

# **A conversation with Claire Walsh and Samantha Carter, January 17, 2018**

## **Participants**

- Claire Walsh – Initiative Manager, Government Partnership Initiative, Abdul Latif Jameel Poverty Action Lab
- Samantha Carter – Initiative Staff, Government Partnership Initiative, Abdul Latif Jameel Poverty Action Lab
- James Snowden – Research Consultant, GiveWell

**Note:** These notes were compiled by GiveWell and give an overview of the major points made by Ms. Claire Walsh and Ms. Samantha Carter.

## **Summary**

GiveWell spoke with Ms. Walsh and Ms. Carter of the Government Partnership Initiative (GPI) at the Abdul Latif Jameel Poverty Action Lab (J-PAL) as part of its investigation into highly leveraged policy interventions. Conversation topics included GPI's recent contribution to a fund-flow reform scale-up in India, how it makes decisions about which projects to fund, and how it would use additional funding.

## **Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) fund-flow reform scale-up**

**GiveWell (GW): What is the strongest qualitative evidence you have that suggests that GPI was causally responsible for the MGNREGS fund-flow reform scale-up?**

GPI: The two most important sources of information that indicate that we contributed meaningfully to this policy reform are:

1. Dr. Santhosh Mathew's testimony that GPI's support was instrumental in the development of the policy implementation plan, and in getting the policy implemented and adopted by 21 states.
2. A note from the Union Cabinet, which cites J-PAL's work and support as an important input in this policy decision.

**GW: What was Dr. Santhosh Mathew's involvement in the scale-up?**

GPI: Fund-flow reform was an idea co-generated by Indian policymakers and J-PAL affiliated researchers, and Dr. Mathew was the policymaker at the center of that. He was one of the principle investigators on the original randomized controlled trial (RCT) of the fund-flow reform in Bihar, which found that the reform reduced program leakages by ~17% and overall leakages by 24%, saving ~\$6 million.

During the MGNREGS fund-flow reform scale-up, Dr. Mathew was working as a Joint Secretary within the Ministry of Rural Development, and pursuing the scale-up as a side project. He worked to convince other ministries that it was important to scale

up fund-flow reform in social protection programs like MGNREGS, as well as other programs.

**GW: What support did GPI provide for the scale-up?**

Though Dr. Mathew was enthusiastic about the fund flow reform, the rest of the government was not prioritizing it, so we had to do a lot of work generating buy-in from other government officials. In 2015, we started supporting a full-time staffer to work directly with Dr. Mathew to build the case for the scale-up, and later to help develop a detailed policy implementation plan to make sure there was follow-through.

**GW: In the document summarizing cases in which GPI has contributed to policy change, why did GPI assume that the MGNREGS scale-up had an effect only 20% as large as that found in the RCT?**

GPI: This was a conservative figure that we mostly used just to show that the rate of return would still be high even if the reform was only one-fifth as effective at scale as in the RCT. But there is also good reason to be somewhat conservative in our estimate, because we know that Bihar is a state where leakages may have been particularly severe to begin with, so the benefits may have been larger there than they would be in a state where things were already running more smoothly.

In terms of actually estimating whether the effect is similar at scale, the authors of the Bihar RCT also evaluated a national rollout of the fund-flow reform intervention, and found that the intervention was similarly effective at scale: in the Bihar RCT, program leakages fell by 17%; in the national rollout, they fell by 18%.

**GW: What were some of the costs associated with the fund-flow reform scale-up?**

GPI: The reforms were essentially changes in how an existing fund-flow system operated, and the system used an IT platform that had already been paid for, so it's not obvious what marginal costs should be included there.

The original RCT was also an important contributing factor to the scale-up, so it may make sense to include the costs of that study, depending on what would have been done with the study results in the counterfactual world where GPI did not fund technical assistance for a scale-up.

