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Monitoring and Evaluation Component

Impact Analysis Synthesis Report

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All opinions expressed, and any mistakes, remain the responsibility of the authors.

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Summary

The Hunger Safety Net Programme (HSNP) is an unconditional cash transfer programme that aims to reduce poverty in northern Kenya, by delivering KES 2,150 every two months to beneficiary households (for community-based targeting and dependency ratio beneficiaries) or to individuals (for social pensioner beneficiaries) in the greater Mandera, Marsabit, Turkana and Wajir districts. The programme operates under the Ministry of State for the Development of Northern Kenya and Other Arid Lands and is delivered by several contracted service providers, with financial support from the UK Department for International Development (DFID).

This impact evaluation of HSNP was conducted using a mixed methods approach. A randomised control trial was designed, with fieldwork in 24 ‘treatment’ and 24 ‘control’ sub-locations, randomly selected. A sample of 1,434 treatment and 1,433 control households (those receiving HSNP cash transfers immediately and those not due to receive transfers until two years later) were selected and interviewed twice – for a baseline survey and for a ‘follow-up’ survey one year later. This rigorous approach allows for ‘difference-in-differences’ impacts to be quantified that measure the impact of the programme across a range of indicators.

Qualitative research was also conducted in four HSNP treatment sub-locations in each district. Qualitative methods included focus group discussions (female and male beneficiaries and non-beneficiaries), key informant interviews (community elders, teachers, labourers, minority groups, traders), household case studies (a ‘qualitative panel’ of beneficiaries and non-beneficiaries), and participatory methods (social mapping, timelines, and community wealth ranking).

This synthesis report summarises the findings from three larger reports and presents conclusions and recommendations stemming from those findings for the HSNP. The reports it summarises are: the Quantitative Impact Evaluation Report, the Qualitative Impact Evaluation Report, and the Consolidated Operational Monitoring Report.

Key impact areas

In terms of one of the key programme objectives – reducing **poverty** in northern Kenya – there is no significant aggregate impact yet on the proportion of beneficiary households falling below the national absolute poverty line or in the bottom decile in Kenya. However, after controlling for factors such as different levels of transfers for different households, a significant reduction in poverty is observed, as well as an increase in mean consumption for poor and for fully mobile households. Given the difficult context of drought and price inflation in 2011, the fact that poverty incidence did not increase among HSNP beneficiaries but did amongst control households – where a significant increase in poverty rates is detected – suggests that the HSNP is performing its function as a ‘safety net’.

Beneficiaries are consuming more **diverse diets** since the programme started – especially poorer households, for whom the cash transfer adds more value relative to total household monthly income, and smaller households which receive a higher per capita transfer value per month. Beneficiaries also report that since receiving the cash transfers they have been able to have more and/or larger meals, and express a clear preference for cash support in contrast to food aid.

There is no significant impact – either positive or negative – on the probability that a HSNP beneficiary will receive **food aid**, probably because food aid distributions are driven by their own programming decisions. However, large and partially settled HSNP households are less likely to receive supplementary feeding, which could be a sign that some beneficiaries are ‘graduating’ off

dependence on certain forms of social assistance, or alternately that these households are being deprioritised. Further investigation is required to unpick this finding.

Another positive finding is that HSNP households are more likely to have retained their **livestock**, especially goats, than control households, who lost livestock during the drought. Beneficiaries valued the fact that HSNP transfers allowed them to buy food with this cash, rather than selling their animals to cover essential spending needs, which would otherwise have been unavoidable.

Secondary impact areas

The evaluation finds that the HSNP has not impacted **health status** of beneficiaries, who show no significant decrease in the incidence of illness or injury. It does detect a statistically significant increase in **health spending** by beneficiaries but this amount is so small as to be effectively negligible. Poor households in northern Kenya are deterred from consulting medical services by both direct and indirect costs (such as transport). To access those services they thus often have to either sell animals or go into debt. As a consequence, households sometimes resort to more accessible 'traditional' medicine instead. Given this context it is unfortunate that the evaluation finds no real impact of the HSNP on the health status of beneficiaries. It may be that the cost of accessing health care relative to the size of the transfer, and/or the cost of effective preventative behaviours, particularly for larger households where the per capita value of the transfer is reduced, largely explains this finding.

The evaluation also finds no significant impact on **education** enrolment or attendance rates, or on education expenditure by households. However, for those children already in school the HSNP is shown to have a significant positive impact across a number of indicators, particularly in terms of class progression – more children from HSNP than control households were in a higher grade at follow-up, and there is a statistically significant increase in the average highest class achieved for children aged 6-17 and in the proportion of those children passing Standard IV. Households report using HSNP cash for uniforms, stationery, books and other expenses, even (in isolated cases) secondary school fees and to send children to private schools, which are more expensive but perceived to be better quality.

Food prices rose dramatically in the study area during the period covered by this evaluation, but this occurred across the board and cannot be attributed to HSNP. Nor is HSNP helping to stabilise food prices, with the transfer value and programme coverage rates being too small. Traders insist they are not raising their prices opportunistically, but instead that the circulation of HSNP cash transfers is increasing competition among traders.

Livelihoods have been positively affected by HSNP – a small but significant proportion of beneficiaries have started or expanded a business using HSNP cash as working capital. Several individuals reported upgrading their livelihoods thanks to HSNP, in one case from casual labourer to trader, while others set up kiosks to sell food and grocery items. No significant impact on labour supply was recorded, which confirms that HSNP is not creating 'dependency' – people are not working less because they are receiving these cash transfers.

HSNP is significantly improving household access to **credit**, especially in terms of poorer households' ability to buy food and other basic items on credit from shops that are acting as HSNP paypoints, because shop-keepers trust the borrowers' ability to repay when they receive future transfers. Importantly, HSNP cash is also used to pay off debts induced by purchases on credit, with beneficiaries owing significantly less credit debt than control households. This suggests that the HSNP is allowing beneficiaries to manage credit well, borrowing to smooth consumption but avoiding damaging levels of indebtedness.

HSNP and non-HSNP households in the programme area were equally exposed to covariate **shocks**, especially drought and inflation, but there is some evidence, though not conclusive, that HSNP cash transfers provided partial protection against the worst consequences. Beneficiaries and non-beneficiaries adopted the same set of coping strategies, but beneficiaries reported that they adopted them less intensively (they sold fewer animals and rationed food consumption less severely, for instance). These testimonies are supported by the quantitative findings on poverty and consumption expenditure, livestock ownership and food consumption.

HSNP is contributing to economic and social **empowerment of women**, but in ambivalent ways. Significantly more women are decision-makers over household budgets (not only HSNP cash) since the programme started. Over two-thirds of HSNP cash recipients are women, which in some cases enhances their social status within their homes and communities, but in other cases seems to be creating tension between spouses. Both the qualitative and quantitative data suggest that, among certain categories of beneficiary households, the HSNP has had a small, though statistically significant, impact on incidence of individuals that are divorced.

The well-being of **older persons** is supported directly through the social pension component of HSNP, and indirectly through the community-based targeting and dependency ratio components. There is no evidence that the HSNP is having an impact on older persons involvement in paid or unpaid work, though both treatment and control groups do show a significant increase in the proportion of older people engaging in paid work (excluding unpaid domestic work). This increase could thus well be in response to the generally adverse economic and climatic conditions in the HSNP areas which have increased the need for older people to find paid employment. However, once other factors have been controlled for the HSNP does appear to be having a statistically significant impact in terms of shifting older persons towards doing more unpaid domestic work and away from other types of work. There are anecdotal reports of tensions between older persons and younger relatives over control of the HSNP cash transfers, especially in social pension areas where older persons are the designated beneficiaries.

There is some evidence that the HSNP is reducing the incidence of both paid and unpaid **child labour** in beneficiary households, but only once household- and community-level factors are controlled for and only for some categories of HSNP households rather than across the board – e.g. child labour is significantly reduced for poorer and smaller households, where the relative or per capita value of the cash transfer is higher.

Unintended impacts

It is possible that the HSNP may be having some kind of impact on **informal safety nets** in northern Kenya, where the average value of informal in-kind support received by wealthier beneficiary households significantly decreased in comparison to control households. One interpretation of this is that these wealthier households are less dependent on support from others as a result of HSNP, but given the complexity of informal support networks, especially across the diverse populations in the four greater districts covered by HSNP, further investigation is required before any firm conclusions should be drawn. Findings from the qualitative research do not point towards a decisive impact on informal networks, where despite reports that HSNP transfers are sometimes shared by beneficiaries, it is shown that sharing and reciprocity arrangements are much more strongly determined by social and cultural factors.

Social tensions do not seem to have escalated between beneficiaries and non-beneficiaries, but there were reports from qualitative fieldwork of tensions within households over control of HSNP cash, as noted above.

In terms of **household composition** the evaluation does not find a big influence of the HSNP but does throw up some counter-intuitive results, such as the falling numbers of beneficiary households with children and falling numbers of children per household amongst beneficiaries (typically, you might expect a cash transfer programme to attract more children in beneficiary households). There is also seemingly an impact on the proportion of beneficiary households containing no member aged 18-54, which could be an indication that the HSNP is making it more feasible for such households, who are generally amongst the most vulnerable, to exist independently, but these findings want further research to unpick.

HSNP impacts on **household mobility** are ambivalent. Quantitative data find a positive trend on the proportions of households that are partially mobile and a negative trend on the proportion of households that are fully settled for both treatment and control groups. This finding could indicate that households are becoming more mobile in response to the economic and climatic conditions in the HSNP areas. However, as this trend persists for both treatment and control households the 'dif-in-dif' impact measures are not significant. It is only when one controls for the cumulative total value of transfers received per capita that one sees a significant impact of the programme, this time in the opposite direction: all things being equal, the HSNP might be encouraging those households that are partially settled to become fully settled. Somewhat in support of this finding, the qualitative data claims that both the drought and the HSNP are causes of sedentarisation, either because pastoralists have lost their animals or because beneficiaries fear missing HSNP re-registration processes.

Programme operations

Most respondents in HSNP targeted areas were aware of the programme and felt that the targeting process was fair. However they noted that many of those not selected may have not been present during the public information campaign or the targeting process. Many non-beneficiaries felt that they were in fact eligible. There is some suggestion that mobile households could have been systematically excluded from the targeting process.

The payment system has performed generally well. Almost all beneficiaries had received a smart card and very few reported never receiving any payment. A small variety of other problems were reported and though the numbers are marginal they do merit attention in phase II.

The Rights Component appears to have suffered a number of problems. Less than half of all households were aware of their rights under the programme and a quarter of households reported no Rights Committees in their sub-locations. Although HSNP staff and Rights Committee members were perceived as polite and respectful, they were not seen as effective in addressing the complaints and problems of beneficiary and non-beneficiary households. Rights Committees were not always aware of their duties and responsibilities and lacked support from the HSNP headquarters. There was perceived to be a general failure of communication with the Rights Component and limited feedback on the complaints that were submitted.

Conclusions

The aim of the HSNP pilot is to reduce poverty, food insecurity and malnutrition, and promote asset retention and accumulation amongst its beneficiaries. However, as its name suggests, its primary function is not poverty reduction per se, but to act as a hunger safety net. In this sense its emphasis is on livelihood protection rather than livelihood promotion. As a hunger safety net, HSNP was fairly effective at protecting beneficiary households in northern Kenya against the worst effects of the Horn of Africa drought. On the other hand, HSNP impacts on poverty reduction to date are much weaker, perhaps because of the drought-triggered food crisis in 2011, which

together with the declining purchasing power of the cash transfer due to price inflation since 2008, resulted in most of the cash being consumed rather than invested. The HSNP therefore had a bigger impact on short-term food security than on long-term poverty.

Thus, while the HSNP, at its current coverage rates and level of transfer, might provide a functional safety net during bad years, it is unlikely to systematically move people out of poverty. This is because of the negative climatic conditions that are endemic to the region and the relative marginalisation of the population.

The analysis conducted by the evaluation indicates that should the value of the transfer be appropriately indexed to the size of recipient households, as well as focussed on relatively poorer households, impact across the main programme goals would be much more significant. Conducting some ex-ante simulations of the programme design parameters for phase II will help ensure both that the HSNP effectively reaches its target population and maximises its impact in the desired areas of poverty reduction, reduced food insecurity and malnutrition, and promotion of productive livelihoods.

The impacts recorded in this report cover 12 months of HSNP operations (4-5 transfer payments), during a difficult year (drought and inflation). More significant positive impacts are anticipated after a second year of operations (10-11 transfer payments), in hopefully not as challenging circumstances (post-drought recovery) and with higher payment levels (up from KES 2,150 to KES 3,000 in 2012).

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Abbreviations

ASAL	Arid and Semi-Arid Lands
CBT	Community-Based Targeting
DFID	Department for International Development
FPE	Free Primary Education
FGD	Focus Group Discussion
HSNP	Hunger Safety Net Programme
IDS	Institute of Development Studies
KII	Key Informant Interview
KES	Kenya Shillings
M&E	Monitoring and evaluation
OPM	Oxford Policy Management
SP	Social Pension
WFP	World Food Programme

1 Introduction

This chapter introduces the subject of the evaluation, the Hunger Safety Net Programme, and describes the evaluation methodology.

1.1 The Hunger Safety Net Programme

The Hunger Safety Net Programme (HSNP) delivers regular cash transfers to some 60,000 chronically food insecure households in the greater Mandera, Marsabit, Turkana and Wajir districts in northern Kenya. HSNP operates under the Ministry of State for the Development of Northern Kenya and Other Arid Lands, with financial support from the UK Department for International Development (DFID), and is delivered by a number of contracted service providers. The HSNP pays KES 2,150 to each beneficiary household (or to each social pensioner) every two months, which was 75% of the value of the World Food Programme (WFP) food aid ration in 2006¹. Beneficiaries are given a Smartcard which they use to collect their cash at any time from a range of paypoints (mainly small shops called *dukas*) across the four districts.

