

February 9th 2012

GiveWell
320 7th Avenue #232
Brooklyn, NY 11215

Dear GiveWell Team:

Last year you reviewed the Fistula Foundation but were not able to give us a ‘top’ or ‘standout’ rating. Much has changed for us since then – we have vastly more program information and analysis, we have a new M&E system and we have shifted to a more results-oriented approach to grant-making. We have also just completed a record-breaking year for fundraising and are now, by some margin, the largest privately-funded organization focused on fistula in the world. We are writing to update you regarding this and to request that you reconsider your rating of the Foundation based on the case we make below.

But first, I would like to introduce myself. I joined the Foundation as a full-time volunteer in March 2011, just after you reviewed the organization, and work closely with Kate Grant, our CEO, who you dealt with back in 2009 and 2010. We both have great respect for your rigor and methodology.

We believe that new donations to the Fistula Foundation have a powerful social impact and do so cost-effectively and with a high degree of certainty. To demonstrate this we have sought to follow your own approach to evaluation in order to show that: (1) fistula repair surgery significantly improves women’s lives; (2) it does so very cost-effectively; (3) the surgeries we fund would not otherwise take place; (4) fistula repair surgeries have a very high success rate; and (5) we have a pressing need for further funding such that additional donations to the Foundation will directly lead to additional successful surgeries.

We have briefly addressed each of these issues below and have attached some supporting analysis and documentation. We would, of course, be happy to discuss this in further detail with you and we would be glad to share additional analysis, plus our various grantees’ applications, reports and patient logs.

1: Fistula repair surgery significantly improves women’s lives

As you yourself note, fistula is a ‘devastating problem’. At the Fistula Foundation, we have years of direct experience of just how wretched fistula makes the lives of the women it affects and just how ameliorative a repair surgery can be. But rather than give you anecdotal information, we have attached an article from the Johns Hopkins Bloomberg School of Public Health that provides a meta-analysis of numerous academic studies on the effects of fistula and fistula repair surgery. The article, *Social and Economic Consequences of Obstetric Fistula: Life Changed*

Forever? by S. Ahmed and S.A. Holtz was published in 2007 in the International Journal of Gynecology and Obstetrics.

The article states that “among all the morbid conditions that can affect women following labor, having an obstetric fistula is considered the most debilitating and devastating”. It cites research findings on various adverse consequences of fistula and its ensuing incontinence, such as: skin excoriation, limb contracture, malnutrition, divorce, depression, unemployment, stigma, social isolation, exclusion from religious practice and the reduced ability to have children. The article also quotes research reporting a significant post-surgical improvement in quality of life for women who had their fistula repaired. For instance: a “sizeable proportion of the treated women return to their husbands or remarry”; the perinatal mortality rate for those who underwent surgery was 13% compared to 33.9% for those who did not; and the proportion of newborns with low birth weight was also lower for treated women (20.3% vs. 37.3%).

2: Fistula repair is a cost-effective intervention

UNFPA quotes the average cost per fistula repair surgery as \$300 (<http://www.endfistula.org/public/cache/offonce/pid/7436>). In our experience, our grantees’ average costs have been \$300 per surgery or higher. There is significant variation amongst grantees’ costs, but the vast majority have an average cost of far less than \$1,000. One factor behind variations in costs is the effect of war and conflict on price levels, as has been experienced, for example, by our grantees in Afghanistan and the Democratic Republic of Congo. Another factor is the type of facility used for the surgeries: organizations using existing government facilities may have lower costs than mission or independent organizations operating their own facilities. We would be happy to share with you a more detailed analysis of the average costs per surgery of each of our grantees. For current purposes of illustrating cost-effectiveness, though, we believe it is sufficient to take \$1,000 as the average cost of fistula repair surgery.

Taking an average success rate of fistula surgeries of 86% (see #4 below), the average cost per successful surgery can be calculated as \$1,163.