**GW: Is there further work to be done on fund-flow reform?**

GPI: The Ministry of Rural Development's original vision for the fund-flow reform was to first scale it up in MGNREGS, then later roll it out to many other government-funded social programs. It may be worth revisiting this idea, to see if there is still interest in expanding fund-flow reform scale-ups to other social programs.

## Grantmaking

**GW: GPI evaluates grant proposals on seven criteria. Have the most successful grants been the ones that scored highest on these criteria?**

GPI: In general, yes, although for many of the grants it is too early to say whether they have contributed to successful reforms. The criteria on which we evaluate grant proposals are:

- Policy relevance
- Promotion of evidence-informed policy
- Viability of the partnership
- Commitment to use evidence in decision-making
- Scale-up potential
- Institutional support
- Level of affiliate involvement

Looking at the grants that have already led to scale-ups, like India and Zambia, those proposals were scored very highly. The MGNREGS proposal got the highest possible score from our entire board when they were making the decision of whether or not to fund it, and got top ratings from its board reviewers in six out of the seven categories. The Zambia proposal got the highest possible scores in all seven categories from its board reviewer, but it did not get the highest scores in the board's overall funding decision, mostly due to missing information in the application.

**GW: What are the relative advantages of providing Type 1, Type 2, and Type 3 funding?**

GPI: We think they all fill pretty big gaps in the funding space for this type of work and they provide different benefits in terms of getting evidence used in policy, based on different time horizons.

### *Type 1: Research grants*

Research grants are integral to the overall GPI enterprise, because some of J-PAL's biggest scale-ups in the past have involved a government and a group of researchers working together to co-design an intervention and evaluation in response to either a policy window or a government partner's urgent need. In these cases, the evaluation is designed to answer a specific question with the goal of informing a particular policy decision, which is ideal because the government is already committed to using the evidence to address a specific problem. We like to provide funding to these policy-relevant RCTs where we have confidence the results will be applied.

In our experience, there are generally about two to four years between the beginning of an RCT and the implementation of a policy informed by that research.

### *Type 2: Technical assistance for a scale-up*

Scale-ups have the potential to inform a particular policy on the shortest time horizon, because at the time of application the government is already at the point where it has committed to scaling something up based on evidence. Implementation of a scale-up usually happens one to two years after the grant application, barring unforeseen political challenges. Three of the six scale-ups we have funded so far have already resulted in implementation.

### *Type 3: Technical assistance for institutionalizing the use of evidence in policy*

Type 3 grants are important because having long-term collaborative partnerships with governments on the ground is the only way that we're able to develop a clear pipeline of Type 2 and Type 1 projects. Rather than only influencing one program decision, Type 3 grants are meant to change the entire relationship of the government to evidence by creating the guidelines, institutions, incentives, and norms that help make evidence-informed policymaking the rule rather than the exception.

### **GW: Are there already examples where Type 3 proposals have successfully changed policymaking norms, or is it still too early to say?**

GPI: Six out of 16 of our institutional partnerships have already resulted in either the initiation of a policy-relevant RCT, or government adoption of an improved system for data and evidence use. We have written about a few cases of improved systems for evidence use in India, Chile, and Peru in a recent blog post (<https://www.povertyactionlab.org/blog/1-12-18/increasing-use-data-and-evidence-real-world-policy>).

The indicators we look for in the interim to evaluate whether Type 3 proposals are on track to produce good outcomes are:

1. Has the proposal progressed to the point of either identifying a policy for potential pilot and scale-up, or identifying an area where relevant evidence is missing and it would be useful to do a new RCT?, or
2. Are the grantees creating a new incentive system or guidelines that encourage greater use of evidence in the policy process more broadly?

### **Room for more funding**

#### **GW: How much additional funding could GPI absorb?**

GPI: We could productively absorb at least \$3 million, and likely more than that. Our total fundraising goal is \$5.5 million, which is likely the maximum we can absorb.

#### **GW: How would additional funds be spent?**

GPI: The majority of the money would be spent on running requests for proposals (RFPs), including the project awards for successful proposals. The remainder would go to support GPI staff.