In each of the 150 (out of 433) sub-locations where it operates, HSNP beneficiaries are selected by one of three targeting mechanisms:

- *Community-based targeting* (CBT): the community collectively selects households they consider most in need of cash transfers, up to a quota of 50% of all households
- *Dependency ratio* (DR): households are selected if the proportion of members under 18 or over 55 years old, disabled or chronically ill, exceeds a specified number
- *Social pension* (SP): Any individual aged 55 or over is eligible for cash transfers (so one household could receive multiple transfers).

The overall goal of HSNP is to reduce extreme poverty in Kenya. The three key intended impacts are to increase household consumption expenditure, reduce food insecurity and dependence on food aid, and promote asset retention and accumulation. The programme is also expected to have positive impacts on several secondary indicators of well-being, including uptake of health and education services, stabilised food prices and supplies in local markets, livelihood diversification, savings behaviour, resilience against shocks, empowerment of women, and well-being of older people and children. Finally, it is important to test for possible unintended impacts, such as price inflation, disrupted informal transfer systems, changes to household composition, social tensions, changes to household mobility, and dependency on cash transfers.

This evaluation report synthesises evidence on these sets of primary, secondary and unintended impacts from a range of sources comprising both quantitative and qualitative data. It summarises the findings from three larger reports and presents conclusions and recommendations stemming from those findings for the HSNP. The reports upon which it draws are: the Quantitative Impact Evaluation Report², the Qualitative Impact Evaluation Report³, and the Operational Monitoring Report⁴.

¹ Value of HSNP transfer was increased from KES 2150 to KES 3000 with effect from payment cycle 16 (Sept/Oct 2011) and will be increased to KES 3,500 with effect from cycle 19 (Mar/Apr 2012). There was a one off doubling of transfer in Jul/Aug 2011 to support households cope with drought.

² Kenya Hunger Safety Net Programme Monitoring and Evaluation Component Quantitative Impact Evaluation Report: 2009/10 to 2010/11, May 2012.

1.2 Evaluation methodology

Oxford Policy Management (OPM) and the Institute of Development Studies (IDS) were contracted by DFID to undertake an evaluation of HSNP impacts. A mixed methods approach was designed. The quantitative impact evaluation is underpinned by an experimental survey design. The HSNP was randomly allocated to ‘treatment’ sub-locations – selected households enter the programme and start receiving the transfer immediately – while in ‘control’ sub-locations selected households only receive transfers after two years. A sample of 4,800 households were randomly selected at baseline for annual interviews, in 48 randomly selected evaluation sub-locations (24 treatment and 24 control)⁵. Of these, 2,867 households selected for the HSNP have both baseline and follow-up observations – 1,434 ‘treatment’ and 1,433 ‘control group’ households – and this constitutes the panel sample which is the basis of the impact analysis.

Baseline data collection was completed in November 2010⁶, and the first round of follow-up data collection finished in November 2011, by which time most HSNP households had received 4 or 5 transfers. This report presents results of the year 1 quantitative and qualitative impact analysis.

Box 1.1 How to read the tables in this report

Most tables in this report follow a standard format. Columns 1 and 2 give the mean levels at baseline and follow-up for each indicator in HSNP households, while column 3 calculates the difference between them. Columns 4, 5 and 6 provide corresponding estimates for control households. Column 7 gives the “dif-in-dif” impact measure – the difference between follow-up and baseline for HSNP households minus the corresponding difference for control households. Column 8 shows the number of observations at follow-up (FU1) which is 2,867 (the sample of households comprising the treatment plus control panel) minus any missing values. Significant differences are denoted in these tables by three (**), two (**) or one (*) asterisks, signifying differences at 99%, 95% and 90% confidence respectively.

The quantitative impact analysis presented in this report is based on the difference-in-difference (“dif-in-dif”) methodology. The measure of impact is given by comparing how much beneficiaries improved (or did not improve) across a range of indicators with changes across those same indicators in comparable ‘control’ households during the same period. The control households, who did not receive the payment, provide a measure of what would have been expected to have happened in the beneficiary households if they had not received the cash transfer. The ‘difference-in-difference’ measure thus captures the difference between treatment households at baseline and follow-up (c.12 months later), minus the difference between control households at baseline and follow-up, and constitutes the primary measure of programme impact.

³ Kenya Hunger Safety Net Programme Monitoring and Evaluation Component Qualitative Impact Evaluation Report: 2009/10 to 2010/11, March 2012.

⁴ Kenya Hunger Safety Net Programme Monitoring and Evaluation Component Consolidated Operational Monitoring Report, May 2012.

⁵ A detailed explanation of the evaluation survey design and sampling strategy, including sample attrition and sampling weights, is provided in Annex A of the Quantitative Impact Evaluation Report.

⁶ The baseline data analysis is presented in three reports: (1) the **Baseline Report** provides a situation analysis of the HSNP districts, focusing on local population characteristics; (2) the **Targeting Report** presents the analysis of HSNP targeting effectiveness; (3) the **Payments Monitoring Report** analyses the operational performance of the cash payments system.

As well as estimating overall programme impact, 'heterogeneity analysis' was performed to assess whether programme impacts varied across different types of household – by targeting mechanism (dependency ratio, social pensions, community-based targeting), by mobility status (fully mobile, partially mobile, fully settled), by household size, by consumption expenditure, and by cumulative value of transfers received per capita⁷.

Controlling for the cumulative value of transfers received per capita asks the question: *is receipt of a larger total value of transfers per household member associated with a higher level of programme impact?* That is to say, using the actual data collected by the impact evaluation it compares the impact of the programme on a household that has received an average total per capita value of transfers, with the impact of the programme on a household that has received an additional KES 1000 total per capita value of transfers.

In addition to the quantitative household survey, qualitative research was also conducted in four HSNP operational sub-locations in each district. In each sub-location, focus group discussions and key informant interviews were conducted with beneficiaries and non-beneficiaries, as well as other key members of communities (male and female elders, chiefs, teachers, doctors, religious leaders, labourers, minority groups, farmers, traders, Rights Committee members). Participatory methods were also used, including social mapping, timelines, and community wealth ranking. In addition, a 'qualitative panel' of beneficiaries and non-beneficiaries is re-interviewed each year to track the impact of the HSNP on their lives.

⁷ The impact heterogeneity analysis is explained in Annex C of the Quantitative Impact Evaluation Report, where the results are presented also in Annex C.

2 Key HSNP impact areas

This chapter reviews the quantitative and qualitative evidence from fieldwork of HSNP impacts on poverty, consumption, food security, food aid dependence, and asset retention and accumulation.

2.1 Poverty and consumption

Cash transfers are expected to reduce poverty directly, by raising household incomes. However, incomes are difficult to measure accurately and are subject to short-term variations, so surveys tend to estimate consumption instead – ‘monthly household consumption expenditure per adult equivalent’ is a standard proxy for household welfare. HSNP cash transfers are expected to raise household spending across a range of goods and services – food, household items, water, health care, education, clothing, transport etc. – and to stabilise consumption of food and other essentials across seasons and years. Some transfers might also be invested in income-earning activities or assets, which would further reduce poverty.

The M&E baseline survey found that HSNP cash transfers constituted, on average, 12% to the total monthly consumption expenditure of beneficiary households, though this contribution was higher, at 28%, for poorest quintile households (Table 2.1). Since the poorest households spent KES 500 per month on food per adult equivalent (AE), the transfer of KES 235 per AE amounted to 47% of their monthly food consumption.

Table 2.1 Mean monthly consumption expenditure and HSNP transfer values

Outcome	Quintile					Overall
	Q1	Q2	Q3	Q4	Q5	
Mean total monthly HH consumption expenditure per AE (price adjusted)	846	1,324	1,777	2,369	3,752	1,903
Mean total monthly HH food expenditure per AE (price adjusted)	500	741	953	1,240	1,900	1,014
Mean number of adult equivalents (AE) per household	4.6	4.7	4.8	4.7	4.1	4.6
Mean value of the transfer per AE (assuming 1 transfer per household)	235	227	222	229	263	233
Transfer as a proportion of total HH consumption (%)	28	17	12	10	7	12
Transfer as a proportion of food consumption (%)	47	31	23	18	14	23
Percent of HSNP beneficiaries falling in this quintile	23	21	22	17	17	100

Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011. Notes: This table refers to beneficiary households only.

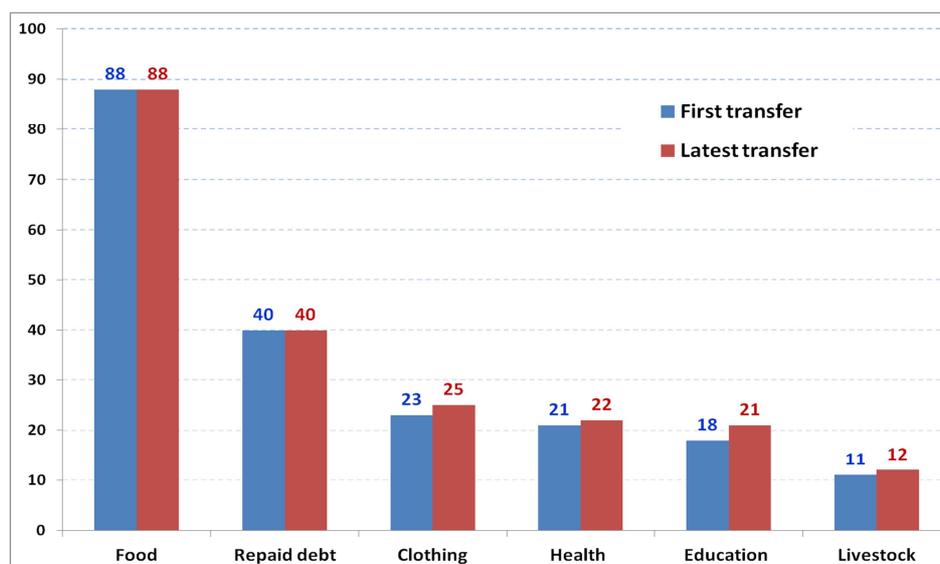
The most common use of HSNP cash transfers as reported by households is to purchase food (almost 90% of beneficiary households), with repayment of debts a distant second (40% of households). Smaller numbers buy clothing or pay education and health costs (20-25% of households each), and a minority bought livestock (11-12%) (Figure 2.1). Anecdotal reports that

beneficiaries spent their first HSNP differently from the way they spent their last – for example mainly to pay off debts – are not confirmed by the quantitative data, which found almost identical spending patterns between the first and most recent transfer received.

Most HSNP households (86%) do not treat HSNP cash separately from the rest of the household’s money.

A small minority (13%) reported sometimes saving some HSNP cash to use at a later date.

Figure 2.1 Items purchased with HSNP transfers (% of beneficiary households)



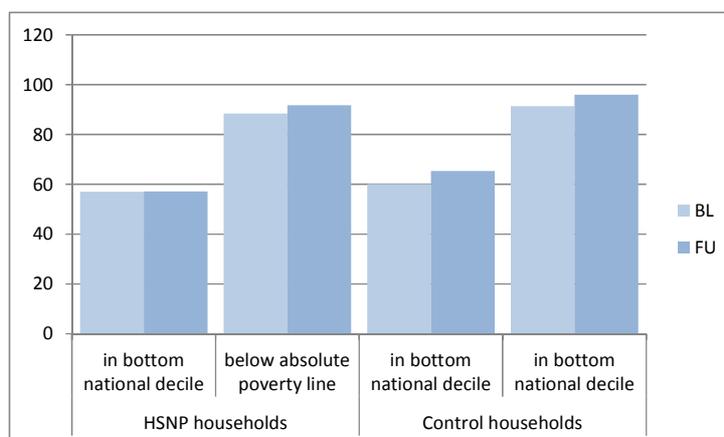
Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011.

To quantify the impacts of the HSNP on consumption and poverty, three comparisons are made, pre- and post-transfer between HSNP and control households: (1) mean monthly consumption expenditure per adult equivalent; (2) proportion of households falling in the poorest 10% of Kenyan households; (3) proportion of households falling below the national absolute poverty line.

Table 2.2 below reveals that **there have been no significant changes in average consumption and poverty rates amongst HSNP households between baseline and follow-up**. Since reducing poverty is one of the primary objectives of the programme, this finding is disappointing. However, we do find that control households have seen a statistically significant reduction in their expenditure levels of just under 10%, which is reflected in statistically significant increases in poverty rates in this group of around 5%. These increases in poverty are likely to reflect the severe drought which affected the HSNP districts between the baseline and follow-up surveys, and the trends observed across the two groups, whilst not providing a statistically significant measure of programme impact, would be consistent with the suggestion that the programme is providing a cushioning function and thus mitigating the poverty impact of the drought amongst HSNP households.

Given the context of a regional food crisis, the fact that consumption and poverty indicators have not significantly deteriorated in HSNP households is an achievement in itself. **The HSNP appears to have played an effective safety net role**, cushioning beneficiaries against the worst effects of the drought. Indeed, although the ‘dif-in-dif’ measures are not statistically significant, after controlling for the fact that some HSNP households have received more transfers than others, and that the effective per capita value of the transfers is much smaller for larger households, the impact on the poverty measures does become statistically significant, with beneficiary households some 4% less likely to reside in the bottom national consumption decile, and some 2% less likely to fall below the national absolute poverty line. We also find that, for poor households and fully mobile households, there is a statistically significant increase in consumption expenditure to the tune of KES 160 and 277 respectively.

Figure 2.2 Household poverty rates at baseline and follow-up



Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011.

