

MEMORANDUM

To: Nick Allardice, CEO

From: Sarah Kayongo, VP of Programs

Date: March 21, 2025

Subject: Strategic Planning Recommendations on Country Footprint, Crisis Response Investment, and \$100M Allocation

I. Country Footprint Recommendations (2025-2028)

A. Consolidate and Deepen National-Scale Programs:

- Continue scaling in Rwanda and Malawi where national-level programs are underway. Invest in building long-term government partnerships and integrated delivery systems. Leverage the political good will using evidence base (case studies, concept notes) to position GD as technical advisor to government, with a goal to undertake national poverty eradication programs in line with National Development strategy to accelerate the attainment of SDG goal number one <https://www.globalgoals.org/goals/1-no-poverty/>.
- Focus on countries with political stability, mature mobile money ecosystems, and high poverty concentrations (e.g., Uganda, Kenya, Nigeria). Uganda has one of the highest refugee populations in Africa (1,000,000), and the numbers keep rising given the ongoing unrest in DRC. Kenya's strong economy, strong financial ecosystem combined with advanced digital innovation/fintech, strong presence of institutional donors, NGOs and Fortune 500) can serve as a strategic hub for piloting funding mechanisms evidence-based data to pilot hybrid cash transfer models and app enabled tools that could be replicated to larger countries like Nigeria at scale.

B. Expand Crisis Response Capabilities in High-Risk, Underserved Regions:

- Given climate risk and conflict volatility, increase readiness in the Sahel region (Niger, Chad) and Southern Africa (Mozambique, Madagascar).
- Evaluate piloting in Francophone West Africa (Côte d'Ivoire, Senegal) where donor interest and digital finance growth are rising.
- While most of Ethiopia is not directly impacted by civil conflict in Tigray, the recent launch of Airtel offers an opportunity to design impactful cash transfer projects for vulnerable populations and IDPs in the country.

C. Why: Evidence Based Decisions to Rationalize Low-Efficiency & Scale

- Reduce presence in countries where transfer efficiency falls below 80% and where institutional or infrastructural barriers prevent scale.
- Apply evidence-based data to pilot programs in new countries such as Ethiopia and/or Sierra Leone that still rank high on the poverty index yet continued to overcome barriers to communication by embracing digital money platforms ¹(e.g. *Safaricom launched M-Pesa mobile money service in Ethiopia Airtel in August 2023*) that will bolster cash transfer at scale.
- GiveDirectly's model and value system lends itself to the Islam financing model, hence justifying pilots and testing models in Francophone West Africa (Cote d'Ivoire and Senegal).

D. With the objective of delivering cash within five days post-crisis in 20+ countries, here are our Crisis Response Investment Plan:

- **\$2M – Regional Hubs & Prepositioned Readiness:** Establish three regional hubs (East Africa, West Africa, Southern Africa) with pre-negotiated payment agreements, emergency procurement frameworks, and dedicated surge staff.
- **\$1M – Technology and AI-Enabled Crisis Detection, Fraud and risk mitigation:** Invest in AI-driven tools (block chain) to enhance fraud surveillance platforms and integrating cash delivery and related data from satellite in real time to trigger early response mechanisms.
- **\$1M – Cross-Sectoral Partnerships & Agreements:** Formalize agreements (Memorandums of Understanding - MoUs) with governments, UN agencies, Fintech, banks, and mobile operators to ensure seamless permissions and data access during crises.
- **\$1M – Capacity Building and Agile Management Structure:** Develop a crisis response task force trained in rapid assessments, disbursement protocols, risk detection, and field deployment. Adopt a nimble management structure/regionally where staff can be deployed to manage a country in crisis in the short term while reporting the regional hub offices mentioned above.

