

Site visit with GiveDirectly, October 20-21, 2014

Participants

- Piali Mukhopadhyay – COO, International, GiveDirectly
- Stuart Skeates – Uganda Field Director, GiveDirectly
- Steven Olinga – Field Officer, GiveDirectly
- Eliza Scheffler – Research Analyst, GiveWell
- Josh Rosenberg – Research Analyst, GiveWell

Note: These notes were compiled by GiveWell and give an overview of GiveWell's visit to GiveDirectly's field operations in Uganda.

Summary

On October 20-21, 2014, GiveWell staff visited GiveDirectly's field operations in Uganda. In addition to conversations with GiveDirectly staff, GiveWell went to 2 villages to meet with recipients and observed a cash out day.

Meeting with recipients

On October 20, 2014, we (GiveWell staff) travelled with GiveDirectly to Kawo and Apungure, adjacent villages located about one hour's drive outside of Mbale, a small city in southeastern Uganda. Both villages had been part of GiveDirectly's first campaign in Uganda (the "Uganda pilot"). At the time of our visit, all transfers had been made to households in that campaign, and final follow up surveys were ongoing.

GiveDirectly had randomly selected a short list of households that we could visit, and then called each of them ahead of time to make an appointment. We ended up visiting 2 households in Kawo and 2 households in Apungure. We were accompanied on these visits by GiveDirectly staff, one of which translated our conversations with recipients.

The below notes summarize what recipients told us in those conversations.

Household #1 (Paul)

- There are 11 people in Paul's family who all live on the same compound.
- Paul is not married, he lives alone, and he is the only beneficiary in his family.
- Paul farms, as does the rest of his family; Paul does not have any other jobs.
- Paul received 2.4 million UGX (~\$960) from GiveDirectly. (50,000 UGX (~\$20) had been deducted because Paul opted to buy a cell phone through GiveDirectly, and the other 50,000 UGX (~\$20) was taken in the case of GD staff fraud.)
- Paul used 1 million UGX (~\$450) to cover 2 years of school fees (Senior 1 and Senior 2 levels.) Paul thinks he could pass the exams necessary to finish school, but has not sat for them (there are fees associated with secondary school exams). Paul said that if he were able to complete Senior 4, he could then go to school to become a mechanic, but he does not currently have enough funds to

complete Senior 4. Paul said that in the long run, he will be better off because of his spending on education.

- Paul used 450,000 UGX (~\$180) to purchase 18 iron sheets at a price of 25,000 UGX per sheet. He stores these iron sheets inside his father's house, which is larger and has an iron roof. Paul said that he does not have enough sheets for a full roof yet.
- Paul said that he is trying to make bricks out of mud so that he can build a new house and put a roof on it by February 2015.
- Paul said that he wants to replace his thatch roof because finding the special kind of grass needed for the roofs is difficult, and because sometimes termites attack him.
- Paul used some of the funds for domestic expenses.
- Paul has 300,000 UGX (~\$120) left from the transfer; he is keeping this money (in cash) in case of an emergency.
- Paul said that he chose to spend the money in these ways because his father has some land, which Paul expects to inherit some day.
- When we asked about the money that had been deducted from his transfer, Paul said that he had been told 50,000 UGX (~\$20) was for the phone and 50,000 UGX (~\$20) was for the SIM card, and that no one called the hotline to report this extremely high price for a SIM card because the person running the hotline was one of the staff who told recipients about the SIM card deduction.
- When we asked if Paul thinks it would be better to give a smaller sized transfer to more people (rather than keeping transfer size at \$1000), he said that since he's in need of more money, he wouldn't want to reduce the size of the transfer.
- When we asked if there is anything that GD could do differently, Paul said increase the transfer size.
- We also asked if Paul had seen any good or bad spending, and he said that some people spent money on alcohol.
- Paul asked GiveDirectly staff if the deduction from his transfer was "genuine" and whether it would be replaced. GiveDirectly staff explained that the deduction for the phone was genuine, and the second one for the SIM card was not.