Table 2.2 Household consumption expenditure and poverty

Outcome	HSNP households			Control households			Dif-in-dif	Observations
	BL	FU	Dif	BL	FU	Dif		
Mean consumption spending	1881	1790	-90.7	1801	1658	-143.3***	52.66	2,866
Proportion of HHs (%):								
in bottom national decile	57.0	57.1	0.1	60.1	65.4	5.3**	-5.145	2,866
below absolute poverty line	88.4	91.7	3.3	91.4	95.9	4.4***	-1.113	2,866
Poverty gap	43.2	44.5	1.3	44.6	48	3.4**	-2.098	2866

Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011. Notes: (1) Asterisks (*) indicate that an estimate is significantly different to the relevant comparator, as explained in Section 1 of the report: *** = 99%; ** =95%; * = 90%. (2) Consumption expenditure is defined as mean total monthly inflation-adjusted household consumption expenditure per adult equivalent (KES). (3) A household is in the bottom national decile if its total monthly per adult equivalent consumption expenditure is below 1793.978 KSh; (4) A household is below the absolute poverty line if its total monthly per adult equivalent consumption expenditure is below 3127.827 KSh. This cut-off value is the total monthly per adult equivalent consumption expenditure of the household at the 85th percentile of the cumulative distribution of total monthly per adult equivalent consumption expenditure at baseline. (5) Poverty gap is defined as the mean shortfall of the population from the poverty line, expressed as a percentage of the poverty line.

The qualitative research produced multiple testimonies to the fact that many respondents perceive the HSNP as having raised beneficiaries out of extreme poverty, or as lifting them to a higher wealth category. However, there was also a recognition that these positive impacts were constrained by contextual factors beyond the control of the HSNP.

“The gap has been narrowing since the HSNP began. Poor HSNP beneficiaries are now meeting their needs just like rich people in the community. There are, however, some natural factors like drought, hunger, animal diseases or human diseases which hinder the rapid and quick positive changes for the poor beneficiaries” [Male elder, Turkana].

Other respondents noted that it would be unrealistic to expect major impacts from the HSNP, given the small value of the transfer.

“You don’t expect any immediate change because the amount HSNP is paying is small and cannot make an abrupt big change” [Male elder, Wajir].

According to this view, substantial impacts on poverty could be achieved only if the transfer amount was raised.

“The best way is to reduce the payment duration to one month instead of two months. Also the amount should be increased to at least KES 5,000 so the livestock are saved from being sold. In this way at the end of at least two years the livestock numbers will increase, and one would be able to accumulate and save good money to enable him start a business” [Male elder, Wajir].

As Table 2.1 above also implies, the low per capita value of the transfer relative to average monthly per adult equivalent consumption expenditure is very likely a key explanation for the lack of significant impact on consumption levels and poverty reduction in beneficiary households.

2.2 Food security

Cash transfers might allow additional food to be purchased by households facing food deficits or hunger, and might also be invested in food production and income-generating activities. Household food security is therefore expected to improve, especially among poorer households, which typically spend higher proportions of their income on food than do wealthier households. As one beneficiary put it, *“This money mostly ends in our stomach” [Beneficiaries focus group, Turkana]*

Many respondents referred to reduced hunger as the most fundamental impact the HSNP has had on their wellbeing, with 71% of HSNP households reporting that since receiving the cash transfers they have been able to have more and/or larger meals⁸.

“The HSNP has brought many benefits, the first being that it has satisfied the hunger in the community” [Male elder, Mandera].

“Hunger is the worst thing in this world so this money has really saved us from hunger, because when your children are feeling hunger you are given 2,150 shillings” [Beneficiaries focus group, Wajir].)

Table 2.3 confirms that **HSNP is having an impact on some measures of food security**. First, mean expenditure on food increased by 20% in HSNP households between the baseline and follow-up surveys, as it did in control households (by 14%). There was also a significant increase in the share of food in total consumption spending (from 55% to 67%) in HSNP households, but there was a comparable increase in control households so this is not an attributable impact. These results are difficult to interpret, especially in the context of the HSNP districts. Typically, one would expect share of food in total household expenditure to fall as households become better off, so perhaps the trends in both treatment and control households reflect generally high levels of food price inflation.

⁸ HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011.

No significant trends are identified in terms of the proportion of households that went entire days without eating during the most recent food shortage, either in HSNP households or control households. Again, such results are a little puzzling and require further investigation. It may be that this reflects the increased provision of food aid in the region in response to the drought.

The most significant and attributable food security impact is on dietary diversity, which increased from 6.6 to 7 food groups in HSNP households but did not change in control households. The increase in dietary diversity is strongest among the poorest households.

Table 2.3 Food security

Outcome	HSNP households			Control households			Dif-in-dif	Observations
	BL	FU	Dif	BL	FU	Dif		
Mean food consumption expenditure (KES)	1003	1200	198**	1000	1139	139**	58.7	2,866
Mean food share of consumption expenditure (%)	54.7	67.5	12.8***	56.4	70.7	14.3***	-1.51	2,866
Proportion of households going entire days without eating in worst recent food shortage period (%)	62.5	55.7	-6.8	72.7	63.9	-8.8	2.03	2,185
Mean dietary diversity score	6.6	7.0	0.4***	6.1	6.0	-0.1	0.52***	2,866

Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011. Notes: 'Dietary diversity score' is the number of food groups (out of 12) that the household consumed in the past week: cereals; eggs; fish; fruits; meat; milk and milk products; oils and fats; pulses, legumes and nuts; roots and tubers; salt and spices; sugar; vegetables.

These survey findings are supported by the qualitative fieldwork. Many households reported that they were able to sustain their food consumption thanks to HSNP, despite the drought, as well as spending on food items they would not normally consume, such as milk, sugar and meat.

"When the money is received every kitchen is cooking something that day" [Beneficiary, Turkana].

"What has changed is that before we always ate one type of food but now we eat a variety of food. If I cook rice today, tomorrow will be spaghetti. We may sometimes buy meat and vegetables" [Beneficiary, Wajir].

Several traders also confirmed that HSNP beneficiaries spent most of their cash transfers on food and a health worker observed an improvement in children's nutrition status thanks to HSNP.

"When the mothers receive payment they buy a lot of nutritious foods for their children, like vegetables. ... in my observation, I have seen that the nutritional level among young children has risen" [Health worker, Wajir].

Other beneficiaries were slightly less convinced, making the point that cash transfers were used to buy items they had previously received as food aid, so there was no increase in dietary diversity.

"Food aid is basically maize, peas and beans. We still buy these foods with the HSNP cash, so there are not many changes" [Female beneficiaries focus group, Marsabit].

The qualitative fieldwork also articulated some of the linkages between food security impacts and other factors that are not so immediately apparent from the quantitative survey. For instance, the notion that HSNP households were able to use their receipt of regular cash transfers to buy food

and other commodities on credit from local shopkeepers, or that many households also mentioned that they were able to sustain their consumption without selling livestock as a result of the HSNP – which is a ‘normal’ but costly ‘coping strategy’ as livestock are always sold at low prices during a drought.

“They have been at least stabilized by the HSNP to an extent that they have spared their animals” [Young men focus group, Wajir].

Although the HSNP is intended to reduce household dependence on food aid, the frequency and severity of food shortages in northern Kenya and the low purchasing power of HSNP transfers mean that regular cash transfers and food aid should be seen as complementary interventions, not substitutes for each other. However, it is possible that HSNP beneficiaries could receive less food aid (including school feeding and supplementary feeding) over time, either because they genuinely need less assistance or because they are perceived as needing less assistance due to receipt of the HSNP transfers.

Surprisingly, the evaluation finds that being a HSNP beneficiary significantly increases the probability of receiving food aid (Table 2.4). This is most likely explained by the fact that, at baseline, control areas were found to be receiving more food aid than HSNP areas, and although they were still receiving more food aid at follow-up, the proportion of recipients fell during the year by more in control than in HSNP areas. This effect seems to be related to patterns of food aid allocation at sub-location level, rather than being a programme effect – in fact, once you control for other factors, including accounting for the different levels of food aid supply at the community-level, this apparent positive impact becomes insignificant⁹.

Moreover there is no significant impact of HSNP on the mean number of months or the mean monthly value of food aid received by food aid recipients. Interestingly though, both HSNP and control households recorded a similar and statistically significant increase in the mean monthly value of food aid they received, perhaps reflecting increased deliveries in response to the drought. Similar results are observed for school feeding, with falling numbers of beneficiary households across all categories but with no significant impact detected using the ‘dif-in-dif’ measure.

Although the ‘dif-in-dif’ impact for supplementary feeding is also not significant, we do find a significant increase in control households receiving supplementary feeding, and a significant decrease in the proportion of large and partially settled HSNP households receiving supplementary feeding, which suggests that certain households may be being excluded from supplementary feeding because they receive cash transfers from HSNP.

Box 2.1 Preference for cash support

Despite food price inflation and the drought, both HSNP and control households indicated a strong preference for receiving support in cash (72% and 62% respectively) rather than food (2% and 6%), with some preference for a combination of cash and food (26% and 29%). The main advantage mentioned was the flexibility of cash, which allows beneficiaries to meet a wider range of needs than food aid can.

“Very poor widows, orphans and old people are now able to meet their basic needs like purchase of clothes, food, payment of school fees, acquisition of better medical services and replacement of their livestock. Old people in the community before the HSNP started were living in bad conditions and food aid could never have solved their problem of meeting their basic needs which are necessary for life” [Male elder, Turkana].

⁹ These findings are somewhat contradicted by reports from the HSNP secretariat that HSNP areas were being systematically deprioritised for food aid allocations, though whether by chance none of the evaluation sub-locations were affected by this allocation policy is not clear.

These findings suggest the **HSNP is not having a negative substitution effect on other forms of aid** for beneficiary households.

Table 2.4 Households receiving food assistance in the past year (%)

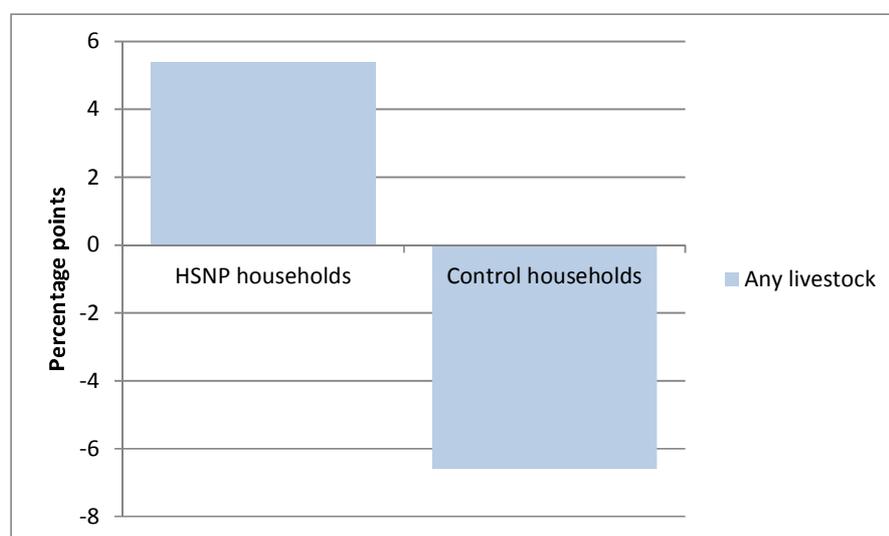
Outcome	HSNP households			Control households			Dif-in-dif	Observations
	BL	FU	Dif	BL	FU	Dif		
Food aid	69.5*	67.2	-2.3	84.7	74.5	-10.2***	7.892***	2,866
School feeding	57.1	43.5	-13.6*	49.0	46.8	-2.3	-11.31	2,866
Supplementary feeding	15.5	15.3	-0.3	9.0	15.3	6.3*	-6.519	2,866

Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011.

2.3 Asset retention and accumulation

Apart from covering consumption gaps, cash transfers should allow beneficiaries to hold onto their livestock and other assets that they might otherwise have been forced to sell in times of distress, and even to invest in accumulating more assets over time as a potential pathway out of poverty.

Figure 2.3 Change in the proportion of households owning livestock



Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011.

Table 2.5 suggests that the **HSNP is having a significant impact on livestock ownership**, with HSNP households more likely to own livestock, especially sheep and goats, after one year of the programme than control group households. This implies both that HSNP households were better able to retain livestock, despite the drought, while some were even able to acquire livestock, indicating that the programme had a significant livelihood protection effect.

This analysis is slightly complicated by the fact that when we control for other factors the results persist only for large households and fully mobile households, and actually show a negative impact on camel ownership. Therefore in terms of retention and accumulation of livestock assets, the overall results from the quantitative survey are encouraging but not fully conclusive.

Table 2.5 Households owning livestock (% of households)

Outcome	HSNP households			Control households			Dif-in-dif	Observations
	BL	FU	Dif	BL	FU	Dif		
Any livestock	61.6	66.9	5.4	79.6	73.0	-6.6*	11.92**	2,863
Goats / sheep	58.4	63.7	5.4	77.5	73.4	-4.1	9.464*	2,788
Camels	28.0	28.4	0.4	31.5	31.9	0.3	0.064	2,765
Cattle	15.8	16.7	0.9	20.7	22.3	1.6	-0.708	2,746

Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011.

Qualitative research, however, found several HSNP households confirming that the cash transfers had indeed better enabled them to keep their animals rather than sell them to survive the drought.

“I had some goats and whenever I was faced by a problem that requires a financial solution, I had to sell a goat. However, I have not sold a single goat since this programme started” [Beneficiary, Wajir].

“If our children are chased away from school because of fees, we had to sell an animal. Fortunately, now this money can take care of those issues” [Beneficiary, Wajir].

For others, the HSNP cash has provided at least partial protection, allowing fewer animals to be sold.

“We have reduced the number of animals we sell” [Beneficiary, Marsabit].)

Others who did have to sell animals to meet immediate needs – given that HSNP disbursements are made only every two months – claimed they were able to buy them back with subsequent HSNP transfers.

“When I have a problem I sell one of my goats and take care of that problem, and when I receive money next time I replace that goat that I sold and life goes on” [Beneficiary, Turkana].

In terms of the proportion of households that retained and accumulated (non-livestock) productive assets, no significant programme impacts were recorded, except for unexplained negative impacts on animal carts and pick-axes (likely an anomaly produced by the small proportion of households owning these items; Table 2.6).