¹ <https://www.reuters.com/technology/safaricom-launches-m-pesa-mobile-money-service-ethiopia-2023-08-16/>

II. Allocation Strategy for \$100M Flexible Funds

The objective is to maximize recipient impact and drive GiveDirectly's long-term strategic goals. GiveDirectly has already revolutionized direct cash transfers, but there is an opportunity to leverage technology, evidence-based data for decision making, partnerships, and financial ecosystems to drive long-term financial inclusion and economic mobility. Based on my experience including research on the subject², I propose a financially innovative and dynamic approach with the assumption that GiveDirectly will adapt while negotiating any changes in the social, economic and political environment in any of the suggest countries.

Key considerations in these allocations:

A. Country Allocations (\$70M):

- **Rwanda & Malawi National Scale-Up** – \$20M: Leverage existing operations by adapting an ecosystem approach by involving more in country stakeholders in country such as Centenary Bank, Malawi, a leader at the forefront of improving financial inclusion³ and telecom to products such as agent banking that will enable real time cash transfer to recipients directly and increase cash delivery efficiency to 85%.
- **DRC & Mozambique** – \$15M: Invest in conflict-prone and climate-affected areas, with targeted cash plus interventions. Bolster risk and fraud detection measure and protocols including but not limited to Ai (Blockchain technology to generate digital ledgers. (*See response to task # 2*).
- **Nigeria Kenya & Uganda** – \$25M: Scale up crisis response preparedness and support urban poverty reduction especially in Kenya. Scale preparedness in tools registry and support for the burgeoning youth and refugee crisis in Uganda, host to the largest refugee population -1,000,000. In Nigeria, a large focus on IDPs in Northeastern Nigerian and over 70 million people who live under the poverty line in Africa's most numerous countries.
- **Pilot in Côte d'Ivoire and Senegal** – \$10M: Seed funding to conduct an assessment study for market entry, pilot and test Give Directly's cash transfer model. A contextual approach to test the effectiveness of cash transfers in a predominantly Muslim context (Sierra Leone). Cote d'Ivoire's strong economy and more mature financial ecosystem could be a potential hub and serve as an entry point to Francophone West Africa.

B. Program Type Allocations (\$30M):

- **Compound Capital Gains by investing in Crisis Response Reserve** – \$10M: This fund will not just sit idle; I propose to use catalytic capital investment strategies that

² Kayongo, S. and Mathiassen, L. (2023), "Improving agricultural relations and innovation: financial inclusion through microfinancing", *Journal of Business & Industrial Marketing*, Vol. 38 No. 11, pp. 2460-2470. <https://doi.org/10.1108/JBIM-10-2022-0459>

³ Centenary Bank, a rural development bank based in Uganda opened its Malawi branch in 2023 <https://www.centenarybank.co.mw/who-we-are>

generate compound interest, enabling long-term growth beyond the initial \$10M. In addition, I propose launching cash hybrid models that integrate financial inclusion tools, digital finance, and community investment structures. Drawing from my work at Palladium under the ⁴USAID-funded Kenya Investment Mechanism, which surpassed its capital mobilization target by \$120 million, we will implement an investment platform that bridges the gap between smallholder farmers, SMEs, and private investors. This will involve using business advisory service providers (BASPs) and financial institutions (FIs) to unlock catalytic capital, promote long-term economic resilience, and integrate women-owned businesses for greater gender impact. The platform will encourage public-private partnerships, pipeline development, scaling products, and policy reform to foster inclusive, sustainable financial ecosystems across new and existing country programs.

- **Strengthen Local Market Ecosystems – \$2M:** Cash transfers stimulate local economies, but without supporting small businesses, supply chains, and financial infrastructure, recipients may have limited ways to spend or invest their funds. GiveDirectly can:
 - Support local entrepreneurship by connecting recipients to business mentorship networks and market linkages.
 - Partner with local cooperatives and suppliers** to ensure that increased purchasing power leads to greater local production and job creation.
 - Use AI-driven market analytics to identify gaps in supply and demand, ensuring that cash transfers translate into sustainable economic growth.
- **Innovative Finance (Cash+ hybrid Cash Pilots) – \$13M:** While unconditional cash transfers are a hallmark of GiveDirectly’s approach, there is an opportunity to test innovative ways using both cash and hybrid models for drive targeted long-term impact by leveraging technology, partnerships, and financial ecosystems to improve financial inclusion and economic mobility especially in urban and peri-urban settings. Based on my experience in digital finance, microfinance innovation, and large-scale economic development programs. I see several key areas for innovation:
 - Expand Digital Financial Access and Usage: Partner with fintech companies and mobile banks to provide recipients with digital savings accounts (mobile money wallet), credit-building tools, and investment platforms (for example in Uganda, for 25,000 shillings, one can buy a treasury or govt bond).
 - Creating micro-investment and micro-insurance options that allow recipients to pool savings and access emergency funds.