Research by Dr. Mulu Muleta – (*Obstetric Fistula: prevalence, causes, consequences and associated factors – Dr. Mulu Muleta, University of Bergen 2010*) - found in Ethiopia that the median age of onset of a fistula was 22 years old, and the median number of years from onset to treatment was 8 years. According to the CIA World Factbook in 2011, the life expectancy at birth of women in Ethiopia is 58.8 years. Clearly, the life expectancy of women who have already reached their twenties will be greater than the life expectancy at birth. However, using Ethiopia as a proxy, a conservative estimate of the number of disability-adjusted life years that fistula surgery saves can therefore be calculated as 28.8 DALYs (58.8 - 22 - 8).

Dividing the estimate of cost per successful surgery of \$1163 by the estimate of 28.8 DALYs saved, generates a conservative average cost of about \$40 per DALY saved through fistula repair surgery. We believe this indicates that fistula repair surgery is indeed a cost-effective intervention.

And, as was noted in #1 above, the disability brought on by fistula is a fundamentally life-changing one. Ahmed and Holtz quote a blind woman with a fistula as saying: "Cure my fistula first. If I am blind people will sit with me and talk to me, but no one will come near me because I'm wet and I smell."

3: The surgeries we fund would not otherwise take place

The primary goal of our grantmaking is to maximize the impact of our grants. To that end, we seek to fund only surgeries that would not otherwise have taken place were it not for our funding.

As evidence that we do indeed achieve this goal, 70.2% of the projected number of surgeries from our 2011 grants was for new projects which did not exist prior to Fistula Foundation funding and for which we were invariably the sole funder. This is a strong indication that these surgeries would not otherwise have been performed were it not for our grants.

Of our grants that funded existing projects, these were typically awarded to small cash-strapped hospitals and non-profits in Africa and Asia that had lost their prior source of funding or, thanks to our support, were expanding their fistula treatment operations. Such grantees had no alternative to the Fistula Foundation as a source of funding.

Perhaps the only exception to this is Hamlin Fistula Ethiopia. Hamlin has historically been one of the leaders in fistula care and has a strong reputation for excellence in treatment and ancillary services. Consequently, it has attracted a broad range of significant donors. Because of this, it is possible that Hamlin could hypothetically find alternatives to Fistula Foundation funding. So, to be conservative, we believe it fitting to exclude surgeries funded by our grants to Hamlin from our total estimate of surgeries that would not otherwise take place. As a result, we estimate that at least 88.4% of our projected number of surgeries for 2011 was for projects for which the grantee did not have alternate funding.

The attached spreadsheet details the various Foundation treatment grants over the last two years and indicates whether the funded projects were new and whether they had alternate funding. Only grants focused directly for treatment are included. Treatment grants represented 70.2% and 63.8% of total Foundation grants in 2010 and 2011, respectively. We would be happy to provide further information regarding the number of projected and actual surgeries that correspond to each of our grants. And also to share with GiveWell the applications, reports and patient logs from our grantees that are the source of much of our data. To date, the Fistula Foundation has had 21 grantees across sixteen countries.

It is also worth noting that due to the enormous imbalance between the global need for fistula surgeries and the very limited current supply of such treatment services (see #5a below), it is all the more likely that our funding of grantees is bringing forth additional surgeries that would not otherwise have occurred.

4: Fistula repair surgeries have a high success rate

Ahmed and Holtz conducted a meta-analysis of 19 studies from which they suggested a success rate for fistula repair surgery of 86% (95% CI, 82.7%-89.3%). The median success rate quoted by our 2010 and 2011 grantees was 87.5%. This is the general rate of success that our grantees report achieving and does not apply to specific Foundation grants, nor has it necessarily been backed by documented evidence. Nonetheless, applying these quoted success rates of grantees to the number of actual surgeries performed that were supported by Foundation grants in 2010, gives a weighted average success rate of 85.3%.

We have recently introduced patient logs in which grantees report specific biographical and medical data for every patient treated. However, very little data has so far been gathered using these logs. Using the small sample size we have - 126 successes out of 178 surgeries - the weighted average success rate is currently 70.8%.

Since the general success rates reported by our grantees typically are not fully substantiated, and since the sample size of our own patient-specific data is currently quite small, we believe that, for the time being, it is most useful to take the 86% success rate reported by Ahmed and Holtz's broad meta-analysis mentioned above. This is a very high rate of success and underscores our belief that fistula repair surgery is a highly impactful and cost-effective intervention.