Table 2.6 Households owning key productive assets (% of households)

Outcome	HSNP households			Control households			Dif-in-dif	Observations
	BL	FU	Dif	BL	FU	Dif		
Animal cart	5.7	6.5	0.8	4.9	7.8	3.0**	-2.180*	2,866
Water drum	12.8	14.7	1.9	9.8	10.5	0.7	1.171	2,866
Plough	0.7	0.1	-0.5	0.7	0	-0.7*	0.0	2,866
Wheelbarrow	6.9	4.3	-2.6	5.5	4.6	-0.9	-1.726	2,866
Sickle	3.4	2.2	-1.1**	1.6	0.5	-1.1	-0.0069	2,866
Pick-axe	11.8	6.6	-5.2	8.9	10.2	1.3	-6.55**	2,866
Axe	52.2	61.3	9.0*	59	60	1.0	7.990	2,866
Hoe	14.6	16.6	2.0	11.1	10.6	-0.5	2.491	2,866
Spade	14.8	16.8	2.0	14	13.4	-0.6	2.593	2,866
Machete	48.9	47.8	-1.1	46.8	46	-0.8	-0.353	2,866

Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011.

Some beneficiaries reported buying consumer goods ('non-productive assets'), such as housing materials, clothing, or basic household items.

"Each time I get the cash I buy building materials to build my house" [Beneficiary, Turkana]

"When I get the payment I buy myself clothes and food" [Beneficiary, Mandera]

"The only change that has happened over the past one year is that we were short of stuff but now we bought more stuff like utensils, and sleeping materials like mattresses" [Beneficiary, Wajir].

The capacity to buy basic necessities also reduced the need for poor households to share or borrow these items from neighbours.

"Before we used to share clothes, and borrow utensils from neighbours but since the HSNP payment began we can buy everything" [Beneficiary, Mandera].

3 Secondary HSNP impact areas

This chapter presents M&E evidence on secondary outcomes of the HSNP: uptake of health and education services, food prices and supplies, livelihood diversification, access to credit, resilience against shocks, empowerment of women, and well-being of older people and children.

3.1 Health

Evaluations of cash transfer programmes typically find that some proportion of cash transferred is allocated to accessing health care, both as a basic need and as an investment in the household's human capital. How much money is spent on health care depends not only on the health status of the beneficiary population but also on the supply, perceived quality and cost of health services in the programme area.

The evaluation finds that the **HSNP has not positively impacted the health status** of beneficiaries, with no significant decrease in the incidence of illness or injury in the past three months. It does detect a statistically significant increase in health spending by beneficiaries, but the 'difference-in-differences' measure of impact is not significant (Table 3.1). After controlling for other factors and for variation in the effective per capita cumulative value of the transfers received, a statistically significant positive impact in health spending – i.e. attributable to the HSNP – does emerge, but this amount is so small (around KES 4 per month) as to be effectively negligible.

Table 3.1 Health expenditure and illness in past three months

Outcome	HSNP households			Control households			Dif-in-dif	Observations
	BL	FU	Dif	BL	FU	Dif		
Mean monthly per capita health expenditure/ household (KES)	22.7	29.5	6.7*	21.4	23.4	2.0	4.75	2,866
Proportion of population ill or injured in the past 3 months (%)	24.2	17.3	-6.9	23.8	14.5	-9.3	2.41	1,1558

Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011.

These quantitative findings might be interpreted in the light of the fact that cash is a fungible asset and that health spending confronts households as a necessity. When faced with a health shock households often face little choice but to meet the required expenditure to cope with that shock regardless of whether they can 'afford' it. This implies that, though both treatment and control households inevitably meet that expenditure, treatment households are able to do so without adopting more destructive coping strategies, such as investing less in nutritional health or drawing down on their assets; as indeed is the case found by this Evaluation.

Qualitative research produced some evidence to support this interpretation, revealing both how the cost of health care can be a deterrent to poor families, as can the cost of transport to access health care, and producing testimonies demonstrating that the HSNP is helping to remove these barriers for some households.

"For me things have changed because I have money to pay for my transport and also to pay for my treatment" [Beneficiary, Manderu].

HSNP cash also allowed households to preserve their assets rather than sell them, and asset depletion is a common response to health shocks by poor households.

“I spend KES 500 out of the HSNP money to pay for healthcare. Without HSNP it would have been very hard to get medicine. I would have sold one goat to buy medicine” [Beneficiary, Mandera].

Qualitative fieldwork revealed a possible link between the HSNP and the type of health care that beneficiaries choose, because cash transfers give people access to more expensive health care providers that were previously unaffordable.

“We used to slaughter a goat and treat the person using the intestines of the goat. ... Sometimes we had to choose another treatment like going to the native doctor and using herbal treatment. Now if you have the money you take you patient to the hospital to seek treatment from there” [Beneficiary, Turkana].

Some health workers also reported a surge in the number of people coming to health facilities soon after the day of HSNP payment.

One challenge households face is that HSNP payments are made once every two months, whereas illness is unpredictable. However, sometimes households were able to alleviate this cashflow constraint by borrowing against the security of the HSNP transfer.

“When I have no money, I borrow to go to hospital and when I get the HSNP payment I pay back the debt” [Beneficiary, Mandera]

“When children become sick and you do not have money to pay the medical fees, you get credit from the pharmacy and pay later through HSNP money” [Beneficiary, Wajir].

Alternatively, ill household members would have to wait for the next HSNP payment before getting treatment.

“When cash transfer is delayed, family members of beneficiaries keep waiting for the transfer to take sick people to medical services” [Female elders focus group, Turkana]

3.2 Education

Some proportion of cash transfers are often allocated to the various costs of educating children in beneficiary households, which include school fees or ‘school funds’, transport, boarding fees, uniforms, books and stationery. One impact indicator on education is thus increased spending on schooling-related costs. A second possible impact is on education uptake – increased enrolment or retention in school (lower absenteeism) given that households facing expenditure constraints may be forced to withdraw children from school (a common ‘coping strategy’).

The evaluation finds no significant impact on education enrolment or attendance rates, or on education expenditure by households.

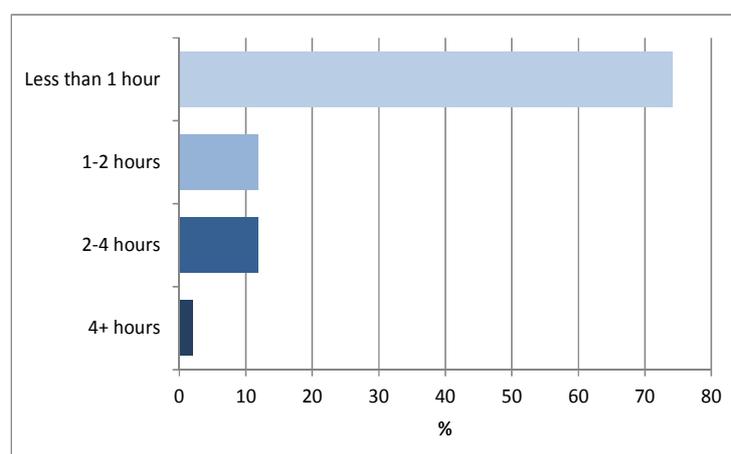
This may be considered a disappointing result, but a consideration of some broader factors sensitises the interpretation. For instance, the baseline survey found that cost and access were not the key barriers to schooling in HSNP districts as reported by households—this ‘subjective’

measure of households own reasons for non-enrolment and attendance should not be confused with an objective measure of access to education services in these areas, which may indicate that there are significant barriers to access in terms of distance to nearest education facilities..

The most common reasons given for having never attended school were domestic duties (49%), working for household own production (13%), and parental attitude that school is unnecessary (15%). Equally, in addition, in HSNP areas, it is acknowledged that school feeding acts as a considerable incentive to keep children in school even during times of distress.

In these conditions, the programme can only be expected to have an impact on educational outcomes to the extent that it reduces the need for children to perform domestic duties and/or participate in home production. And while the evaluation shows some small impact on reducing child labour, it is not influential enough to affect the measure of impact on education enrolment and attendance.

Figure 3.1 Walking distance to nearest primary school as reported by households with children currently attending school at baseline



Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Dec2010.

Table 3.2 Education indicators

Outcome	HSNP households			Control hhs			Dif-in-dif	Observations
	BL	FU	Dif	BL	FU	Dif		
Mean monthly household education expenditure per child (KES)	106.5	99.1	-7.5	79.4	90.0	10.6	-18.08	2,406
Children currently attending school (%):								
All children, aged 6-17	61.7*	64.1	2.5	46.8	55.4	8.5	-6.065	6,450
Females, aged 6-17	55.9	59.3	3.4	41.8	50.6	8.8	-5.396	3,024
Males, aged 6-17	66.8*	68.5	1.6	51.2	59.7	8.5	-6.820	3,426
All children, aged 6-12	62.1**	64.9	2.8	45.6	56.3	10.7	-7.825	3,836
All children, aged 13-17	60.9	62.9	2.0	48.9	54.0	5.2	-3.205	2,614
Children aged 10-17 currently in school that have passed Std IV (%)	34.2	41.3	7.1***	36.6	36.7	0.1	6.985**	3,625
Mean highest class achieved for children aged 6-17 currently in school	5.6	5.9	0.3***	5.8	5.8	0.1	0.214	2,947

Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011. Notes: (1) Asterisks (*) indicate that an estimate is significantly different to the relevant comparator, as explained in Section 1 of the report: *** = 99%; ** =95%; * = 90%. (2) Mean monthly household education expenditure per child (KES) includes only those households with at least one child between 6 and 17 currently attending school.

All this being said, despite no impact on getting more children into school, the **HSNP is having a positive effect on those children in school**, with a statistically significant impact attributable in terms of progression in school. Among children aged 6-17 in HSNP households, 80.5% were in a

higher class at follow-up than at baseline, compared to 76.5% of children in control households. This advanced progression rate is reflected in a strong and significant impact on the proportion of children aged 6-17 in beneficiary households that have passed Standard IV. This impact is driven by poorer households and fully mobile households in particular, and is greater for smaller households, for whom the effective value of the cash transfer is largest. The positive impact on class progression is also reflected in a statistically significant increase in the average highest class achieved for children aged 6-17 in HSNP households.

Despite no aggregate evidence of rising numbers of children attending school, the qualitative research did unearth some examples of individual beneficiaries testifying that the HSNP has allowed them to send their children to school.

“Before the HSNP began children were just looking after the livestock but since the payment started some children are taken to school, because we have money to buy books, pens and also uniforms” [Beneficiary, Mandera]

Although primary education at public schools is ‘fee free’, secondary education is not. HSNP cash might be contributing to improved access to secondary education for poor children, as a few claims of beneficiaries from the qualitative research seem to indicate.

“My children are in secondary school and each term I pay KES 7,000. When I get the HSNP payment I pay school fees for my children” [Beneficiary, Mandera].

There are several other education-related expenses that can be prohibitive for poor parents or carers of children, which the HSNP seems to be contributing towards paying.

“We can now pay transport for our children when they go to school” [Female elders focus group, Marsabit]

“Before this programme I could not even buy uniforms for them but now I can and it has become easy for me to buy stationery like pens, books and rubbers” [Beneficiary, Wajir].

“My three children are all in primary school. I use the money to buy them mock examination papers for revision” [Beneficiary, Marsabit]

Again, as in relation to health expenditure, the qualitative research produced the important insight that, for some households at least, HSNP cash transfers enable households to save livestock instead of selling animals in order to pay for schooling costs.

“If I did not have the payment then I would have been forced to sell my small stock to buy my children uniform, books and pens ... but due to the programme I am able to send both my boys and girls to school” [Beneficiary, Marsabit]

The fact of being registered for the HSNP also allowed some parents to negotiate a deferred payment of education expenses, by persuading school authorities to allow their children to continue with classes until the next cash transfer arrived.

“Since HSNP started I can talk to the teacher and tell him that I’ll pay the fees when I get paid so he doesn’t send the children home” [Beneficiary, Wajir]

Some respondents even claimed that the HSNP allowed them to access better quality education.

“Since this fund disbursement from HSNP we take our children to private institutions. We prefer private schools because our children get a better standard of education” [Female elders focus group, Manderu]

Some respondents also mentioned that the HSNP cash allowed them to contribute towards paying for voluntary teachers or tutors. Though these claims would need to be verified, if true this could help explain the improved performance recorded in the quantitative survey in terms of more rapid class progression by children in HSNP households.

One ambivalent finding from the qualitative fieldwork was reports of schools making increased demands for cash from HSNP beneficiaries.

