

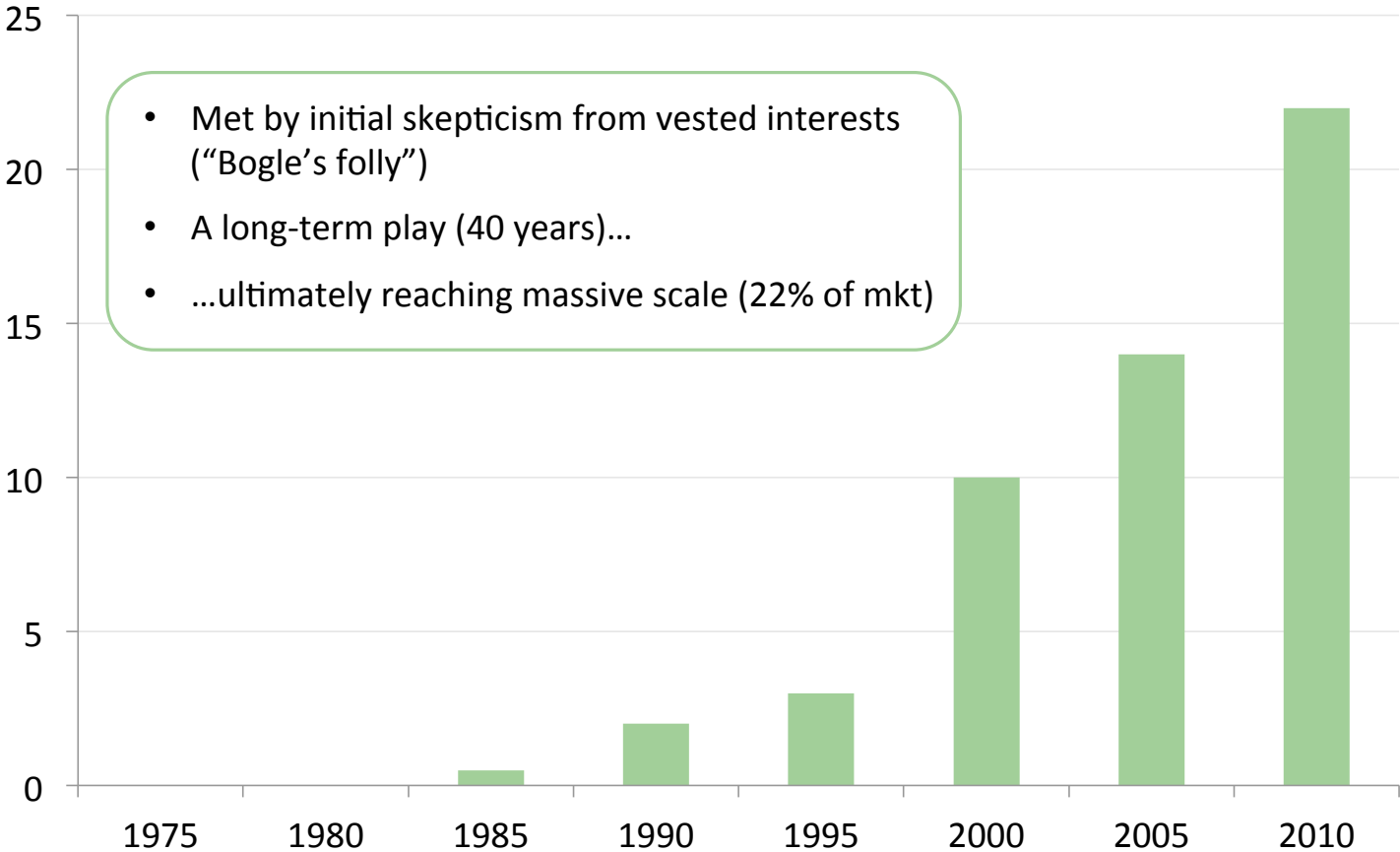
**GiveDirectly**

July 2014

## Agenda

1. Strategy
2. Current research projects
3. Revenue
4. Expenses
5. Operational improvements
6. Community based targeting pilots
7. Future outlook