### *Funding competitions*

With a ~\$3 million grant we could likely fund three to four funding competitions over the course of 2018 and 2019, with about \$500,000 to \$700,000 in awards per round. Based on our past scale-up projects, we expect this could fund six to eight partnerships, and possibly more. If we received a smaller grant, in the range of ~\$1.5 million, we could run two RFPs, awarding between \$500,000 and \$600,000 per round.

The reason why we think we could make productive use of at least \$3 million over two years is that we have seen consistently high demand for GPI funds from governments, and from our network of researchers, offices, and partners. In less than two years, we've offered six RFPs and received 85 total applications from 67 different governments around the world. We have no reason to expect demand to decrease, and in fact believe it might increase, so we're reasonably confident that we'll get at least ten proposals per RFP.

### *Team*

The remainder of the grant would go to support core GPI staff. If we received a larger grant, in the range of ~\$3 million or above, we could think about creative ways to deepen the permanent team of GPI staff. These staff could be positioned around the world, and could help develop a pipeline of government partnerships that could lead to scale-ups, as well as providing support for scale-ups in progress.

### **GW: How are funding competitions structured?**

We generally do funding competitions at least every six months, because we think it's important to be responsive to policy windows as they open up. For this reason, our review process is shorter than the review processes for most of J-PAL's other funding initiatives. It is also useful to do multiple rounds of RFPs because when our contacts around the world are encouraging their government partners to submit proposals, they have a range of dates in the near future that they can choose to target.

We are very flexible about refining our model going forward. For example, if GiveWell is interested in funding only interventions in a particular region or program or sector, or only funding scale-ups, we would be very open to having a more targeted round.

### **GW: Are you currently financially restricted in your capacity to run RFPs?**

GPI: Yes, we had originally envisioned having many more than six RFPs because we knew that demand was high. Our goal was to raise about \$5.5 million for project awards, but we only ended up raising about \$2.68 million. We currently only have about \$600,000 left in funds, and we expect to award this fully by the end of the year, so we don't have enough money to launch any more RFPs.

**GW: What difficulties have you encountered in fundraising?**

GPI: For the most part we're still in the early stages of conversations with a few foundations, which is part of the reason that our funding is uncertain. However, some factors that might be contributing to a lack of interest in funding GPI are:

- **Cause agnosticism.** Most of our potential funders have strategies that are specific to a certain cause or geographic region. Since GPI is agnostic to sector and region, it is difficult to convince these people to fund it. We see this as the biggest obstacle to our funding.
- **Uncertainty of returns.** Some potential funders have concerns about how sure we can be that these projects will actually contribute to meaningful policy change because the policymaking process is complex and iterative, the time horizons are unpredictable, and there are many different actors at play.
- **Working with governments.** Some people are reluctant to work with governments in general because they assume they're corrupt or that they're not committed to using evidence. In fact, we've seen quite the opposite – in the past five to ten years there has been a movement towards evidence-informed policy that seems to be coming mainly from governments themselves.
- **Short track record.** GPI has existed for less than two years, so some potential funders are waiting to see if we have any more successes. We expect that by the end of 2018 there will be other cases to evaluate.

**GW: How much of J-PAL's unrestricted funding is GPI eligible for?**

GPI: None – GPI is only eligible to access the restricted funds that were given to J-PAL specifically to support GPI. This includes ~\$2.68 million in project awards, as well as an addition to J-PAL's endowment from Mohammed Abdul Latif Jameel earmarked to cover part of the staff time spent on the initiative.

**GW: Are there important deadlines GiveWell should have in mind for making a decision?**

GPI: We don't have any pressing deadlines in the next six months. We have a strong goal to fundraise enough money to relaunch GPI RFPs by the end of 2018, so the end of the year is our deadline, but we are ready to start working at any time – the sooner we get funding, the sooner we can start the process of preparing for funding competitions.

*All GiveWell conversations are available at <http://www.givewell.org/conversations>*