

A conversation with Kanika Bahl and Grace Hollister, October 16, 2017

Participants

- Kanika Bahl – CEO, Evidence Action
- Grace Hollister – Global Director, Evidence Action's Deworm the World Initiative
- Natalie Crispin – Senior Research Analyst, GiveWell

Note: These notes were compiled by GiveWell and give an overview of the major points made by Ms. Kanika Bahl and Ms. Grace Hollister.

Summary

GiveWell spoke with Ms. Bahl and Ms. Hollister of Evidence Action as part of understanding Evidence Action's room for more funding for its Deworm the World program. Conversation topics included funding reserves, room for more funding for several of the countries in which Deworm the World works, and cost per treatment calculations.

Reserves

Evidence Action is still working out some of the details of its reserve policy. It is considering holding a lower level of reserves for programs that have a lower level of infrastructure (e.g. Beta) than for programs with a higher level of infrastructure (e.g. Deworm the World). Evidence Action sees several functions of funding reserves:

- To protect against uncertainty in its other funding streams so that the sudden loss of funding for a program does not prevent that program from continuing its work.
- To protect against cost overruns.
- To enable Evidence Action to take advantage of opportunities that come up that it was not aware of when making its annual budget.

Preferred length of funding runway for each program

Deworm the World would ideally like to have 4-5 years of runway for its programs from the outset because:

1. From a technical and epidemiological standpoint, there is not a strong case to be made for setting up a new deworming program that will run for less than 5 years. Follow-up assessments of the changes in prevalence and intensity of soil-transmitted helminthiasis (STH) and schistosomiasis typically occur after 5 years of treatment (in line with WHO guidelines) because any changes that occur before that point may not be informative enough to make decisions about whether or in what way to continue the program. These

assessments are factored into Deworm the World's discussions with governments about long-term treatment strategies and often lead to adjustments in treatment strategy. (The Kenya Medical Research Institute (KEMRI) is now performing such an assessment of Deworm the World's Kenya program.)

2. Governments are more likely to commit to running a program for a certain length of time if Deworm the World commits to fund the entire length of the program.
3. Deworm the World prefers to have all of the funding for the program in hand before making such a commitment because donors often prefer funding new programs, which can make it difficult to get funding for a program after it has been running for a few years and could jeopardize Deworm the World's ability to follow through on its commitments.

Determining the preferred runway for each country involves balancing the needs of the country with what seems feasible. Deworm the World would ideally prefer to have 5 years of funding for each program (and it is moving toward this in its commitments to its programs in Kenya and India), and it would not make sense to commit any less than 3 years of funding to a program up front.

Deworm the World signed a memorandum of understanding (MOU) with the government of Kenya a few days ago confirming a second 5-year commitment.

Room for more funding by country

Kenya

As of June 30, 2017, Deworm the World had committed \$4.8 million to its Kenya program, including \$1.4 million for each year from 2018-2020. These are years 7-9 of its program (or years 2-4 of its second 5-year commitment). The program year runs from July 1-June 30 in accordance with the Kenyan fiscal year. No funding has been committed to the program for 2021.

Accounting for commitments made since June, Deworm the World has committed a total of about \$7.5 million to Kenya. This includes \$2 million allocated to the Kenya program out of the \$2.4 million in GiveWell discretionary funding that Deworm the World received recently (the rest of which remains uncommitted), and a \$500,000 grant anticipated from the END Fund.

Accounting for all of the above, Deworm the World has a total funding gap of \$6.1 million for Kenya.

Nigeria

Expanding to Lagos

Deworm the World may expand its Nigeria program to Lagos State. The cost of operating in Lagos would likely be higher than in other areas of Nigeria due to being in an urban setting (urban settings can be challenging to operate in and sometimes have lower compliance than other areas). Treatment programs for other neglected tropical diseases (NTDs) have had difficulty with the door-to-door community-based treatment model; if Deworm the World does expand to Lagos, it would do school-based deworming.

Expanding to other states

When selecting new states to work in, Deworm the World looks for states that:

- Do not have an existing partner organization treating for STH and/or schistosomiasis. (Some of these states may treat for other NTDs.)
- Have a relatively high level of school enrollment.
- Are relatively secure.
- Could leverage Deworm the World's existing operations in states in the south-south and south-west regions.
- Have a level of prevalence that meets the threshold for mass treatment.
- Do not have political considerations that would preclude Deworm the World from working there.

The Federal Ministry of Health (FMOH) needs to sign off on every new program that is created.

Building capacity

This year, Deworm the World expanded its capacity in Nigeria and now has a solid program base in place. It will need to scale up its operations there in order to expand to more states but is confident that it will be able to leverage its existing capacity to do so.

Pakistan

Much of Deworm the World's work in Pakistan will be dependent on its partner organization there. It is in discussions with the partner organization about the level of capacity required and will be working to ensure that the partner has enough funding to provide the requisite capacity. Deworm the World also works through partner organizations in Vietnam, Ethiopia, and one state in Nigeria.

Global operations

In its room for more funding analysis, Deworm the World has also included funding to grow its global team to be able to continue to support programmatic growth

across different countries. Evidence Action's recent work on strengthening its internal operations is also critical for Deworm the World to be able to effectively expand its programs. Its plans for expansion seem realistic and well-grounded in light of its current capacity.

Cost per treatment

None of the adjustments or re-categorizations of costs that Deworm the World made after finalizing its cost per treatment calculations would have a significant impact on these calculations. The majority of the adjustments were made to allocations between donors, which did not add new costs to the program. One exception is that as part of an audit adjustment in December 2016, \$79,000 in Africa regional costs was allocated to the Kenya program; about half of these costs should have been included in the cost per child model for the 2015-16 program year, which would have changed it from 44.54 cents to 45.16 cents. The other half of these costs will be included in the costing for the 2016-17 program year, which Deworm the World has not completed yet.

Indirect costs

In the cost per treatment analysis for the 2015-16 program year, Evidence Action switched from using the donor rate for indirect costs to using the effective indirect rate. This ensured that Deworm the World's total spending on indirect costs was factored into the cost per treatment analysis.

Pramanit Karya India Private Limited (PKIPL)

PKIPL, as a for-profit company, earns a profit fee on its services. The profit is retained by PKIPL. A decision will be made on how to deal with the accumulated profits as part of the transition once Evidence Action has set up a not-for-profit entity in India.

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