# 1 We aim to make cash transfers the “index fund” of development



1 Our plan for achieving this touches multiple points in the aid ecosystem

**1** Increase use of cash transfers – from sidelines and from in-kind

- Raise additional dollars from philanthropists
- Persuade multilaterals and gov'ts to increase cash programs (e.g, GE project) – collaboration with CGD
- Implement our program as efficiently as possible


**GiveDirectly**

**2** Improve effectiveness of cash transfer programs

- Build open-source knowledge base for program design (e.g., behavioral, girls) – Berkeley collaboration
- Implement “gold-standard” projects on behalf of funders / gov'ts
- Implement other projects on behalf of funders/gov'ts
- Create technology to improve mgmt of other's programming

**SEGOVIA**

**1** We have created a menu of projects for funding, designed for maximum **global** impact

	<b>Rationale</b>	<b>Projects</b>	 Currently underway
<b>Evidence for cash</b>	<ul style="list-style-type: none"> <li>Policy makers have asked for these kind of evidence on cash before they pursue at a large scale</li> </ul>	<ul style="list-style-type: none"> <li><b>General Equilibrium</b></li> <li>Long term impacts</li> <li>Heterogeneous impacts</li> </ul>	
<b>Operational efficiency &amp; excellence</b>	<ul style="list-style-type: none"> <li>Capabilities needed to implement large-scale or gov't programs</li> <li>Enables GD to innovate</li> </ul>	<ul style="list-style-type: none"> <li>Payments</li> <li>Community based targeting</li> <li>Giving to individuals</li> </ul>	<div style="border: 1px solid green; border-radius: 15px; padding: 10px;"> <p>Note: Upcoming conversations with</p> <ul style="list-style-type: none"> <li>Government of Kenya</li> <li>USAID</li> <li>DFID</li> </ul> <p>will change and shape this list.</p> </div>
<b>Improving recipient returns &amp; welfare</b>	<ul style="list-style-type: none"> <li>Addresses niche issues particular to certain funder's interests</li> <li>Evidence could improve programs outside cash</li> </ul>	<ul style="list-style-type: none"> <li><b>Flexible transfer timing</b></li> <li><b>Better information about returns</b></li> <li>Aspirations</li> <li>Gender contracts</li> <li>Self-control services</li> <li>Optimize transfer size, schedule</li> <li>Improve access to finance products</li> </ul>	
<b>Model expansion</b>	<ul style="list-style-type: none"> <li>Enables GiveDirectly to administer country-wide gov't programs</li> </ul>	<ul style="list-style-type: none"> <li>Urban</li> <li>Lifetime income grant</li> <li>Social safety net</li> <li>Humanitarian</li> </ul>	

2 Our top current priority is fully funding the GE evaluation and putting in place long-term evaluation around it

General Equilibrium

Behavioral Economics

Strategic update

- Research team interested in using the large GE sample for a long-term study, and even perhaps for heterogeneous impacts as well
- The combined GE / long term study removes two of the largest barriers from government participation in cash, and is therefore our biggest priority both within research, and broadly as an organization.

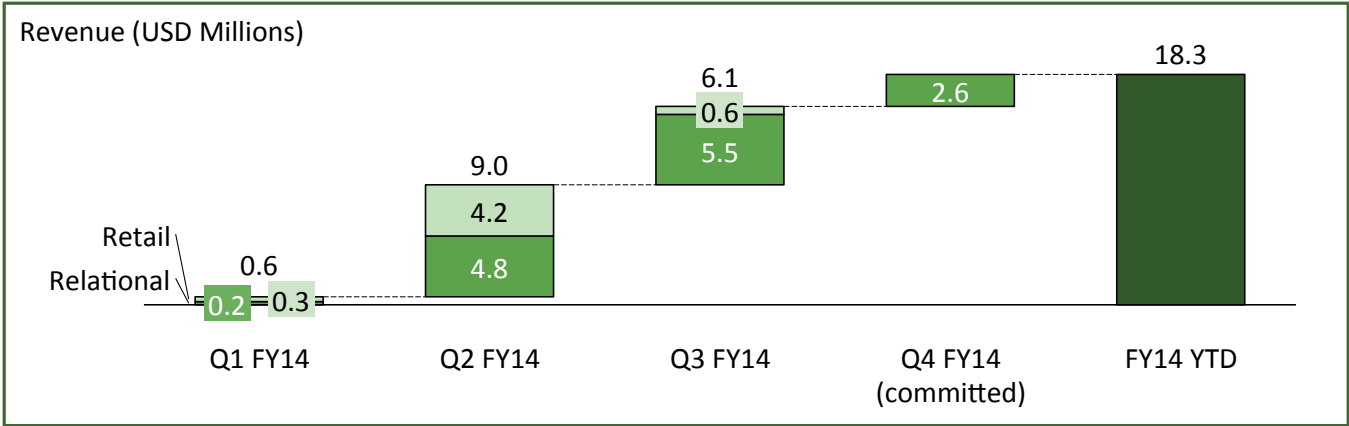
- We have replaced IPA on this project with an RA hired by ideas42 + GD field staff, for cost reasons
- This represents our first in-house data collection, and a change in policy: whenever treatments are variations on how to do cash (rather than: does cash work at all?) we do not face a conflict of interest and can be involved in data collection