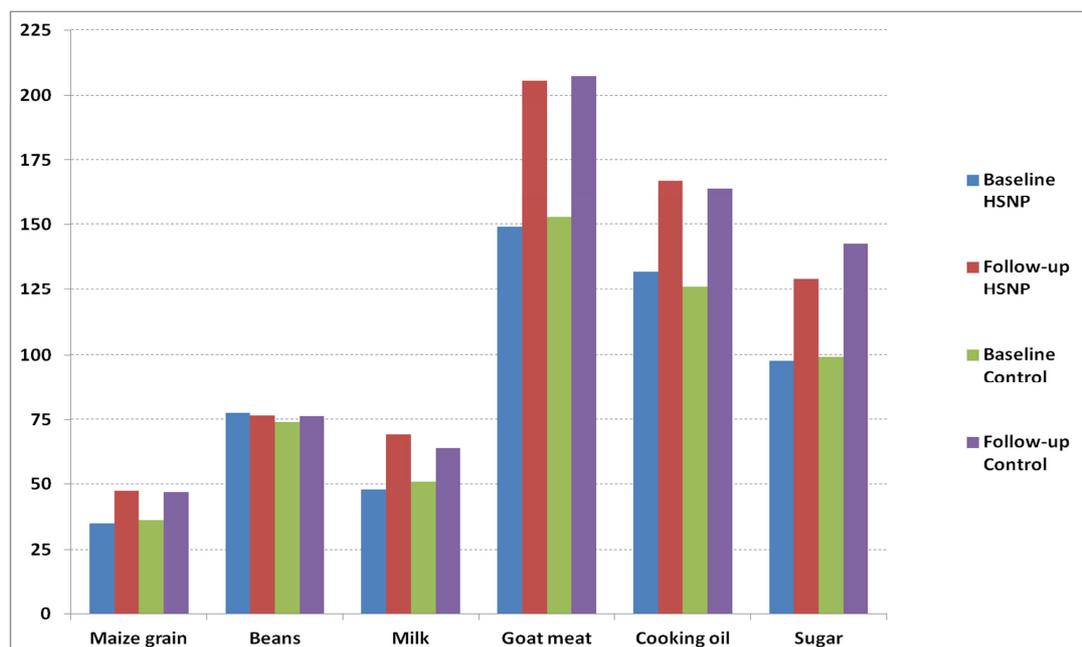
“Although education is free teachers do ask for a little cash money from parents to support school projects and through HSNP the school has received much support from the HSNP beneficiary households” [Female elders focus group, Turkana]

“In earlier times children went to school and they didn’t have to pay anything, but nowadays people have become greedy with money. They chase children every day to come home and collect money” [Beneficiary, Turkana]

3.3 Food prices and supplies

Cash transfers increase the demand for goods and services, which should provoke a response by traders and result in increased supplies to local markets, stabilising both supplies and prices over time. But these effects will be moderated if cash transfers are small and have limited coverage, if markets are fragmented and transactions costs facing traders are high, and if traders do not have confidence that the injections of cash will continue over a protracted period of time. There is also a risk that cash transfers will have an inflationary effect – driving up prices in the absence of a supply response – especially if markets are weak. For the HSNP, which aims to provide a safety net against hunger and food insecurity, monitoring these effects is especially important in relation to staple foods such as cereals.

Prices of key food commodities were monitored at all 24 treatment and all 24 control sub-locations. Figure 3.2 reveals that there was, in fact, substantial food price inflation in the HSNP operational area between the baseline and follow-up surveys, for five of 6 commodities monitored (all except beans). The average price of a kilogram of maize rose by 36% over the year, a litre of milk cost 45% more, and a kilogram of goat meat cost 38% more. However, prices rose independently in control sub-locations (where no HSNP cash transfers were disbursed) by very similar amounts. The average price of maize grain, for instance, increased from KES 35 to KES 47.5 per kilogram in HSNP sub-locations, and from a KES 36.3 to KES 46.9 in control sub-locations. No statistically significant differences were observed in inflation rates between treatment and control areas. This means that the **HSNP did not contribute to food price inflation** in the evaluation areas.

Figure 3.2 Average prices of key food commodities (KES per kilogram or litre)

Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011.

Similarly, a comparison of monthly price changes revealed **no evidence that HSNP cash transfers were contributing to food price stabilisation** over time (e.g. between seasons). It appears that the scale of the HSNP is not sufficient to substantially affect trading patterns, food prices or supplies in local markets. Instead, price inflation is eroding the value of HSNP cash transfers. This is not very surprising, given the fact that the HSNP represented only 12% of mean consumption spending at baseline, and 9% at follow up (given inflation), and the transfers targeted only 51% of households in HSNP areas, so HSNP cash accounts for only around 5% of total consumption expenditure in any given sub-location.

Respondents in focus groups and key informants agreed that food prices have risen dramatically in recent years, but that this trend started before HSNP and could not be blamed on the cash transfers.

“The prices of goods have changed but it is not because of the HSNP [Beneficiary, Mandera]”

They also agreed that the scale and coverage of the HSNP were too limited to affect local markets.

“Very few people are beneficiaries so that cannot influence prices in the market” [Non-beneficiary, Mandera]”

Traders insisted that they had not raised their prices as an opportunistic response to the extra cash injected by HSNP.

“I have not increased any prices because of the HSNP but things have become expensive nowadays” [Paypoint agent, Mandera]”

“If the price of the items goes up countrywide then we are obligated to increase the price. The increase does not depend on HSNP money” [Trader, Marsabit]”

Local people pointed out that their poverty makes them price-sensitive, so if prices rise they will shop around.

“So if the price of goods changes the customers will run away because they don’t have money” [Non-beneficiary, Mandera]

This means that shopkeepers and traders cannot charge monopoly prices – on the contrary, some claimed that the HSNP caused them to drop their prices to compete for the new demand.

“Nobody has increased prices because of this programme. The funny thing is that others in the name of attracting customers have reduced prices from normal” [Paypoint agent, Marsabit]

Traders in fact recognised that they are the main secondary beneficiaries from the increased cash being spent by HSNP beneficiaries, so there is no need for them to exploit people by raising their prices excessively.

“You see in our community almost KES 1 million comes from the HSNP after two months and all of this money comes to us traders, so the demand for the goods is very high since the HSNP began” [Trader, Mandera]

“The number of customers that buy things from me and the amount of purchase that they make has increased. ... So, before the HSNP programme, we would only re-stock once in a month but now we purchase new stock like three times a month” [Trader, Wajir]

In addition, from the quantitative data there is very little evidence of HSNP agents forcing beneficiaries to purchase something from their shop or charging extra for goods they sell¹⁰.

There is persuasive qualitative evidence from all four districts that the injection of HSNP cash has stimulated markets by increasing the level of trader activity even in isolated communities. This is a significant and positive developmental impact in an area where markets have historically been thin and fragmented.

“Something notable is that more business enterprises are now operating in the area due to this money. This has encouraged inflow of a variety of foodstuff in this sub location” [Non-beneficiary, Mandera]

“It is easier nowadays because even the roadside-sellers have increased in number” [Trader, Wajir]

“Since this programme started we are able to get more food because there are more trucks that are coming in this area to supply goods to shops, because the circulation of money around this area has increased” [Casual labourer, Marsabit]

“Since the HSNP started there are a lot of businesses cropping up in the community” [Female elder, Turkana].

Even further, beneficiaries themselves are taking advantage of the increased demand to engage in petty trading.

¹⁰ See Kenya Hunger Safety Net Programme Monitoring and Evaluation Component Consolidated Operational Monitoring Report, March 2012.

“Most of the beneficiaries have started small businesses, for example they have opened kiosks where they can sell small commodities, others sell vegetables” [Trader, Turkana]

3.4 Livelihood activities

The main livelihood activity in the HSNP operational area is livestock rearing, but droughts as well as economic, social and political changes have disrupted pastoralist livelihoods and led to increasing reliance on other sources of income, such as casual labour and collecting bush products for sale. Cash transfers are expected to give recipients the means to invest in their livelihood activities, or to engage in new and more productive livelihood activities, not only because the extra cash provides working capital but because receiving regular cash transfers gives recipients the confidence to take moderate risks.

HSNP and control group households were asked about changes to work patterns and business activities since the baseline survey. Table 3.3 below shows that 13% of HSNP households reported positive changes in their work patterns during this period, compared to just 2% of control households, a statistically significant difference.

“I used to fetch water for people with a donkey cart, but since the HSNP started I now own a butchery” [Beneficiary, Mandera]

Also, 5% of HSNP households reported being able to expand or improve their existing business since baseline, and almost all attributed these changes to HSNP.

“Before the HSNP payment started I used to be a trader and also I used to be casual labourer, but since the programme started I am just a trader because the business is booming. People are able to buy the commodities and we get profit” [Trader, Mandera]

Table 3.3 Self-reported changes in work patterns and business activities

Outcome	HSNP households	Control households
Work patterns		
% of households reporting changes to work patterns since baseline	21	14
% of households reporting positive changes to work patterns since baseline	13 ^{***}	2
% of HSNP households reporting positive changes to work patterns since baseline as a direct result of the HSNP cash transfers	14	n/a
Business activities		
% of households that currently have a business	15	9
% of households able to expand or improve an existing business since baseline	5 [*]	2
% of HSNP households able to expand or improve an existing business as a direct result of receiving HSNP cash transfers	4	n/a
% of households that started a new business activity since baseline	3	1
% of HSNP households that started a new business activity as a direct result of receiving HSNP cash transfers	2	n/a
% of HSNP households that started, expanded or improved a business as a direct result of receiving HSNP cash transfers	5	n/a

Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011. Note: Asterisks in column 1 indicate the significance of the difference between the treatment and control group: *** p<0.01, ** p<0.05, * p<0.1

However, most beneficiaries who were interviewed during the qualitative fieldwork felt that the HSNP cash transfers were too small even to meet household needs, let alone to finance existing livelihoods or diversification into alternative activities.

“Since you last visited me, we still gather wild produce for food, we burn charcoal to get money to buy food, because HSNP cash can never sustain the household food supply for more than a week” [Beneficiary, Turkana]

On the other hand, the qualitative research also produced evidence that the injection of HSNP cash generated demand not only for goods but also for services.

“In our community everything has changed since the HSNP began, there is a lot of business going on” [Beneficiary, Mandera]

Traders took advantage of the increased circulation of money in the local economy.

“I am happy during the week when this money is given out because I sell clothes to many people and when they come to settle their credit others will also buy clothes from us. The town becomes very busy” [Trader, Marsabit]

As noted above, beneficiaries also took advantage of increased demand to set up kiosks and sell tea, sugar, soap and groceries. Some non-beneficiaries mentioned that HSNP cash transfers are used to give them casual work.

“When the beneficiaries get the money he or she will tell you to come and build for them” [Casual labourer, Mandera]

This can be described as a positive spill-over effect. However, the availability of casual work is also undermined by the endemic condition of drought in these areas, as well as recent price inflation, which reduce the resources that potential employers could draw on to hire workers.

“Nowadays there is no casual labour, because people are many on this kind of activity while the work itself is not available” [Casual labourer, Mandera]

Amongst policy makers there is a worry that unconditional cash transfers could cause ‘dependency’, meaning that people will change their behaviour in order to become or remain eligible for the programme, and beneficiaries will not have the incentive to work. If the value of the transfer is generous enough, for instance, beneficiaries might stop working and ‘choose leisure’, which would increase their dependency on the programme. This potential impact of HSNP on labour supply was assessed by considering the proportion of adult household members that report their main or secondary current activity as ‘productive work’ (livestock herding; farming; collecting bush products for sale or consumption; self-employment; paid work including casual labour; helping in family business; and fishing).

Table 3.4 reveals no significant impact on labour supply between baseline and follow-up, either in HSNP or control households, suggesting **the programme is not creating ‘dependency syndrome’** among beneficiaries. Given the low value of the transfer and the fact that there are no graduation criteria – i.e. households are not removed from the programme once they reach a certain level of income or assets – this result is not unexpected.

“You think KES 2,000 will make someone stop whatever they were doing to earn a living? That money is too small for one to do that. People have not changed the way they earn a living” [Non-beneficiary, Wajir]

“The one who used to fetch firewood still fetches firewood because the money is very little. Nobody will just sit and wait for KES 2,150” [Non-beneficiary, Mandera]

Table 3.4 Proportion of adults (aged 18-54) engaged in productive work

Outcome	HSNP households			Control households			Dif-in-dif	Observations
	BL	FU	Dif	BL	FU	Dif		
% of adults (age 18-54) whose main activity is productive work	58.5	61.0	2.5	62.1	66.1	4	-1.558	5,663
% of adults (age 18-54) whose main activity or secondary activity is productive work	54.4	54.5	0.2	57.0	59.0	2	-1.830	5,663

Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011.

3.6 Credit and savings

Cash transfers can have an ambivalent impact on borrowing behaviour. On the one hand, the extra cash allows beneficiaries to avoid having to borrow and become dangerously indebted – they can even pay off old debts. On the other hand, knowledge that cash transfers will be coming regularly allows beneficiaries to borrow with confidence, and gives traders and moneylenders the confidence to lend to them. If the cash transfers are sufficient, some of this money can be saved or even lent to non-beneficiaries.

Households in rural northern Kenya have little access to credit from formal institutions like banks, because their incomes are low and volatile, and because they lack assets for collateral.

“In banks you have to pledge your assets and since we don’t have assets to pledge, we cannot access credit there” [Beneficiary, Marsabit]

Local people therefore tend to borrow from shops, relatives and neighbours. Informal lenders do not generally charge interest on loans, which are often made in kind rather than cash – e.g. buying food or fuel on credit rather than borrowing money.

“For credit, people may give you food but not money” [Beneficiary, Mandera]

Table 3.5 presents the dif-in-dif impact measures for the proportion of households currently saving, that have borrowed cash in the past 12 months, and that have bought something on credit in the last three months. The results show that the programme is having a statistically significant impact on increasing households’ uptake of credit. At the same time the programme is also having a significant negative impact on the average total amount of credit owed. In other words, **HSNP households are now more able to buy on credit, and at the same time have lower credit purchase debts outstanding.**

“Since I started getting this money I stopped borrowing and I am repaying in small amounts, day by day” [Beneficiary, Wajir]

This implies the programme is having a significant impact on the ability of HSNP households to smooth consumption, particularly for food the other everyday necessities that can be bought on credit at the local shop.

It is likely that the HSNP is facilitating access to credit because those shopkeepers who are also HSNP paypoint agents recognise the increased creditworthiness that the regular HSNP income implies. There is little evidence that shopkeepers or paypoint agents are exploiting beneficiaries by coercing them to buy from their shops, but there is some evidence that agents are charging a fee to beneficiaries, with 11% reporting this to be the case in reference to their last payment¹¹. One respondent mentioned that the agent keeps her card as a security deposit when she takes credit from his shop, and a beneficiary in Turkana noted that the agent sometimes asks HSNP beneficiaries to take goods instead of withdrawing cash if he has insufficient cash on the payment day.

¹¹ See Kenya Hunger Safety Net Programme Monitoring and Evaluation Component Consolidated Operational Monitoring Report, March 2012.