5: Additional donations to the Fistula Foundation will lead to additional repair surgeries

We believe that additional donations to the Foundation will indeed directly lead to additional fistula repair surgeries being performed because:

- (a) The global demand for fistula surgery massively outweighs the current supply for such services;
- (b) The Foundation has consistently shown in recent years that increases in funds raised have led to both increases in the amount of grants awarded and increases in the number of surgeries performed as a direct result of those grants;
- (c) The Foundation plans to maintain or increase the proportion of its total grants that are allocated to direct treatment;
- (d) The absolute and relative size of the Foundation's financial reserves is not an impediment to fresh donations being passed through to grants that generate additional surgeries.

a: Global demand massively outweighs supply

The World Health Organization estimates there may be as many as 2 million women with a fistula and 50,000 - 100,000 new cases of fistula each year, yet the global treatment capacity is most likely less than 20,000 cases a year. A recent global survey of fistula treatment facilities led by Direct Relief International (DRI) found that there were only about 14,000 women known to have received fistula treatment in 2010 (see below). Even if the WHO estimates are too high and the DRI estimates too low, it is clear that the need for fistula surgeries is many multiples of the current supply of such services and that the global capacity to treat women is not even

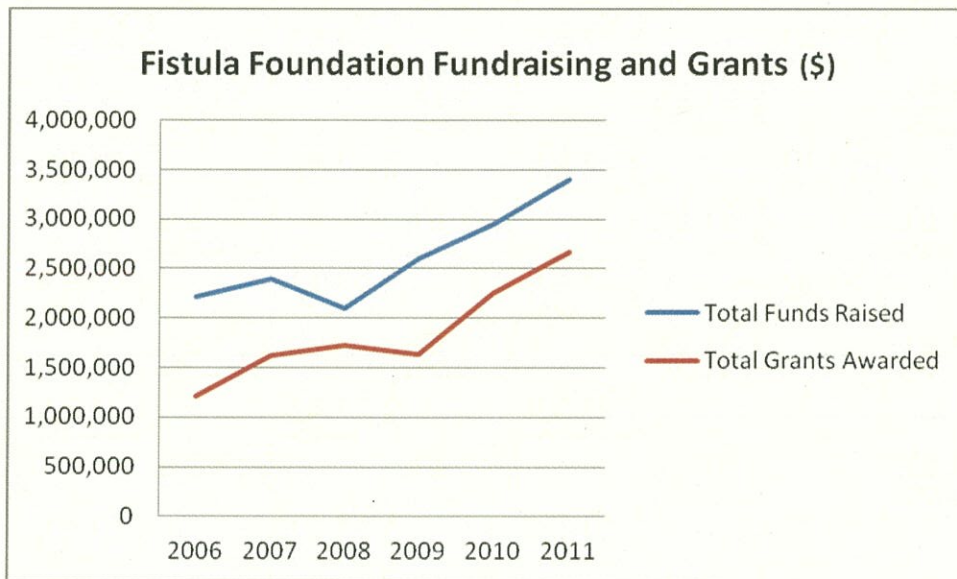


enough to keep up with the creation of new cases, let alone reduce the vast backlog of existing cases.

While these statistics alone are obviously not enough to prove that new donations to the Fistula Foundation will generate additional fistula surgeries, they do suggest that there is certainly no imminent ceiling on potential increased Foundation grant-making for treatment. The huge imbalance between demand and supply of treatment services also shows the urgent need we have for further funding in order to reach the many women who suffer so terribly and so unnecessarily.

Moreover, in their survey, DRI identified 298 fistula treatment facilities worldwide. Given that the Fistula Foundation has to date funded surgeries in only 38 facilities, this also indicates that the supply of treatment providers is not currently a constraint on the potential expansion of Foundation funded treatment. By the way, DRI, with Fistula Foundation support, will soon launch a very useful interactive mapping tool that shares some of their findings and shows where current global treatment facilities are located. This can be currently accessed at the beta site <http://maps.directrelief.org/beta/globalfistula>.

