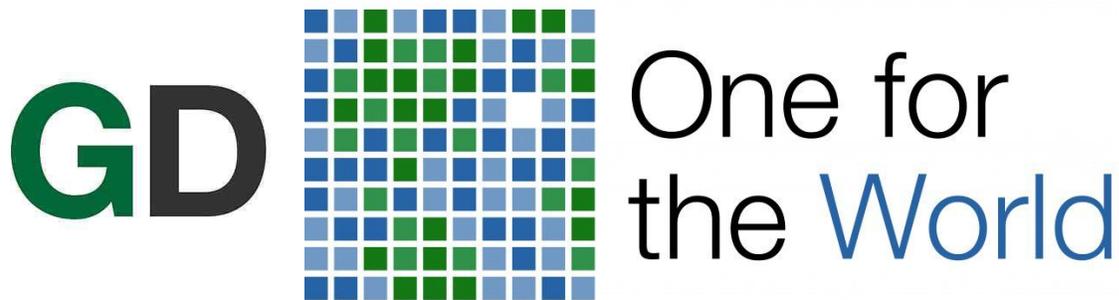


One for the World Partner Summary – GiveDirectly



GiveDirectly uses mobile-phone technology to provide unconditional cash transfers to some of the poorest households in Kenya, Uganda, and Rwanda and launched a scientific trial of universal basic income in Uganda in July 2017. GiveDirectly was founded in 2008 by a group of Harvard and MIT development economists looking for the most effective way to reduce global poverty.

What's the need?

- The World Bank estimates that 10.7% of the world's population lives on less than USD \$1.90, which translates to roughly 767 million people, 51% of whom live in Sub-Saharan Africa (2013)
- Families living in extreme poverty face tremendous difficulty in providing for nutrition, clothing, health, education, and more, and direct cash transfers can help these families to escape the cycle of poverty
- Other methods of charitable giving can be complex and inefficient, and GiveDirectly helps to bridge the gap of directly helping the poor through donations

What they do (program details)

- GiveDirectly's main intervention is providing unconditional cash transfers to extremely poor households (living on less than USD \$0.65/day) in Kenya, Uganda, and most recently Rwanda
- GiveDirectly has directly delivered [82%](#) of received donations to families in Kenya, Uganda and Rwanda, distributing a total of \$88m through July 2017.
- In Kenya, Rwanda and parts of Uganda, GiveDirectly identifies poor regions through national survey data, and then sends field staff door-to-door to identify and enroll eligible recipients based on several criteria (including housing, assets, and vulnerability, such as homelessness)
- In July 2017, GiveDirectly began targeting certain villages in Uganda for a universal basic income study. This program hopes to answer many questions surrounding universal basic income and the impact of different types of transfers, both short and long term. Results are expected within the next year.

- Payments to recipient families are made using mobile payment systems (phones can be supplied as part of the grant) and usually amount to roughly \$1000 delivered in multiple installments over the course of one year
- The cash transfers are unconditional and recipients can choose to do whatever they wish with the money. GiveDirectly and others have conducted tests on the impact this type of transfer creates and these indicate that there is no measurable impact on [inflation](#) or spending on [alcohol and tobacco products](#).

Evidence of impact of intervention

- Cash transfers are one of the most-studied development interventions. Evidence suggests that unconditional cash grants lead to large increases in recipients' consumption, assets, business investment, and revenue.
- Studies of cash transfer programs suggest that transfers may be invested at high rates of return over the long term
- Cash transfers are very cost effective and have amongst the strongest track records of non-health interventions.

Evidence of impact of charity

- Impact per \$1000, (documented by a [randomized controlled trial \(RCT\)](#))
 - \$270 increase in savings, \$430 increase in net assets
 - \$330 increase in spend on nutrition, 0% effect on alcohol and tobacco spend
- Demonstrated increase in food security index, psychological well being and female empowerment

Plans for 2018

- GiveDirectly continues to have a [large funding gap](#) (\$120 million) for its standard cash transfer program in 2018 and can effectively use additional donations.
- In 2017, GiveDirectly began a universal basic income study in Uganda and plans to monitor the results in 2018.
- The experiment will be carried on by comparing 4 different groups of grants: Long-term basic income grants, short-term basic income grants, lump sum payments and a control group

Remaining uncertainties

- Government Permissions: In order to operate, GiveDirectly needs permission from government officials. It is possible that this may delay expansion into new areas in the future, though GiveDirectly feels that it has a good understanding of the process of obtaining government approval.
- Crime: Incidents of large-scale crime could cause delays and reduce GiveDirectly's ability to transfer funds to recipients. The risk of crime could increase as GiveDirectly becomes better known in the regions in which it works, although this has not been an issue in the past.

- GiveDirectly has taken steps in order to audit the transfer process in the aftermath of several incidents of fraud in the past several years.
- Inflation: A sudden injection of cash into an area may cause inflation which may reduce the spending power of non-recipients, although there is no significant evidence supporting this concern in existing studies. GiveDirectly is currently undertaking a new study to better understand the effects of their program on non-recipients.

Sources and more information

- GiveDirectly website: <https://www.givedirectly.org/>
- The Life You Can Save information page on GiveDirectly: <https://www.thelifeyoucansave.org/Where-to-Donate/GiveDirectly>
- GiveWell review: <http://www.givewell.org/charities/give-directly>
- GiveWell on cash transfers: <http://www.givewell.org/international/technical/programs/cash-transfers>
- World Bank poverty overview: <http://www.worldbank.org/en/topic/poverty/overview>