Household #2 (Gilbert)

- There are 5 people in Gilbert's household: Gilbert, his wife, and 3 children.
- Gilbert said that he received 2.39 million UGX (~\$960) from GiveDirectly.
- The first thing that Gilbert spent transfer funds on was domestic items that he lacked, including a mattress, plates, saucepans, and cups.
- Gilbert used some of the transfer funds to build a brick and cement house with iron roof:
 - Iron sheets were purchased from Katongole; 14 sheets at a price of 26,000 UGX per sheet
 - Other building materials were purchased within his village
 - Labor costs: 400,000 UGX (~\$160) for masons, 200,000 UGX (~\$80) for mixers, 200,000 UGX (~\$80) for water for laborers
 - House took 3 months to build

- Gilbert said that the problems with having a thatch roof are that heavy rains can blow the roof off, and moderate rains will cause the roof to leak.
- Gilbert spent some of the transfer funds on medical treatments for malaria and other illnesses.
- Gilbert spent some of the transfer funds on supplies for agriculture (he specifically mentioned seeds and leasing land for one year.) Gilbert said that he farms mainly for consumption, but could sell some of the produce in case of financial hardship. Gilbert farms maize, cassava, sweet potato and soya beans.
- Gilbert said that he does not have enough land, so cannot raise animals.
- Gilbert does not have any funds remaining from the transfer.
- Gilbert said that he withdrew cash at the cash out days GiveDirectly coordinated at a nearby church, and that he stored materials because he could not store cash.
- When we asked whether Gilbert thought it was better for households in one village to receive \$1000 each or households in 2 villages to receive \$500, he said that the amount of the transfer (\$1000) should stay the same.
- Gilbert said that no other charities work in his village.

Household #3 (Scovia)

- 5 people in Scovia's household: Scovia, her husband, their child, her husband's other wife (Scovia's "co-wife"), child of husband and co-wife.
- Scovia was the official recipient. When we met with her near her household, her husband joined. Scovia's husband answered nearly all of the questions that we asked.
- Scovia's husband told us that his father had incurred a debt of 20 cows, which he asked his sons for help in paying off. The debt was:
 - 10 cows for the dowry from the father's marriage
 - 10 cows for traditional healing the father had sought as treatment for a problem with spirits
- Scovia's husband said that he spent 1.4 million UGX (~\$560) to purchase 2 bulls and 2 cows to help his father pay off this debt.
- Paying off the debt from the traditional healing enabled Scovia's husband to reclaim some land.
- Scovia's husband also spent 425,000 UGX (~\$170) on 17 iron sheets at a price of 25,000 UGX (~\$10) per sheet. Scovia's husband said that he wanted to use the money to construct a new house but could not do so with the debt outstanding. He said that thatch roofs leak and the wind can blow them away.
- Separate from the transfer, Scovia's husband had saved 650,000 UGX (~\$260) over about 1 year to buy a motorcycle, and he said he used the rest of the transfer (about 650,000 UGX (~\$260)) to top up these funds and make the purchase. Scovia's husband said he has been working as a motorcycle taxi driver. On a bad day, his revenue is 10,000 UGX (~\$4), on a good day, his revenue is 25,000 UGX (~\$10), and he spends about 10,000 UGX (~\$4) per day on food and gas when he is working.

- Scovia's husband also said that he/his household [we didn't clarify] earn money by planting rice. In a good season, they will harvest 10 bags of 100kg each of rice, which brings in 2.5 million UGX (\$1000).
- Scovia's husband said that before receiving the transfer from GiveDirectly, getting a meal was a problem, and he didn't have seeds or land. Since receiving the transfer, he bought animals and got married.
- Scovia said that she and her husband had agreed as to how to spend the money.
- Scovia's husband said that he thinks his elder wife should be eligible for a transfer, though she did not receive one. He also asked about the transfer deductions from the staff fraud.

Household #4 (Betty)

- Betty lives in a thatch-roof house with her very young child, on a compound owned by her relatives.
- Betty said that she has lived on her own for 3 years.
- Betty farms, mostly for consumption, but will sell crops if she needs money for an emergency or to buy basics like soap, sugar, and medical treatments.
- Betty used 2 million UGX (~\$800) to buy a piece of land from her great uncle, which she paid for in installments as she received the transfer. Betty said that the time will come when she needs to be independent of her family and will build a house on the land. Currently she has used the land to plant cassava.
- Other purchases: 60,000 UGX (~\$24) on a mattress, 80,000 UGX (~\$32) on bedding, 180,000 UGX (~\$72) on pigs. Betty said that she bought the pigs young and plans to sell them once they reach adulthood.
- There were multiple people sitting nearby as we spoke to Betty, she said that they are happy for her even though they didn't benefit, and that they think GiveDirectly might come back and give them transfers.
- When we asked Betty if she thinks GiveDirectly should continue to give \$1000 to people in one village or a smaller amount to people in more villages, she said that GiveDirectly should increase the amount of the transfer.