Table 3.5 Saving, borrowing and credit

Outcome	HSNP households			Control households			Dif-in-dif	Observations
	BL	FU	Dif	BL	FU	Dif		
% of households								
currently have cash savings	5.7	7.8	2.1	5.4	5.6	0.2	1.92	2,866
have borrowed money in the last 12 months	13.5	12.1	-1.4	10.8	11.0	0.2	-1.58	2,866
bought something on credit in last 3 months	61.0	73.5	12.5***	59.5	65.4	5.9**	6.57*	2,866
Mean total credit outstanding (KES)	4,306	3,852	-454	3,314	3,834	520	-974*	1,974

Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011. Notes: Mean total credit outstanding = (for households who bought on credit in past 3 months)

As reported above, the regularity of HSNP cash transfers is also facilitating access to essential services.

“When we do not have money we just go to the health centre and we are treated on credit. When we get money we pay the doctor. He has learned to trust us with debts” [Male elder, Turkana]

“Before I had no choice of what to do next when a family member became sick but now I have a solution. It doesn’t matter how long this cash will take because I can borrow money on credit and pay it later” [Beneficiary, Marsabit]

Another HSNP beneficiary in Wajir noted that if parents were unable to pay school fees and were being pressured by the headmaster, they would show him their Equity card as guarantee of later payment and their child would be allowed to continue studying undisturbed.

No significant impacts were recorded in the quantitative survey for several other financial indicators tested, including average levels of cash savings, average levels of debt (not including credit debt), and proportion of households saving in a bank or other formal institution. Nonetheless, by allowing households to buy on credit when they need to, while at the same time reducing their level of indebtedness, HSNP appears to be contributing positively to improved cashflow management and consumption smoothing by beneficiary households.

However, one shopkeeper in Wajir cautioned that some beneficiaries were overly optimistic about the extent to which HSNP cash could finance their borrowing.

“The beneficiaries’ borrowing mostly exceeds their expectations and there are always recurring balances being taken forward” [Paypoint agent, Wajir]

This was confirmed by the observation of a non-beneficiary from Turkana.

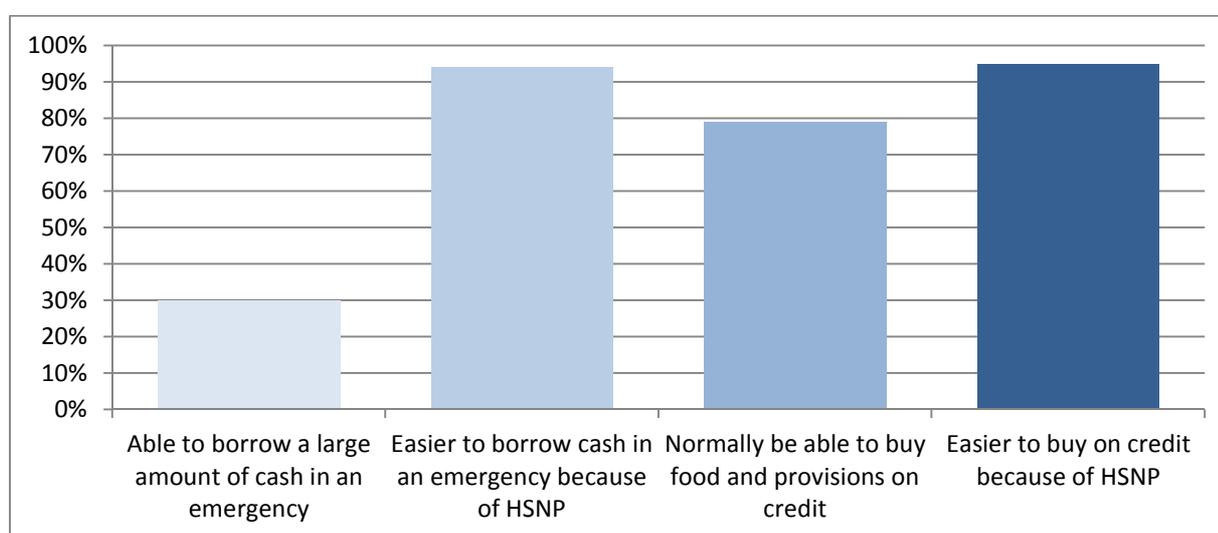
“As the beneficiaries have that hope of getting money after a month or two they end up borrowing more than they are earning so when they are paid all they do with the money is to repay debts. When this money comes all they do with it is to take it straight to the lenders” [Non-beneficiary, Turkana]

A woman from Mandera admitted that she faced this problem personally.

“I take credit from shops and when the HSNP money comes I have already used a lot of credit. Sometimes the credit I use is more than the HSNP cash” [Beneficiary, Mandera]

In addition to questions about actual borrowing behaviour, HSNP households were also asked about changes in their potential access to credit. Figure 3.3 shows that almost one-third of HSNP households report that they would be able to borrow a substantial amount of cash in an emergency (considerably higher than the 12% who actually did borrow cash in the last 12 months), and almost all of these households report that it is now easier to borrow cash specifically because they are receiving HSNP cash transfers. Similarly, nearly 80% of HSNP households reported being able to purchase food and other provisions on credit (again higher than the 74% that actually did buy on credit in past three months), and almost all of these households attributed this easier access to credit purchases to the HSNP.

Figure 3.3 HSNP impact on emergency borrowing and credit



Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011.

The qualitative fieldwork found that many respondents dislike and fear borrowing, either because they are risk-averse or because it brings social tensions.

“I don’t like the way people talk when you have their money so I don’t like borrowing” [Beneficiary, Turkana]

Several beneficiaries thus appreciated the fact that the HSNP cash allows them to avoid having to get into debt.

“I am using this money to take my children to school without getting credit from other sources” [Beneficiary, Marsabit]

Other beneficiaries claimed to be using the regularity of HSNP payments to leverage working capital for their small businesses.

“When the business has nothing you are able to get the products from the wholesalers on credit and pay them back from the HSNP money” [Beneficiary, Marsabit].

3.7 Vulnerability to shocks

Cash transfers give vulnerable households the means to 'cope' with the consequences of shocks, for example to buy food if their harvest fails and their livestock die because of a drought. Using cash is preferable to adopting damaging 'coping strategies' such as distress selling of productive assets like livestock, which would leave them even more vulnerable to future shocks. Cash transfers could also allow investment in risk management behaviour, such as immunising livestock against disease. These are basic 'safety net' functions that the HSNP is intended to provide.

Two severe covariate shocks, that is, shocks that affect many households in a community, affected communities in northern Kenya during the period covered by this evaluation: drought and inflation. The long rains in March-May 2011 were poor in Mandera, Marsabit and Wajir, causing many livestock deaths and compromising the livelihoods and nutrition of the local people. Price inflation between the baseline and follow-up surveys was 41% for a basket of 29 essential items (mainly food and kerosene). This combination of drought plus inflation magnified the impact of each shock, because prices of goods that people have to buy were rising while prices of assets they have to sell were falling.

"Yes, there has been a change in the price of goods and services in our local shop and in the market. Prices have shot up and living conditions have become very hard. Costs of transport have doubled making it even impossible for the household to move and access goods and services at cheaper prices. Households that lead nomadic lives are affected because livestock market still fetches low prices. Livestock health has affected the price in a negative way" [Beneficiary, Turkana]

Error! Reference source not found. presents the proportion of households reporting a decline in their wellbeing compared to one year ago (at the time of interview). It does not show a statistically significant impact of the HSNP on this measure.

Table 3.6 Shocks and coping strategies

Outcome	HSNP households			Control households			Dif-in-dif	Observations
	BL	FU	Dif	BL	FU	Dif		
Wellbeing shocks								
Households reporting a decline in wellbeing compared to 1 year ago	39.4	42.9	3.5	41.3	50.3	9.0	-5.484	2,866
Coping strategies								
HHs that in the last 30 days had to:								
Borrow food or rely on help from family or relatives	58.7	37.1	-21.6**	62.7	40.6	-22.1***	0.513	2,866
Sell animals to buy food	29.2	24.8	-4.4	39.7	36.1	-3.6	-0.782	2,866
Sell other assets (not animals)	2.5	0.9	-1.6*	3.0	1.1	-1.9**	0.367	2,866
Buy food on credit from a shop	61.4	58.9	-2.6	59.2	56.2	-3.1	0.491	2,866
Collect and eat wild foods	13.3	6.1	-7.2**	18.5	11.0	-7.5***	0.241	2,866
Reduce number of meals	79.3	61.8	-17.6**	85.4	69.1	-16.3***	-1.286	2,866
Eat smaller meals	76.8	51.6	-25.1***	84.9	57.7	-27.2***	2.067	2,866
Skip entire days without eating	60.6	44.3	-16.3	71.3	52.7	-18.6**	2.292	2,866

Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011.

Error! Reference source not found. also shows the proportion of HSNP and control households that had engaged in various coping strategies in the 30 days prior to interview, such as selling assets for food, collecting wild foods or going hungry. There is a significant decline in five of the strategies reported for HSNP households. However, a similar set of findings is recorded for control group households, which means that the positive trends in terms of coping strategy adoption among beneficiary households cannot be attributed to the HSNP. These declines are surprising given the stresses that households were facing over the period covered but may be explained in part by the inherent difficulties in capturing these types of data using quantitative means.

Qualitative fieldwork suggests that even if drought-affected households could not avoid adopting damaging coping strategies, they were partly protected by HSNP cash, which enabled them to sell fewer livestock, cut food consumption and borrow less than they would otherwise have been forced to do.

“The HSNP payment has helped people because they are able to buy food when they get the payment, particularly at this time of drought” [Non-beneficiary, Mandera]

“Before we never had money but now we are getting HSNP money even in this drought... I am recognised by the shop-keepers because I am just like somebody who is waiting his salary. So I do not sell animals” [Beneficiary, Mandera]

3.8 Empowerment of women

Cash transfer programmes can be economically and socially empowering for women, for instance if women are designated as recipients of this cash, or if transfer income is intended to be spent on acquiring food, where women are primarily responsible for providing food within their households. Targeting cash transfers at women is assumed to increase their control of household resources, leading to improvements in various indicators of wellbeing for women, children and households. Conversely, there may be a risk that insensitively designed programmes will disempower women, for instance if targeting women as cash recipients generates intra-household tensions over how the money should be shared and spent, possibly provoking gender-based violence against women.

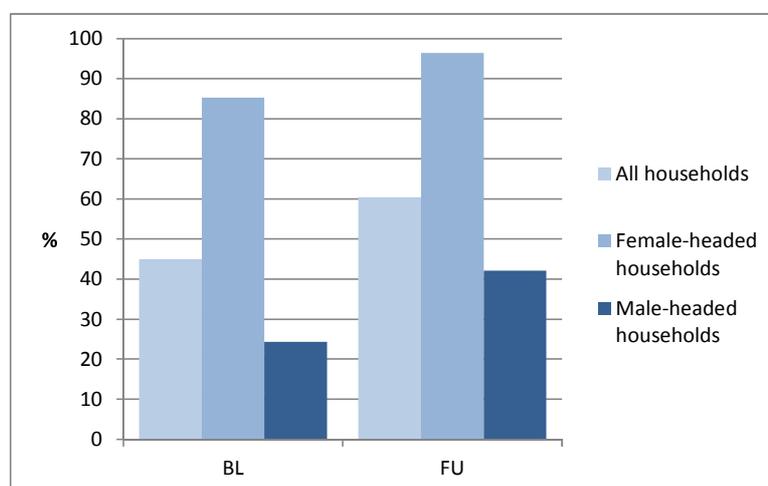
Although women were not explicitly targeted to collect HSNP transfers, in practice 70% of named recipients are women; and 82% for households selected by community-based targeting. Anecdotal evidence shows that HSNP has been labelled as ‘women’s money’ in some places.

“They say this is the money for women. We were advised by the programme staff to consider women as primary beneficiaries because they know the problems of the household” [Young women focus group, Marsabit]

The person who normally decides how HSNP cash is spent is female in 63% of beneficiary households. The evaluation therefore investigated whether the fact that HSNP income is controlled by more women than men is influencing women’s wider decision-making power over household resources.

Table 3.7 shows the proportion of decision-makers over the entire household budget (not only HSNP transfers) who are female for: all households, female-headed households and male-headed households. Interestingly, there are statistically significant increases in the proportion of female decision-makers in beneficiary households, for both male- and female-headed households, since HSNP started. However, the proportion also increased for control group households, although only by statistically significant amounts for female-headed households. The basic dif-in-dif impact estimates are not statistically significant, but become so once other factors are controlled for, with the impact particularly pronounced for partially settled households. In terms of women’s control over their household budgets, therefore, **HSNP does appear to be having a limited positive impact on female economic empowerment.**

Figure 3.4 Proportion of female decision makers



Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011.

Table 3.7 Female main budget decision-makers

% of main budget decision makers that are female, for...	HSNP households			Control households			Dif-in-dif	Observations
	BL	FU	Dif	BL	FU	Dif		
All households	45.0	60.4	15.4***	46.8	54.0	7.3	8.12	2,866
Female-headed households	85.3	96.4	11.1***	83.3	91.6	8.3**	2.76	907
Male-headed households	24.3	42.1	17.8**	28.9	35.7	6.8	10.96	1,959

Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011.

As we have already noted in regard to the programme's impact on livelihood activities and local economies, more evidence of women's economic empowerment comes from the fact that petty trade activities and retail businesses are more likely to be undertaken by women than men (who are more likely to be involved in livestock trading).

"Most of the businesses are run by women. If there are 30 shops in town at least 20 would be run by women" [Trader, Marsabit]

Some HSNP cash is being used as working capital for women's trading enterprises.

"There are so many people, mostly women, who have set up tables where they sell vegetables and other smaller stuff and they have started these tables after this programme. In fact most of them are people who are beneficiaries of the HSNP. There are also others, mostly younger women, who started running small restaurants after the HSNP started" [Trader, Wajir]

As noted above, delivering cash transfers to women can by enhance their social empowerment, by strengthening their bargaining power within the home. Alternatively, delivering cash transfers to women in male-headed households might generate tensions between men and women, especially between husbands and wives. Conflict could also develop over how cash transfers are spent even if the cash is collected by men on behalf of the household. This was reportedly an issue among polygamous households, if male recipients failed to distribute the cash equally among all wives. Some respondents, mainly men and mainly in Mandera, claimed that HSNP is increasing levels of conflict and tension between men and women, as men felt that their role and status as household heads were being undermined.