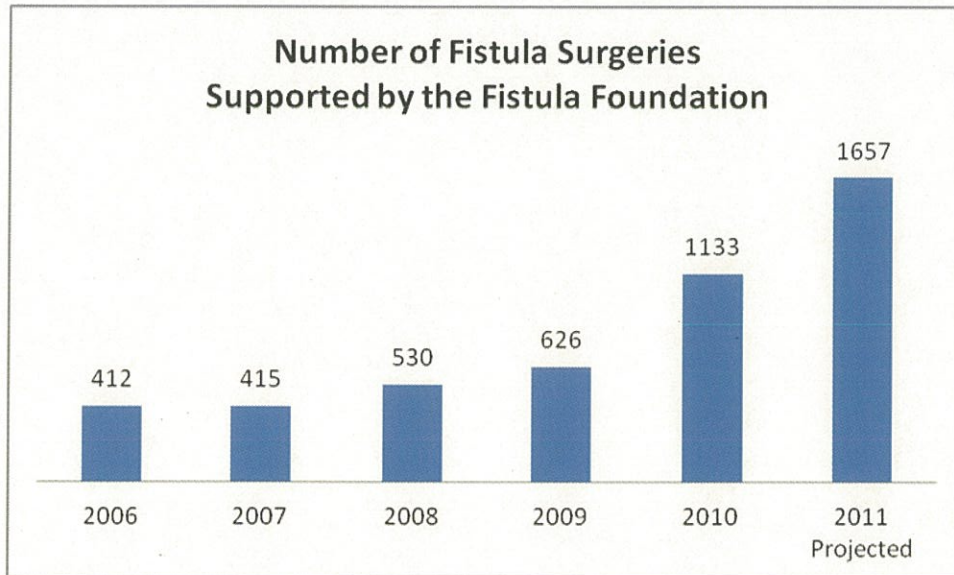
b: Past increases in Foundation fundraising have directly led to increases in surgeries supported
As the graph below shows, not only has the Foundation successfully generated a steady increase in total funds raised over recent years, but these increases have led, more or less hand-in-hand to increases in the dollar amount of grants awarded.



The second graph demonstrates that increases in the total amount of grants awarded have, in turn, led to increases in the number of fistula surgeries generated by those grants. In fact, in

part because of the shift away from solely supporting Hamlin Fistula Ethiopia, as the Foundation had done until 2009, towards instead supporting fistula grantees worldwide, the number of new surgeries generated has risen disproportionately fast. Since our grants awarded in 2011 have not all been completed, the treatment number for that year is a projection and has been conservatively calculated as 75% of the treatment numbers forecast by grantees.

We believe that the above track record supports our claim that new donations to the Foundation will directly lead to additional fistula surgeries that would not otherwise occur.



c: The Foundation plans to maintain or increase the treatment proportion of its total grants
Treatment grants represented 70.2% and 63.8% of total Foundation grants in 2010 and 2011, respectively. The Foundation plans to at least maintain this proportion in coming years. Foundation grants for non-treatment activities primarily fund the training of fistula surgeons, media and outreach campaigns to recruit potential fistula patients and the equipping and construction of fistula treatment facilities – all of which directly support and expand capacity to perform fistula repair surgeries.

d: The Foundation's financial reserves are not an impediment to fresh donations being passed through to grants that generate additional surgeries

The financial reserves of the Fistula Foundation are about \$4.7million and the budget for 2012 is about \$3.7million. We believe this is a prudent ratio, especially as our budget has grown 66% over the last three years and we expect continued expansion. Our goal is to maintain a level of reserves that is neither low enough to interfere with the smooth execution of our long-term grant strategy, nor high enough to prevent new donations to the Foundation from generating



new grants and new surgeries. Our grant performance over recent years, in which we have had a similar level of reserves, supports this belief.

In sum, we believe that new donations to the Fistula Foundation do indeed lead to a huge, positive impact on the lives of some of the most disadvantaged people in the world and that they do so cost-effectively and consistently.

Thank you very much for your time and consideration. We look forward to hearing back from you.

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Senior Program Advisor

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Chief Executive Officer