

Summary:

It's simple: we plan to give money directly, no strings attached, to the poorest of the poor in the world via a mobile payments platform. GiveDirectly's flagship cash transfer program in Kenya enables donors to send money directly to families living in extreme poverty. The money we send is unconditional, empowering families to prioritize funds as they see fit. Beyond putting choice and agency squarely in recipients' hands, a rigorous body of [research](#) has found that direct, unconditional cash transfers are one of the most efficient and effective ways to end extreme poverty, with experimentally proven positive impacts on nutrition, health, assets, and earnings, among other outcomes.

We deliver a majority of funds through our core platform - lump-sum payments in rural villages - for its speed and efficiency; our innovative program cuts out the middleman, providing cash directly to those who need it most. Funds delivered through this model are committed to individual recipients within a few months after they are donated, and typically reach recipients' hands a few months after that. Our model uses mobile money and electronic monitoring methods to deliver funds efficiently: in Kenya, an average of 90 cents per donated dollar is received by the poor as a cash transfer.

Proposal

Since launching operations in 2011, GiveDirectly has delivered direct, unconditional cash transfers to more than 125,000 of the world's poorest and most vulnerable people, empowering them to pursue their own aspirations. Recipients choose how to spend the funds - they buy productive assets such as goats and cows; replace a leaky thatch roof with metal; pay school fees and medical bills; buy solar lights. The breadth of choices underscores why a recipient-focused approach makes sense. In our current system of donor-driven, top-down foreign aid, funds get mired in complex systems or spent on interventions with little evidence of impact. Worse, some responses are counterproductive, such as dumped food aid that disrupts local supply chains. By eliminating expensive in-kind donations and allowing beneficiaries to decide for themselves how best to improve their lives, GiveDirectly flips the paradigm.

Our operational model is radically simple: we use data, both publicly available and digitally collected by our field staff, to identify extremely poor communities, enroll recipients, and set them up with mobile money accounts to receive their transfers.

GiveDirectly country teams first select regions and villages to work in, taking into account poverty data and logistical considerations (e.g., languages spoken). Once villages are selected, at least two independent sets of field officers visit recipients and collect data digitally using android phones. Examples of data collected include the recipients names and names of others in the household, ID numbers, photos, GPS location, and poverty indicators. After the first visit to a recipient's home, known as the census, eligibility is automatically calculated in our database based on the information gathered. Subsequent registration teams visit and enroll recipients

who are marked as eligible. Throughout this process, we provide best-in-class security and a complete digital audit trail. Any issues flagged (e.g., duplicate forms) are raised to the Data Manager, and our platform generates a list of households for an additional audit visit. This is determined both by discrepancies in identifying data and a degree of randomization.

To deliver the cash transfers, we use end-to-end digital monitoring and payment technology, which enables us to target, audit, and track transfers efficiently. We transfer ~\$1,000 per household in two installments - this is equivalent to approximately one year's budget for a typical household. About two weeks after sending each transfer, we call every recipient to verify receipt of funds, flag issues, and assess our own customer service. We also staff a hotline for inbound calls and in some cases staff follow up in person. This program has been running for over 5 years, and is GiveDirectly's core platform for speed and efficiency - on average, ~90% of each dollar donated directly reaches the hands of a recipient.

On one level, GiveDirectly demonstrates impact by improving quality of life for the greatest number of people. Our cash transfers have reached more than 125,000 of the world's poorest, who in turn have supported additional family members such that more than half a million people have experienced a wide range of positive benefits. But how much impact? And for how long are the benefits sustained? We are committed to answering those questions using hard, quantitative evidence generated through randomized control trials (RCTs). Earlier this year, the first longer-term academic study of GiveDirectly's cash transfers was [released](#). Measuring impact three years after the first cash transfers, the authors concluded that the cash transfers have had sustained positive impact on a diverse range of outcomes - from increased income and assets, to improved school attendance.

While other non-profits talk about transparency and evaluation, GiveDirectly is setting a new bar for what those terms mean. We do randomized control trials (13 and counting) - not because they are easy (they are not) - but because the results steer the organization towards more effective ways of empowering the poor. In response to new insights and data, we are quick to tweak our model. For example, when concerns were raised that targeting households within the poorest communities could negatively impact village social cohesion, we transitioned to saturating whole villages instead. As we continue to learn, GiveDirectly's model will undoubtedly evolve. But at its essence, we hope that GiveDirectly will serve as a reminder to other development and humanitarian focused organizations that if they can't demonstrate that their interventions are producing results better than giving straight cash, they should probably switch gears.

While there's still a lot to learn about how long impacts persist, and for whom (which independent academics are measuring), there is now more evidence about the long-term positive impacts of cash transfers than for just about any other intervention. USAID has taken note, and is engaged in a multiyear [cash benchmarking](#) exercise with GiveDirectly to assess whether some of their traditional development programs are producing greater benefit than simply giving beneficiaries an equivalent amount of cash. The first results, comparing a

traditional nutrition program in Rwanda with an equivalent-sized cash transfer and a larger cash transfer were released in September. Bottom line: neither USAID’s holistic intervention nor the equivalent small cash transfer had much impact on nutrition, while the larger cash transfers had substantial effects. In a world of constrained resources, it is critical to understand which interventions are most effective. As the headline in [Vox](#) stated, the benchmarking work in Rwanda is the small study that “could change the way the US does foreign aid,” and more broadly, lead a transformation in the \$140 billion global assistance sector.

You can learn more about our impact directly from recipients. The questions asked during registration and follow-up offer a wealth of information about how recipients are choosing to spend their cash transfers, which we share via [GDLive](#), an unfiltered, searchable online platform that features first-hand accounts from tens of thousands of randomly selected recipients. We are also able to coordinate field visits to meet cash transfer recipients and experience our field operations first-hand. For additional insight into our program, we can provide financial reporting and detailed updates about our ongoing efforts to improve operations and recipients’ experiences receiving cash transfers.

To maximize the impact of each dollar we receive, we have built an extremely efficient and scalable model, with a high degree of administrative efficiency. We manage our own end-to-end process to identify recipients and deliver cash transfers, with 99.8% of recipients reporting successful transfer receipt and fewer than 1% reporting any theft or bribe. We operate in 6 countries, and have committed over \$125 million in cash transfers at an *all-in* cost of 12 cents per dollar delivered. The simplicity of our approach allows us to scale quickly, even in the most challenging settings. For six years running, GiveWell has listed GiveDirectly as a top recommended charity for its strong track record and processes; documented success and stand out transparency (see [here](#) for their evaluation).

Appendix A: Illustrative budget for \$100,000 based on 2018 Kenya standard budget

Illustrative budget	Amount	Description
Transfers	\$90,126	Total cash transfers delivered to recipients
Personnel expense	\$1,660	Campaign-related staff salaries and employment costs
Allowances	\$543	Field-allowances, paid to field staff to facilitate their work travel
Software	\$1,453	Software fees, including surveying and data management tools
Telecom	\$93	Fees paid to provide telecom services to field staff
Other Travel	\$271	Travel and accomodation for in-field work by staff
Occupancy	\$69	Field office rent
Supplies	\$74	Field office supplies
Mobile money and banking	\$577	Fees paid to mobile money provider and banking provider
Allocations	\$5,134	Finance & data teams, rent, org-wide software, etc. allocated by budget size
Total	\$100,000	