"The programme has made many people fight and disagree, mostly between the husbands and wives. I am saying this because most of the beneficiaries are women so they have become very rude and are not listening to their husbands" [Male elder, Mandera]

"Before, the women were taking orders from their husbands, the husbands used to pay the bills and used to be in charge of the household, but since the HSNP started women are more powerful than men because they are the primary beneficiaries, they tell you that you have to beg since it's their money, and the men are complaining about their wives because they are not taking orders from them" [Male non-beneficiary, Mandera]

One interpretation of statements such as these is that the HSNP is empowering women to claim more equality with their husbands. However, it is also clear that men do not all share this interpretation. Their tone is derogatory and they complain about women becoming more assertive and challenging their dominance in the home. In extreme cases, according to some respondents, the end result was divorce.

“There are some cases where the husbands and wives disagree and divorce each other. The wife is the primary recipient while the husband is the secondary recipient. The husband usually wants the money to be divided into two. But then the wife thinks the money comes in her name and so it belongs to her. But then the husband insists that the money must be shared” [Male non-beneficiary, Mandera]

“Previously the man used to pay for everything. But now when the woman gets the money and she is being told to pay for some things, and when she refuses and they start arguing. These arguments can lead to break up in families. The number of divorces has reached 20 cases” [Male elder, Mandera]

There is some very slight evidence for this in the quantitative survey. **Error! Reference source not found.** shows that there was a very small but statistically significant increase in the proportion of adult males in HSNP areas who were divorced after one year of HSNP operations, although the ‘dif-in-dif’ measure is not significant.

Table 3.8 Proportion of individuals that are divorced

% of individuals that are divorced	Treatment areas			Control areas			Dif-in-dif	Observations
	BL	FU	Dif	BL	FU	Dif		
Overall	3.9	4.2	0.3	3.3	3	-0.3	0.627	8,724
Females	6.6	6.8	0.2	5.4	5.0	-0.4	0.581	4,195
Males	1.3	1.8	0.4**	1.3	1.1	-0.3	0.703	4,529

Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011.

3.9 Well-being of older persons and children

Cash transfer programmes can be beneficial for the well-being of vulnerable groups such as older persons and children. Older persons can benefit directly (e.g. if they receive a social pension, as on the HSNP), or indirectly (by being a member of a beneficiary household). Expected benefits for children include improved food consumption and nutrition, enhanced access to education, and reduced child labour. Two indicators of well-being are assessed for both groups: a health indicator (the proportion of the population suffering an illness or injury in the three months prior to interview) and a work indicator.

Error! Reference source not found. shows that the HSNP is having no statistically significant impact on the health status of people over 55 years old in HSNP beneficiary households. This is not entirely surprising, as the path from cash transfers to improved health is complex and indirect (unlike, say, spending on health care). The reporting of illness can also be subject to a variety of factors, which might explain the declines reported in both HSNP and control households.

Table 3.9 Health status and labour supply for older persons

Outcome	HSNP hhs			Control hhs			Dif-in-dif	Observations
	BL	FU	Dif	BL	FU	Dif		
Proportion of people aged 55+								
Ill of injured in past 3 months (%)	37.1	31.1	-6.0	24.1	36.9	-12.9*	6.86	1,676
Whose main activity is work (%):								
Including unpaid domestic work	76.8	81.1	4.3	77.5	81.9	4.3	-0.042	1,714
Excluding unpaid domestic work	63.0	70.0	7.0**	59.0	72.8	13.8***	-6.86	1,714

Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011.

Table 3.9 also shows there is no significant impact of the HSNP on the proportion of older persons either reducing or increasing their involvement in paid or unpaid work¹², though both treatment and control groups do show a significant increase in the proportion of older people engaging in paid work (excluding unpaid domestic work). This increase could be in response to the generally adverse economic and climatic conditions in the HSNP areas which have increased the need for older people to find paid employment,

However, once other factors are controlled for the HSNP does appear to be having a statistically significant impact in terms of reducing the need for older persons to engage in non-domestic work, so even though about 80% of older persons still report their main activity as work (paid or unpaid), in HSNP households they have shifted towards doing more unpaid domestic work, and away from other types of work. This impact is especially strong among older people in poorer households and in smaller households, where the effective value of the transfer is higher.

Most of the qualitative fieldwork found no impact of HSNP on inter-generational relations. The dominant response was that older persons are treated with respect and the HSNP had made little or no difference to this. One positive effect mentioned was that community elders are appreciated for their leadership role in HSNP rights committees. Only one complaint was recorded about tensions created by the social pension, which targets people over 55, where younger relatives are often nominated as secondary recipients in case the primary beneficiary is too old or sick to collect the payment themselves.

“This programme brought problems between the elders and the young men. Elders have made the young men secondary recipients, the young men assume that whenever they collect the money, they are entitled to 500 shillings at least. But the elders are not willing to give out money so there is always a problem between the old men and their secondary recipients” [Male elder, Marsabit]

Table 3.10 reveals no statistically significant impact on child health status. However, HSNP does appear to be having a significant impact on reducing child work, both including and excluding unpaid domestic work, but this result only emerges once other factors are controlled for. This

¹² Paid or unpaid work is defined as covering the following activities: herding/ livestock production; farming/ agricultural production; collecting bush products (for sale or consumption); self-employed; paid work including casual labour; help in family business; fishing; unpaid domestic work; unpaid other work.

impact is more pronounced for smaller households and poorer households. When unpaid domestic work is excluded, the impact appears to be driven by fully settled and fully mobile households.

Table 3.10 Health status of children and child work

Outcome	HSNP households			Control households			Dif-in-dif	Observations
	BL	FU	Dif	BL	FU	Dif		
% of children (0-17) ill or injured in past 3 months	21.5	15.7	-5.8	13.4	20.7	-7.3	1.468	6,140
% of children (5-17) whose main activity is paid or unpaid work:								
Including unpaid domestic work	24.0	26.3	2.3	28.4	30.6	2.2	0.0805	7,091
Excluding unpaid domestic work	16.3	17.2	0.9	17.3	20.4	3.1	-2.178	7,091

Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011.

4 Unintended HSNP impacts

This chapter reports on possible unintended impacts of the HSNP, including on informal transfers, household composition and mobility, social tensions.

4.1 Informal safety nets

The impact of cash transfers on informal transfers could be either positive or negative. Beneficiary households may reduce their dependence on informal transfers, which also alleviates the pressure on family and friends who were providing support (and are often almost as poor and vulnerable). Alternatively, formal transfers such as the HSNP could crowd out informal transfers and undermine reciprocity systems, which could be dangerous in the long-term, especially after the cash transfer programme ends.

‘Informal safety nets’ refers to support received from other households or individuals, based on norms of reciprocity and solidarity. In northern Kenya these norms of sharing and mutual support are strong and grounded in cultural practices and religious obligations.

When asked whether they regularly share any of their HSNP cash transfers with anyone outside the household (including sharing out of obligation, and sharing with wives or co-wives who live in other households, but not lending), one in four HSNP beneficiaries reported that they do share in this way. The self-reported mean amount shared with others from the most recent transfer received was about KES 500, representing almost 25% of transfer income.

“When the beneficiaries get their cash transfer, we also get assistance from them. For example you might be given 50 shillings or 100 shillings from a relative and this assists a lot. You can also credit from these people in times of sickness and they will assist and later you pay them back” [Female non-beneficiary, Turkana]

HSNP beneficiaries are providing more support to others than before, and might even have revived the ethos of sharing between neighbours.

“The extent to which people support me has increased because some of my friends are beneficiaries and when they get the HSNP money they help me more than they used to help me” [Beneficiary, Marsabit]

“HSNP cash transfers have restored the culture of generosity and sharing among the households. Non-beneficiary households also borrow from beneficiaries since the HSNP program started” [Female non-beneficiary, Turkana]

Some remarks imply that this ability of beneficiaries to support others has increased their social status.

“Generosity is exercised by the beneficiaries when they share cash transfer money with members of households, neighbours and friends. The poor and needy people in our community are now commanding respect since the HSNP program started” [Male elder, Turkana]

Only a few cases were mentioned where beneficiaries felt that their participation in the HSNP had ‘crowded out’ the support they previously received from others, or from other programmes.

“Since we started benefitting from HSNP we don’t get help from other people like before, because they say we receive something at the end of the month” [Beneficiary, Marsabit]

“People now view me as earning a salary” [Beneficiary, Wajir]

These reports were not widespread and seem to be largely offset by the benefits, both financially and in terms of social status and self-esteem, of being more independent than before and in a position to assist other people rather than asking for help.

Table 4.1 shows the proportion of households giving and receiving cash and in-kind support in the past three months, and the mean value given or received. The table shows that the HSNP is having a statistically significant negative impact on the value of in-kind support received by beneficiary households. Specifically, though the nominal value of informal transfers has risen slightly in HSNP households, it has risen by more – almost doubled – in control group households, possibly reflecting a greater demand for informal assistance in 2011 because of price inflation and the drought. This impact is most pronounced among relatively better-off HSNP households, which are also more likely to give informal in-kind transfers.

Table 4.1 Households giving and receiving informal transfers in past three months

Outcome	HSNP households			Control households			Dif-in-dif	Observations
	BL	FU	Dif	BL	FU	Dif		
Receiving cash support								
% receiving informal cash transfers	42.1	36.5	-5.6	37.8	36.7	-1.1	-4.475	2,866
Mean amount received (KES)	3,473	2,101	-1372	2,553	2,144	-409	-963.3	1,042
Receiving in-kind support								
% receiving informal in-kind transfers	40.4	34.6	-5.8	39.9	34.6	-5.3	-0.520	2,866
Mean value received (KES)	594	642	48	365	664	299***	-250.5**	964
Giving cash support								
% giving informal cash transfers	19.5	21.1	1.6	17.7	13.5	-4.2	5.853	2,866
Mean amount given (KES)	2,262	666	-1,596	3,120	708	-2,412	815	482
Giving in-kind support								
% giving informal in-kind transfers	22.9	17.8	-5.1	22.9	19.6	-3.3	-1.83	2,866
Mean value given (KES)	283	260	-23.2	295	298	3.1	-26.35	503

Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011. Notes: Mean amount/value received or given is calculated only over those receiving or giving.

One interpretation here is that these wealthier households are less dependent on support from others as a result of HSNP. However, given the complexity of informal support networks, especially across the diverse populations in the four greater districts covered by HSNP, further investigation is required before any firm conclusions should be drawn. Findings from the qualitative research do not point towards a decisive impact on informal networks, where despite reports that HSNP transfers are sometimes shared by beneficiaries, it is shown that sharing and reciprocity arrangements are much more strongly determined by social and cultural factors.

“Because the money is not enough for me I still need more help with many things from those people who have always assisted me” [Beneficiary, Marsabit]

“The HSNP has not affected the way we help one another because we understand that the cash transfer is just a help for a short time. And we will be left behind with our friends, so we should not stop supporting one another at all” [Beneficiary, Marsabit]

4.2 Social tensions

Targeted cash transfer programmes can generate tensions or conflict between beneficiaries and non-beneficiaries within communities. These negative social outcomes are easier to capture in qualitative rather than quantitative fieldwork, and the follow-up household survey asked only one question about this issue. Table 4.2 shows that small numbers of households reported that the HSNP has caused tensions between households, specifically between beneficiary and non-beneficiary households. Not surprisingly, non-beneficiaries were more likely to report tensions, but again, the numbers are so small that it cannot be concluded that HSNP has been a source of tension, either within HSNP communities or between HSNP operational areas and other sub-locations. As reported above, there is some evidence that within some beneficiary households the transfers can cause tensions between different household members.

Table 4.2 Households reporting that HSNP has caused social tensions (%)

Outcome	HSNP households	Non-selected households in HSNP areas
Between households	0.1*	4.2
Between beneficiary and non-beneficiary households specifically	0.3	2.3
With other sub-locations	0.0	1.1

Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011.

4.3 Household composition

The fact that cash transfer programmes target some individuals and households but not others could have indirect effects on household composition. For instance, relatives might move in with someone receiving a cash transfer to share the benefits (e.g. a child may move to her grandmother when she registers for a social pension), or families might reconfigure their living arrangements if eligibility criteria are related to household composition (e.g. the HSNP targets households with a high dependency ratio) – though this strategic behaviour becomes more likely with multiple rounds of targeting and re-targeting.

Table 4.3 shows there are some counter-intuitive results in terms of HSNP impact on household composition, such as the falling numbers of beneficiary households with children and falling numbers of children per household amongst beneficiaries (typically, you might expect a cash transfer programme to attract more children in beneficiary households)¹³.

¹³ Note that rising numbers of households containing elderly members, orphans and an elderly household head can be expected for a panel cohort of households, due to natural demographic processes.

Table 4.3 Household composition

Outcome	HSNP hhs			Control hhs			Dif-in-Dif	Observations
	BL	FU	Dif	BL	FU	Dif		
Mean household size	6.0	6.1	0.2**	5.5	5.9	0.4***	-0.218**	2,866
Mean dependency ratio	0.7	0.7	0.0	0.7	0.7	0.0	-0.00212	2,866
Mean number of children (<6) /hh	1.0	0.9	-0.1***	0.9	0.9	0.0	-0.0825**	2,866
Mean number of children (<18) /hh	3.4	3.4	0.0	3.0	3.2	0.2***	-0.150***	2,866
Mean number of elderly (55+) /hh	0.6	0.7	0.0***	0.7	0.8	0.0***	0.00442	2,866
% of households with at least one :								
Child (<18)	91.8	92.0	0.2	89.2	91.1	2.0**	-1.784**	2,866
Elderly (age 55+)	52.7	55.6	3.0***	60.7	62.2	1.5***	1.455	2,866
Orphan (single or double)	23.2**	29.3	6.1***	18.3	24.5	6.2***	-0.0888	2,866
Chronically ill member	11.7	15.6	3.9***	14	16.9	2.9***	0.955	2,866
Disabled member	8.6	11.4	2.8	7.7	11.3	3.6*	-0.792	2,866
% of households:								
Single-person (1 person only)	1.4	0.9	-0.6	1.6	0.7	-0.9**	0.293	2,866
'Skip-generation' (no-one 18-54)	6.4	5.6	-0.8**	7.4	5.5	-1.8***	1.078*	2,866
% of households with:								
female household head	34	33.7	-0.3	32.9	32.8	-0.1	-0.139	2,866
child household head	0.2	0.1	0.0	0.1	0.0	-0.1	0.0723	2,866
elderly household head	43.1	45.8	2.7**	49.3	52.6	3.2***	-0.596	2,866
main provider not a hh member	9.4	6.3	-3.0*	12	8.6	-3.4*	0.631	2,866

Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011.