Observing a cash out day

Why GiveDirectly conducts cash out days

In Uganda, GiveDirectly has coordinated cash out days to enable recipients to withdraw funds at a location in or very near to their villages. GiveDirectly coordinated cash out days because the agent network around their villages was not robust and lacked sufficient liquidity. Cash out days also reduce costs for recipients who would otherwise pay for transportation to a nearby agent.

Our observations of a cash out day

We observed a cash out day in Uganda that took place in October 2014 as part of the Uganda 2M campaign. The below information is based on our observations of that cash out day and conversations about it with GiveDirectly staff.

Prior to the cash out day, GiveDirectly had told recipients the location and time that they should arrive to withdraw funds. Stuart Skeates, the Uganda Field Director had also made arrangements with the mobile money agents who would attend to facilitate withdrawals.

Upon arriving at the designated site for the cash out day (near a secondary school), many village members were already gathered. We roughly estimated that 100 people were there when we arrived, and some people arrived or departed over the course of the event. It appeared that many people had come just to observe the event rather than to withdraw transfers. Mr. Skeates, the Uganda Field Director, made announcements at the start of the event, translated by the 2 community monitors. The announcements included reminders about how to keep account information secure (e.g., after entering your PIN number, make sure to press "send" before handing your phone back to the agent; make sure you have received a confirmation message after withdrawing and that it states the correct amount; count the cash immediately after receiving it.)

After announcements, the three mobile money agents set up their stations – two were sitting on chairs under a large tree and the third was sitting in the MTN van with another person who we assumed was affiliated with MTN. One community monitor sat near the two agents under the tree and one stood near the van window. The community monitor by the tree appeared to mostly be observing transactions, while the one by the van was playing more of an intermediary role.

We saw many people with small purses or wallets to hold their money, and some who carried it by hand.

Mr. Skeates noted that far fewer people were withdrawing cash at this cash out day than he had expected. In total, we estimated that about 40 people withdrew cash at the event, while 380 people across two villages had received transfers. Mr. Skeates asked an English-speaking village member about this, who said that many people traveled to an adjacent district to withdraw cash from an MTN agent there, because the big market day in their area is on Monday, and the cash out day was happening on a Tuesday.

After withdrawals had started, it was announced that anyone who was unable to withdraw cash should gather at a certain location. Names and GD identification numbers of these people were collected. Mr. Skeates then had an English-speaking village member read him a name and GD identification number while he looked the person up in a database on his lap top. At first, Mr. Skeates called each person over individually, asked her or him a few questions, and explained what he knew about the reason they were unable to withdraw cash. Mr. Skeates was being translated by the English-speaking village member. After a few individual meetings, Mr. Skeates decided instead to look up all of the people at once and group them by type of issue, so that he could speak to each group of people at once. There were four types of issues that were responsible for most of the people who were unable to withdraw funds at the cash out day:

1. MTN (the payment provider) had not yet activated the funds in the person's account. Mr. Skeates said that this was not a common problem in the previous campaign in Uganda, but it affected many people at this cash out day. He estimated that people affected by this issue would receive their first installment of funds in another 2-3 weeks.
2. The person was registered under a different name with MTN than she or he had registered with GiveDirectly. This was a fairly common issue. Mr. Skeates said that it affected 93 out of the 1824 people currently enrolled in this campaign.
3. The person was not yet officially enrolled to receive transfers because GiveDirectly still needed to make a final visit to her or his household as part of the enrollment process.
4. The person was not enrolled to receive transfers because she or he had been found to be ineligible.

As we were leaving, Mr. Skeates told us that a representative of the mobile money company (MTN) was coming to the village to help recipients with registration issues.

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