, richer households are larger, lighter (e.g., have windows), are more likely to have radios/electronics, have more wall hangings, and are in better repair (mud homes start to crack quickly and many cracks seems correlated with the other items.)

Experience registering for and using M-PESA

GiveDirectly transfers money to recipients through the M-PESA mobile phone payment system. M-PESA is reasonably common in Kenya. We saw M-PESA outlets in virtually every shopping center we drove through both in cities and near villages, and our general impression is that it would be easy for an individual to find a place to register for, deposit funds in, and withdraw funds from M-PESA. This was reinforced by the fact that staff members of GiveDirectly and Innovations for Poverty Action both use M-PESA regularly for their personal expenses.

M-PESA charges fees on transactions which vary depending on the transaction size but are generally are low single-digit percentages of the transaction.

In order to understand better how M-PESA works, Elie registered for and used M-PESA on his phone. This was our experience with M-PESA:

- We walked into a convenience store that had an M-PESA sign in the window, and posters with M-PESA transaction rate information behind the counter. Elie was able to register for M-PESA immediately with the help of the woman who worked in the store, who is a registered M-PESA agent. He was asked to present ID at this stage.
- Elie had trouble finding the M-PESA system on his phone, but he was using a Blackberry, which seemed to be the main problem (most M-PESA users have non-Blackberry phones); the M-PESA agent was able to help him find it.
- Elie then deposited cash into his account by giving it to the M-PESA agent, who asked for his ID again. He then withdrew cash. A small transaction fee was taken out for withdrawing (fees are about 1-2% of the amount of the transaction).

Overall, the M-PESA agent seemed very comfortable with the system and helpful. Based on our observations of every commercial area we passed through, from small markets in rural areas to city streets, M-PESA agents seem to be ubiquitous.