

## **GiveWell's notes from a meeting between GiveWell (GW) and charity: water (C:W), July 17<sup>th</sup>, 2012**

From charity: water: Scott Harrison (Founder and CEO), Nat Paynter (Director of Water Programs) and Michael Letta (Chief Financial Officer)

From GiveWell: Elie Hassenfeld, Alexander Berger and Rebecca Trupin

### **How does C:W select its partners?**

charity: water's mission is to provide everyone on the planet with access to clean and safe drinking water. In practice, that means working with the best implementing partners in the space. In addition, our partners must have or be able to develop the capacity to scale their impact and align with our strategy. Along with big vision, we assess many other factors when evaluating a partner, including but not limited to: adherence to our 100% model, the importance of timely, reliable and transparent reporting, costs per person served, and of course, water programs of the highest possible quality and reach.

To date, charity: water has worked with 21 partners whom we believe are impacting the water crisis in a big way. Our funding has provided access to 2.5M people in just 6 years. As we continue to grow, we'll also iterate – country, partner, investment strategies will certainly change - but ultimately, we'll want to work with the best implementers who can provide the most people with clean water the fastest!

Today, our *Water Programs* team drives the type of solutions we invest in based on the nature of the need, the terrain, and the technical expertise of the implementing partner on the ground. Via onsite visits, they assess the strength of the overall program, including the monitoring and evaluation component which ensures sustainability of the water projects.

Once the partner and solution are selected, *Finance* assesses the organization for fiduciary exposure risk. We examine the structure of their Finance and Accounting functions, including internal controls around cash and grants management. We also dive into their systems to understand how our funds will be tracked and reported on.

Based on the above, we assign an overall risk factor (via a scorecard-type system) to potential funding opportunities. After a thorough review of partner-submitted proposals, charity: water puts all grants before our Board of Directors for approval.

Once approved, we enter into legally-binding contracts with our implementing partners. We disburse funds in tranches – some up front, and some at an interim period based on approval of a progress report. We require final reporting on all grants, including financial reconciliation, measurement of programmatic outputs versus intended deliverables, and photos and GPS coordinates of completed water projects.

### **Does C:W seek out most applications or do they receive many unsolicited proposals?**

Yes, charity: water seeks out most proposals. For the past couple of years, however, we've been working with already-established partners on multi-year strategies.

A very small percentage of the water projects charity: water has funded come from unsolicited proposals. These partners, and therefore the approved awards, are also minimal in value as a percentage of our entire investment portfolio.

## **What is C:W's strategy for funding new country programs?**

As noted above, charity: water is currently working with already-established partner programs, and we believe our strategy will develop over time, but in general: we would utilize our network first in inquiring about a new potential partnership. Also, independent sources like the World Bank and USAID would be consulted. We would certainly apply the same vetting procedures as described above in question # 1 before we solicited an official proposal.

## **What is the most likely reason for an applicant to fail?**

charity: water is working to create engagement, awareness, and transparency for our donors, and thus we prioritize being able to guarantee that 100% of funding go directly to program costs on the ground. It's also essential that our partners be able to show the progress and impact of a program, and prove (via photos and GPS) the physical existence and location of the water projects our donors funded. If a partner can do amazing work, but cannot provide detailed reporting and proof of where every dollar went, they will not receive funding.

## **How does C:W raise funds and how do you allocate funds?**

See Appendix A (<http://www.givewell.org/files/DWDA%202009/charitywater/CHARITY%20WATER%20-%20FINAL%20Appendix%20A.pdf>).

## **What types of projects is C:W is not funding?**

In general, charity: water is solution-agnostic, but the following project types currently do not fit our model:

- utilities
- full-scale municipal systems
- microfinance

We also do our best to avoid funding water projects in known conflict zones.

## **Can you tell us a bit about your monitoring and evaluation strategies?**

First of all, charity: water tries to target our investment strategy to partner programs that have established monitoring and evaluation components. The best ones usually have a local community or government-supported mechanism that not only ensures the sustainability of a water point over time, but also highlights the impact that water has had on the lives of the beneficiaries.

As we've grown over the past 6 years however, and are now working in 20 countries, we've realized that we need our own M&E function within charity: water. We're still exploring what that looks like in terms of resources, logistics, the type of data we're looking for, how to respond to the data, and how we can use innovation and leverage technology to really scale this function and the impact we want it to have on the sector in terms of transparency and accountability.

**What challenges do you face in monitoring and evaluation and what opportunities have you seen?**

The biggest challenges are 1.) not knowing the status today of a water project you funded yesterday and 2.) the sector as a whole has not traditionally allocated enough awareness (and therefore capital) to maintaining a functioning water point over time.

We are really excited to pilot a remote sensor technology this fall, which is essentially a device, installed at the water point, that transmits (via cell or satellite) continuous status via flow rate. If successful, the idea would be to install these devices on all water projects that contain pumps and pipes at initial construction. So in real-time, we'd have access to data that could answer one of the most fundamental questions – is water flowing? This initial data then leads to capturing other indicators such as – where are we exposed? What project types? How old are those projects? What's the issue – hardware or software? Both? What are the solutions? How much do they cost?

Once we understand this information better and have some historical data points, the big idea is the charity: water warranty. In fact, we've already begun modeling and funding innovative mobile mechanic and circuit rider monitoring and repair teams in Ethiopia, C.A.R., and India.

<http://www.charitywater.org/projects/fromthefield/india3.php>