

A conversation with IPEN, June 24, 2019

Participants

- Bjorn Beeler – General Manager & International Coordinator, IPEN
- Dr. Sara Brosché – Global Lead Paint Elimination Campaign Manager, IPEN
- James Snowden – Senior Research Analyst, GiveWell

Note: These notes were compiled by GiveWell and give an overview of the major points made by Mr. Beeler and Dr. Brosché.

Summary

GiveWell spoke with Mr. Beeler and Dr. Brosché of the International Pollutants Elimination Network (IPEN) as part of the second round of investigating applicants to the 2019 GiveWell Grants for Global Health and Development in Southeast Asia and Bangladesh (<https://www.givewell.org/research/grants-southeast-asia-bangladesh-2019/application-details>). Conversation topics included IPEN's financial structure and its room for more funding.

Financial structure

Lead paint regulation campaign costs

For a typical lead paint regulation campaign, IPEN provides an in-country partner organization with approximately \$50,000 per year, which funds staff time, meetings, and any other useful activities.

Budget and unrestricted funding

IPEN's overall annual budget for global operations is approximately \$2 million USD, the majority of which (approximately 60-70%) are unrestricted funds. Its core sources of unrestricted funding include:

- **A private foundation** – This Foundation is one of IPEN's two largest donors and provides an unrestricted grant. Although IPEN states its intentions in the grant agreement, it retains significant flexibility in allocation of funds.
- **Swedish Government** – The Swedish Government, via Sweden's international aid agency, Sida, is the other of IPEN's two largest donors and provides an unrestricted grant that includes targets IPEN must meet.
- Various IPEN project-based funders include: German and Swiss Governments, Global Environment Facility (World Bank managed funds), UN Environment, and other private foundations based in the US and Europe.

IPEN's current budget for work on lead paint specifically is largely flexible, enabling it to select countries for additional work as it deems necessary. However, its grant from the Global Environment Facility and UN Environment Programme, which is a significant investment, is focused on lead paint regulation in Nigeria and Indonesia.

Allocation of unrestricted funds

Based on its internal priorities, IPEN allocates unrestricted funding to its various programs (e.g. halting toxic chemicals in plastics & consumer products, advancing international chemical safety policies, lead paint elimination, curbing mercury pollution & pesticide production, monitoring toxics in women & food, and building capacity in among Global South public health organizations, among other programs). It also communicates with its regional hubs in order to better understand local context and determine areas in which to work (countries targeted as high-priority may not always be appropriate).

IPEN sets its budget at the beginning of the year and revisits the budget later in the year.

Optimal grant structure

The length of time required for a campaign to achieve a lead paint regulation depends on the consistency of funding. A multi-year grant, for example, significantly increases the probability of achieving regulation in a shorter timeframe by enabling continued momentum and awareness-raising. However, governmental decision-making processes—which IPEN is unable to control—may also speed or slow a campaign's ability to achieve regulation.

IPEN believes that the optimal grant agreement would provide consistent multi-year funding, with stated targets varying by priority. An effective grant would also include sufficient flexibility in order to ensure that funding can be deployed based on changes in local context.

Optimal allocation of funds

If IPEN received an unrestricted grant intended for its work on lead paint regulation, IPEN would aim to invest 70-80% of the grant to focus on in-country activities with approximately 20-30% of funds to core operations (to oversee strategic growth and hiring technical & communication experts). 30-40% of the funds would go to activities in countries where achieving regulation would be higher probability, and the remainder would serve as a flexible pool of funding that could be deployed where necessary and when specific in-country opportunities arise.

Room for more funding

Use of additional funding in Asia

Within Southeast Asia, campaigns in Indonesia and Vietnam represent high-priority opportunities for IPEN and are included in its application to the 2019 GiveWell Grants for Global Health and Development in Southeast Asia and Bangladesh. It is also interested in commencing campaigns or investing more resources in existing campaigns in at least three other countries within the geographical restriction of the GiveWell grant (Bangladesh, Cambodia, the Philippines). Within the broader region

of Asia and outside of the campaigns proposed on its grant application, IPEN would choose to allocate funding to:

- **Follow-up activities in Malaysia and South Korea** – IPEN has conducted paint studies and some follow-up activities in South Korea and Malaysia through existing relationships with in-country partner organizations. Due to the ongoing nature of its campaigns in these countries, additional funding would be used for any opportunities identified by partner organizations, rather than full campaigns. IPEN estimates that follow-up activities in Malaysia and South Korea would cost approximately \$200,000 in total per country.
- **Full campaign in Cambodia** – IPEN has conducted a small preliminary lead paint study in Cambodia, but it has not been able to make further progress with an in-country campaign. Although work in Cambodia was included as an additional possibility in IPEN's grant application to GiveWell, it would like to allocate significant funds (approximately \$300,000) to initiate a campaign and create the necessary infrastructure to achieve a national lead paint regulation in Cambodia.
- **Lead paint study in Japan** – Japan is the only country that has purportedly eliminated lead paint through voluntary regulation, although this claim has not been verified. IPEN is interested in conducting a study of paint in Japan to better understand the impact of the country's voluntary lead paint regulation.
- **Follow-up studies evaluating the effect of lead paint regulations in Thailand, the Philippines, and other countries in South and Southeast Asia**

Five-year budget projection of maximum funding capacity on IPEN's Global Lead Paint Elimination Campaign

After receiving a significant institutional grant in 2016, IPEN scaled up its global & regional operations, internal controls and capacity to move more financial resources to its partners in-country, and remain accountable to detailed controls required by the highly regulated Swedish international aid agency, Sida. Thus, IPEN scaled its work on lead paint and has since been able to absorb and direct larger amounts of funding to partner organizations at lower overhead costs.

IPEN roughly projects that it has the capacity to absorb an additional \$14 million over five years for lead paint regulation campaigns in 40-50 countries. This budget includes 20 countries that IPEN has already identified as clear opportunities for achieving national lead paint regulations (i.e. in-country partner organizations have requested support), as well as 20-30 additional countries that IPEN expects to become opportunities as it scales. \$2.75 million (approximately 20%) of this budget would be allocated to core operations (e.g. regional and global activities, staff costs), with the remainder of funding granted directly to in-country partners.

IPEN believes that this type of large and consistent funding could lead to a full global elimination of lead paint. Although its existing model for lead paint regulation is highly efficient and effective, it has been limited to available funding and mostly short-term project-based work. Moreover, a significant increase in scale could result in new innovations and increased collaboration with industry—which would quicken the speed at which manufacturers cease production of lead paint, shifting the global market and reducing childhood lead poisoning from paint. Key elements of what a five-year, \$14.1 million grant would specifically enable include:

- **Hiring of dedicated campaign staff** – IPEN has found that campaigns are more successful with the support of local industry, which typically encourages government to proceed with regulation. Through significant grant funding, in-country partners could hire dedicated campaign staff to engage more deeply with relevant stakeholders in industry as well as government.
- **Global communication strategy** – IPEN believes this could be a major factor to move markets and policies, noting that once countries know of the lead paint issue, their partners can move media, decision makers, and manufacturers. Thus communication is an important factor for potential innovative investment. IPEN would explore the possibility of complementing its campaigns with a global communication strategy that might involve social media engagement, in-country national media coverage, and celebrity ambassadors—with the goal of increasing awareness of lead in paint and creating a policy and industry environment for action.
- **Engaging with the private sector: lead-free suppliers & promoting Lead-Safe Paint certification** – IPEN would like to work more with suppliers of raw materials for paints in order to facilitate quicker and more streamlined transitions to lead-free paint production. It has not yet possessed sufficient funding to make this investment. In addition, IPEN owns a third party Lead-Safe Paint certification program (eco label) developed together with paint industry representatives and run by an external certification body that could be utilized much further. Today manufacturers in three countries are certified by the program, including manufacturers in the Philippines with 80% of the market share.
- **Continuation of existing campaign activities** – The majority of resources would be invested into in-country activities with local/national organizations championing national lead paint elimination campaigns, with IPEN's technical, policy and communication support. IPEN's in-country campaigns would continue to involve core activities such as lead paint studies, awareness raising activities/media outreach, and promoting dialogue between local organizations with decision makers and collaboration with paint manufacturers.

Based on the advancement of national policies in 40 countries since 2009, IPEN believes that consistent multi-year funding at the scale of approximately \$14 million USD over a 5-year period could effectively eliminate lead paint globally. This

includes establishing national lead paint bans and/or regulations in most major national markets across low to middle income countries, and major paint manufacturers supporting this goal. IPEN noted this is a highly cost-effective initiative, where \$14 million USD would have a massive impact on childhood development across the Global South.

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