⁴ <https://thepalladiumgroupusa.com/news/Kenya-Investment-Mechanism-Surpasses-its-Targets-by-120-Million-With-Another-Year-To-Go>

- Integrated finance: Understanding that when disease hits, available cash is diminished and in the absence of insurance-risk mitigation-health bonds, health cards, providing structured asset-building incentives, such as matched savings programs for education, housing, and health would reduce recipients' vulnerabilities.
 - Introduce embedded financial literacy programs using AI chatbots, SMS-based training, or community peer educators to increase uptake and trust in financial services.
 - Leverage blockchain-based smart contracts to enable transparent and secure digital cash transactions, reducing fraud risks.
 - Graduated transfers where cash incentives are provided for specific milestones, such as enrolling in school, starting a business, or adopting productive assets.
 - Income-generating cash transfer pilots, where recipients receive initial capital followed by structured business mentorship and peer-support groups.
 - Community-driven pooled transfers, based on different country contexts, this group approach work when recipients co-invest in shared infrastructure or services, such as cooperative businesses or community savings schemes such as Village Savings and Loan Associations -VSLA – a successful model by CARE. Excellent examples can be found in my peer reviewed article on ⁵“Organizing and Orchestrating Microfinance Initiatives: A Contextual Inquiry.”
- **Technology and AI Integration – \$3M:** Building on lessons learned from the fraud case in the DRC, we will introduce blockchain and digital ledger systems to mitigate and reduce fraud. This includes training staff on an ongoing basis using digital models, deploying external control mechanisms, and establishing whistleblower hotlines with anonymous reporting through mobile apps. We will also invest in cameras and extra vigilance measures, use armored vehicles where necessary, and set up community surveillance and tracking tools to ensure distribution efficiency and record keeping, especially in contexts where recipients lack formal identification. Furthermore, we will utilize technology for mobile money wallets to rate recipients and disseminate key information via cloud-based, app-enabled technology, leveraging models and systems I developed in my dissertation and prior work at Grameen Foundation. Enhance \$5M: Enhance payment tracking, fraud detection, and real-time impact monitoring.
 - **Evidence Generation and Thought Leadership – \$2M:** Deepen GD’s knowledge management structure by capturing lessons using rigorous evince based methodologies such as Randomized Control Trials, Experimental design. Subsequently, thought pieces that will result from these studies will be strategically position shared GiveDirectly’s groundbreaking cash delivery model as trusted advisor to

⁵ [Kayongo, S., Tom, M. and Mathiassen, L.](#) (2021), "Organizing and orchestrating microfinance initiatives: a contextual inquiry", *International Journal of Social Economics*, Vol. 48 No. 2, pp. 221-239. <https://doi.org/10.1108/IJSE-02-2019-0125>

Governments, institutional donors, bi-lateral and multilateral agencies, the public-private sector and NGOs when considering long term economic impact on recipients.

Key considerations in these allocations:

- Aligning with donor interests (increasing focus on climate, gender equity, and resilience).
- Prioritizing innovative financing tools (cash hybrid models) to scale, optimizing capital gains through impact investments, cost-efficiency, and replicability.
- Building local financial ecosystems and strengthening recipient agency.
- Technology and AI Integration to improve efficiency, scale, mitigate risk and fraud.
- Evidence Generation and Thought Leadership

Thank you,

Dr. Sarah Kayongo
VP of Programs
GiveDirectly