Logistical update

- Targeting baseline start in August
- Hiring at IPA currently underway
- Recent donation of \$2M from a still-anonymous foundation
- Funding at \$7M out of \$15M target– it is our top fundraising priority to close this gap, making this study the definitive work on GE impact

- An RA is currently in the field, defining timeline relative to the harvest season and experimental protocol
- We expect implementation to begin very soon after protocol is defined

### 3 Both retail and relational revenue streams continue to grow



Qualitative updates

**Retail**

- Added “flexible” online giving option
- Website refresh by Nov

**Relational**

- \$2.6M in additional funding nearly finalized
- Ongoing, positive conversations with three major funders, three more this week
- Still waiting on DIV

Mobile application for large individual or groups of donors to be developed by Nov.

**4** We continue to track expenses closely, including changes in our cost structure as we scale

Efficiency on field spending at end Q2 FY14 – in process of being updated

	<u>Kenya (less Nike)</u>			<u>Uganda</u>		
	<u>Actual at 9/30/2013</u>	<u>Actual at 2/28/2014<sup>3</sup></u>	<u>Projected 2014<sup>1,2</sup></u>	<u>Actual at 9/30/2013</u>	<u>Actual at 2/28/2014<sup>4</sup></u>	<u>Projected 2014<sup>1</sup></u>
	% of Total	% of Total	% of Total	% of Total	% of Total	% of Total
TOTAL						
Direct Grants To HHs	90.6%	91.8%	90.1%	87.6%	86.6%	86.4%
Enrollment Costs	1.9%	1.8%	1.4%	1.4%	1.6%	2.5%
Transfer Costs	2.6%	2.0%	2.7%	1.9%	3.2%	3.3%
Follow-up Costs	0.8%	0.6%	0.4%	1.3%	1.3%	2.0%
Core operations	3.6%	3.5%	4.8%	6.3%	6.6%	5.5%
Core Operations - general	0.5%	0.3%	0.6%	1.5%	0.6%	0.3%
Total spend	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

1 Incremental cash to be moved, i.e., new rolling field work

2 Does not currently include US staff time on HR/general functions, or Board travel for management purposes

3 Does not currently include US staff time on routine finance – assume we'll make the change going forward not retroactively

4 Does not currently include back-owed local payroll liabilities for Ug-201305



## 5 Operational improvements

### Harmonizing Uganda + Kenya

- Implemented standardized operational reporting on a weekly and monthly basis (which we will walk through together now)
- Wrote automation scripts to streamline enrollment data management and generate uniform output
- Procured granular census poverty data for future targeting: sublocation-level in Kenya, and parish in Uganda

### Uganda-specific

- Transitioned previous Ug staff members into first SFO and OM role
- Selected MTN as preferred provider in Uganda after assessing performance of Ezee/MTN (building relationship with Airtel so as to have an additional hedge)

### Upcoming projects

- **Smarter audits:** qualitative and quantitative analysis of our audit data will identify "high-risk" recipient profiles and enable us to use a more probabilistic approach of generating audit flags (completed by end of July)
- **Cost-benefit analysis:** systematic analysis of our end-to-end field model will identify ways to increase efficiency without compromising integrity/user experience (completed by end of August)

5 Scorecards enable us to better manage, track, and incentivize good staff performance

Sample scorecard:

- Scorecard system in Kenya**
- Monthly read-out of productivity, data quality, and peer/manager review for all field officers and senior field officers across enrollment and follow up
  - Project Associate reviews scorecard with staff member every month
  - Monthly bonuses are awarded to highest-scoring staff members as an incentive

FOLLOW-UP FIELD OFFICER SCORECARD			
Staff Member:	[REDACTED]		
Month:	Apr-14		
	Points received:	Out of:	
<b>Total Score:</b>	<b>12.6</b>	<b>17.0</b>	
Activity	% Month Spent on Activity		
<b>Lump Sum</b>	3.7	5	61%
SFO Review	3.5	5	
Peer Review	3.9	5	
SFO Quality Check		5	
Target Attainment	3.7	5	
Data Quality Scores		5	
<b>Tokens</b>	3.7	5	0%
SFO Review	3.5	5	
Peer Review	3.9	5	
Target Attainment	3.7	5	
<b>Hotline</b>	3.7	5	5%
SFO Review	3.5	5	
Peer Review	3.9	5	
Target Attainment	3.7	5	
<b>Adverse Events</b>	3.7	5	8%
SFO Review	3.5	5	
Peer Review	3.9	5	
<b>Registration Problems</b>	3.7	5	0%
SFO Review	3.5	5	
Peer Review	3.9	5	
<b>Audits</b>	3.7	5	13%
SFO Review	3.5	5	
Peer Review	3.9	5	
Target Attainment	3.7	5	
<b>Barazas</b>	3.7	5	0%
SFO Review	3.5	5	
Peer Review	3.9	5	
<b>In Person Follow-up</b>	3.7	5	13%
SFO Review	3.5	5	
Peer Review	3.9	5	

## 6 Community based targeting pilots completed

PRELIMINARY

- Goal**
  - Identify needy households that do not meet current selection criteria.
  - Designed to supplement (not replace) existing proxy means tests.
- Pilots**
  - Individual secret ballot voting (2 villages, occurred after a group discussion)
  - Community rankings : (2 villages); during a group discussion, groups agreed on a ranked list
- Process learnings**
  - Process is staff intensive due to small group discussions, necessary for clear instruction
  - All villages ultimately gave the process positive reviews, but in some villages a substantial share of participants had strong adverse reactions
  - In 4 of 4 villages, participants urged GiveDirectly to go door to door to identify needy households rather than relying on community nominations
- Recipients selected**
  - Majority of households are widows, almost half have one family member that is disabled or very sick.
  - Households seem to be as or more needy than typical GD recipients
  - Occasional cases of favoritism (e.g. a nomination of a village elders based on obligations).
- Potential next steps**
  - May add additional question to the census (e.g. quality of housing materials, number of dependents); this would add ~\$1.5-\$2 per household given verification costs.
  - Also considering supplemental community targeting. This would add ~\$2-\$3 per household to existing processes, and has greater potential for conflict.
  - Final decision requires weighing cost tradeoffs, and would also require additional pilots to refine operations, test costs, and assess how accurately these methods reach the poor.

## 7 Future outlook

### Room for funding

- With current funds, we will stop committing to new recipients in Kenya in Feb 2015, and in Uganda we stop next month
- For 2015, we estimate our room for funding to be roughly \$20 M with current resources and pace, \$40 M at the optimal pace:
  - In Kenya, we are committing ~\$1M/month and can create the same structure in Ug
  - If we buffer two months for holidays and set-up, that's \$10M/year in both countries
  - Teams are currently 5 FOs and can be increased to 10 with no other changes in structure. SFOs have previously shown the ability to manage teams of 10.
  - Teams of 10 would double our throughput to \$40M/year

### Risks impacting our RFF

- Government permissions:**
  - **Permission to operate** in new districts: low risk, as we have already obtained permission for one area, and good reputation has eased this process.
  - **Work permits** for expat FDs: medium risk. Carolina has one is other applications fall through, we are building local leadership, and we can turn to relationships with local recruitment firms for quick replacement if need be.
  - **NGO status:** low risk, as we already have legal status in both countries.
- Technology platform:**
  - **Dependency on a single provider:** low risk. In Uganda, we have Ezee Money and Airtel as a back-up, and in Kenya could use Equity Bank.
- Security:**
  - **Terrorism or political violence in Kenya:** low risk. Thus far, this has not impacted Western Kenya. In the case of mass insecurity, could move both FDs to Uganda.