There is also seemingly an impact on the proportion of beneficiary households containing no member aged 18-54, which could be an indication that the HSNP is making it more feasible for such households, who are generally amongst the most vulnerable, to exist independently. However, given the complexity of factors determining household composition these findings need further research to unpick.

One explanation for the effect of the HSNP on social pensioners was offered in this way:

“The old man who is the beneficiary is left behind with the children who are in school, and the mother and the other family members shift to the bush to minimise the expenses” [Male elder, Mandera]

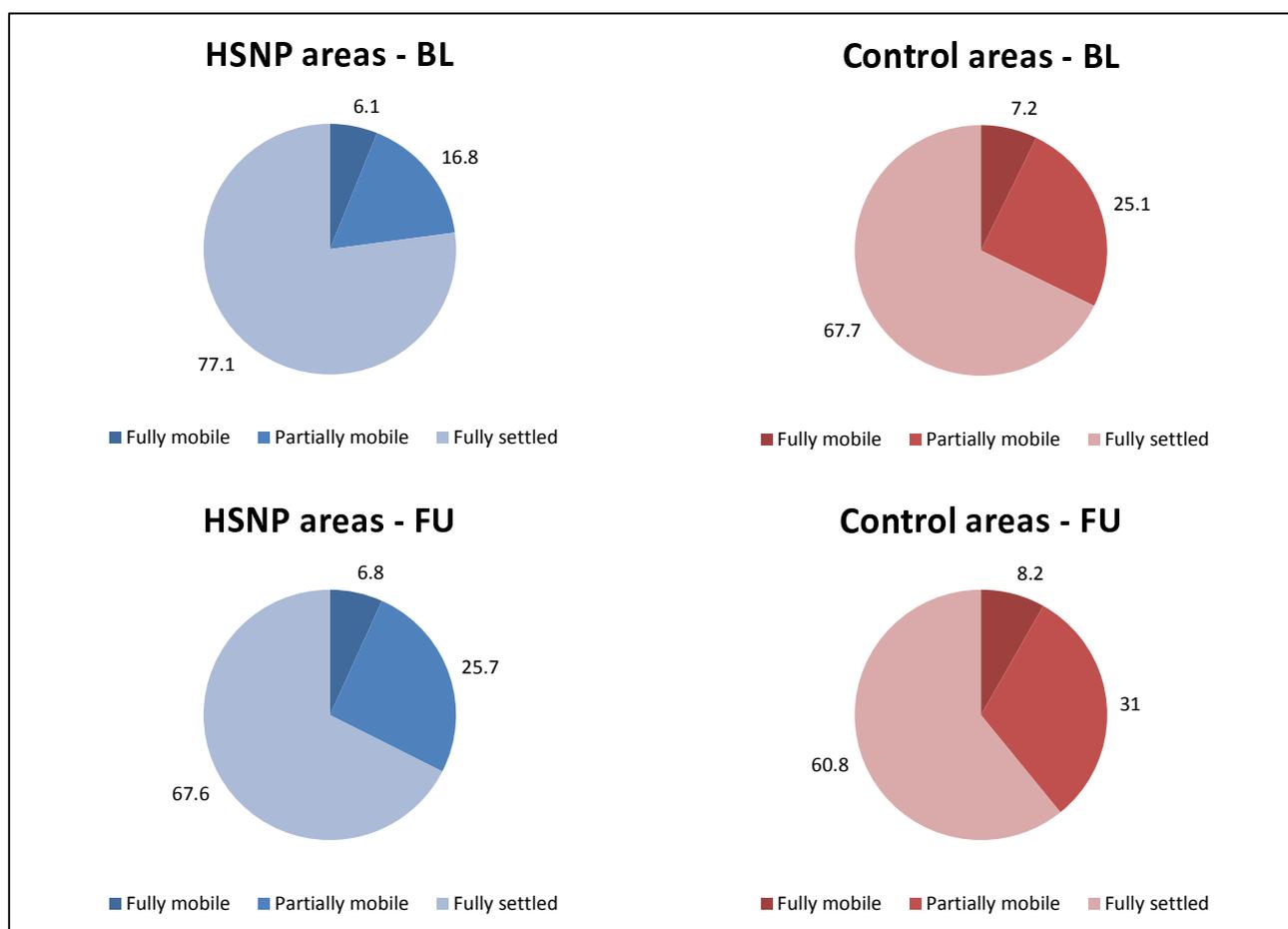
4.4 Household mobility

Because the HSNP requires households to be present in their home sub-locations for targeting and registration, and to collect their cash transfers from fixed paypoints, pastoralist households may be forced to change their mobility patterns, which could disrupt their livelihoods. On the other hand, the HSNP was designed with the intention of allowing mobile pastoralists to remain mobile – one reason why transfers are made in cash rather than food, and why beneficiaries can collect their cash transfers at any time, from a number of payment points; a flexibility of the design that was overtly appreciated by some beneficiaries.

“You can get this money any time so you will only come for the payment when you have finished your business. Besides the secondary beneficiary can collect the money if the primary beneficiary is away. This programme does not interfere with our other activities”
 [Beneficiary, Wajir]

An important question for this evaluation, therefore, is whether and how the HSNP has affected household mobility and patterns of sedentarisation. To assess this possible impact, households were enumerated in programme and control areas by mobility status, at baseline and one year later, with households classified as either fully mobile (the whole household moves with livestock), partially mobile (some members move with livestock while others stay in one place), or fully settled (no household members move with livestock).

Figure 4.1 Proportion of households by mobility status at baseline and follow-up



Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011. Notes: Fully mobile = (whole household moves with livestock); Partially mobile = (some members move with livestock); Fully settled = (no household members move with livestock).

Table 4.4 below reveals considerable and statistically significant increases in mobility across both treatment and control households. Specifically, the proportion of households that was fully settled at baseline has fallen while the proportion was that was partially mobile has increased by a roughly equivalent amount (Figure 4.1).

This finding could indicate that households are becoming more mobile in response to the economic and climatic conditions in the HSNP areas. However, as this trend persists for both treatment and control households the ‘dif-in-dif’ impact measures are not significant. It is only when one controls

for the cumulative total value of transfers received per capita that one sees a significant impact of the programme, this time in the opposite direction: for households receiving larger total value of transfers per capita, **the HSNP may be encouraging those households to become less mobile.**

Table 4.4 Household mobility status

% of households that are	HSNP areas			Control areas			Dif-in-dif	Observations
	BL	FU	Dif	BL	FU	Dif		
Fully mobile	6.1	6.8	0.7	7.2	8.2	1.0	-0.312	2,866
Partially mobile	16.8	25.7	8.8***	25.1	31	5.9***	2.928	2,866
Fully settled	77.1	67.6	-9.5**	67.7	60.8	-6.9***	-2.616	2,866

Source: HSNP M&E Impact Evaluation Survey, Sep 2009-Nov2011. Notes: Fully mobile = (whole household moves with livestock); Partially mobile = (some members move with livestock); Fully settled = (no household members move with livestock).

The qualitative research produced evidence in support of both these contradictory findings. On the one hand testimony suggests that the drought has caused some households that were previously fully settled to move, or at least to send some household members away with livestock in search of pasture.

“The big problem that forces us to move is the drought because no human being can live without food and water” [Beneficiary, Mandera]

Equally, some qualitative data claims that both the drought and the HSNP are causes of sedentarisation, either because pastoralists have lost their animals or because beneficiaries fear missing HSNP re-registration processes.

“We always lived in the bush. But now due to the droughts, most of our animals have died and could not sustain us there anymore. So we came here to settle in the town so that we can at least benefit from the relief programmes that are conducted in the town” [Non-beneficiary, Wajir]

“We used to move but now that there is a drought nobody moves. All of us are settled. We don't have goats to herd” [Beneficiary, Turkana]

“There some who live near the village because of HSNP. They are expecting re-targeting and if they go back to bush they fear that HSNP may come and do re-targeting in their absence [Female elder, Mandera]

However in general for most households with animals the HSNP made little difference to mobility patterns because the cash transfers were worth much less than the family herd, the preservation of which was the main priority.

“The money is just little, it does not stop us from going far, we go where pasture and water are” [Beneficiary, Wajir]

Some respondents also identified a link between HSNP, mobility and education. Either HSNP cash was used to fund costs of schooling children, so families settled to be near to schools and keep the family together, or, more frequently, drought or the HSNP drove families to settle, and once settled, children had better access to education.

*“Since the nomadic people have come to the town due to the HSNP, children are studying”
[Teacher, Mandera]*

For partially mobile households, where women are nominated cash transfer recipients and men are moving with animals, the HSNP seems to fit well with existing mobility behaviour.

“Even for those looking after livestock, most of them don’t even migrate with livestock to far places, however most beneficiaries are women” [Male elder, Marsabit]

5 Programme operations

5.1 Perceptions of the HSNP

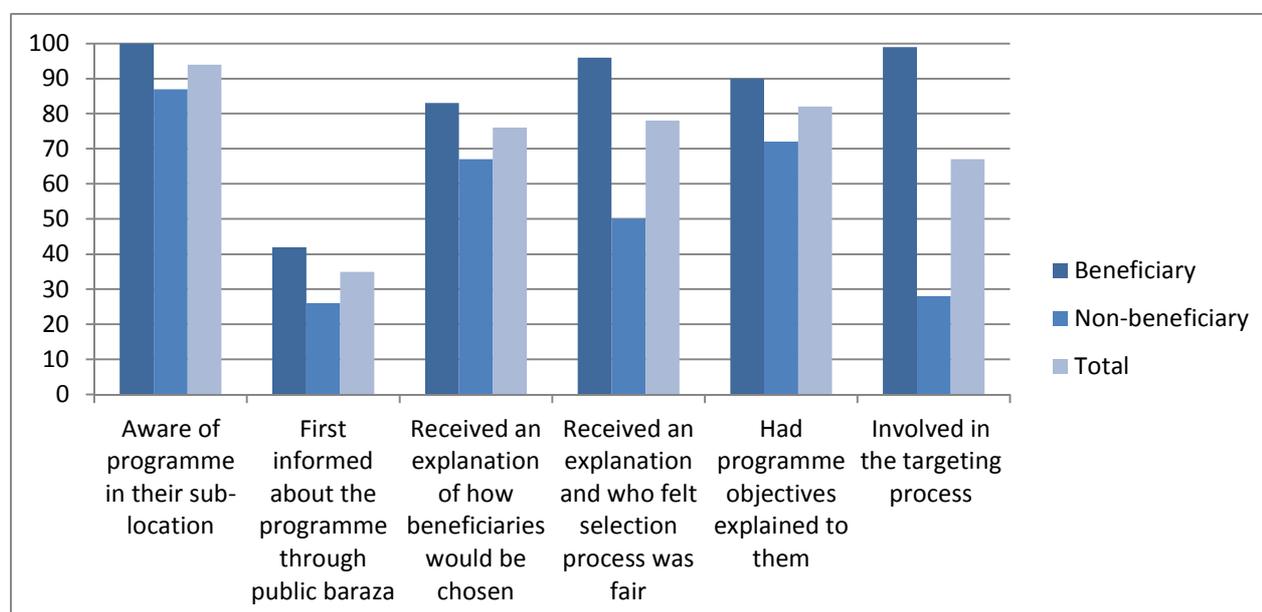
5.1.1 Awareness of the HSNP

Overall awareness of the programme was very high, with 94% of all households (both beneficiary and non-beneficiary) reporting that they were aware of the HSNP (see Figure 5.1 below). Those eventually selected by the targeting process were significantly more aware of the programme in comparison to those not selected. This may partly be due to households being absent while the programme was being introduced, and possibly while the targeting was taking place.

This interpretation is supported by the fact that the public *baraza* was intended by the programme Administration Component as the principle means of informing people about the HSNP. Overall, 35% of households were first informed about the programme through a *baraza*, with the data showing that those selected by all three targeting mechanisms were significantly more likely to have been informed about the programme this way than those not selected, indicating that those not selected by the programme may have been absent during the targeting process.

This again tallies with the main reason given by non-beneficiaries for not participating in targeting, which was that they were away during targeting. Unsurprisingly, this was also the reason given as to why they were not selected for the programme: 29% overall, rising to 58% in Wajir, the district with the highest proportion of fully mobile households.

Figure 5.1 Household experience of the targeting process



Source: HSNP M&E Baseline Evaluation Survey, Sep 2009–Oct 2010.

While it should be noted that some of these non-beneficiaries are ineligible, so not being present for targeting is irrelevant for them, it is more concerning to contemplate that fully mobile households might be being systematically excluded. Of course the difficulty of reaching such households is recognised, but further thought should be expended as to how better to reach and involve these households in the future, especially given the increased impact the programme has

on mobile households across a number of dimensions (see sections 2, 3 and 4 above). Discussions with communities indicated that one way to increase the participation of mobile households in the targeting process is to give them sufficient notice to return to the sub-location before registration.

5.1.2 Targeting

Unsurprisingly, 96% of beneficiaries thought that the selection process was fair, compared with 50% of non-beneficiaries (Figure 5.1). There were some significant differences in the perception of the targeting mechanism in the different targeting areas, with CBT being considered the most fair, even by non-beneficiaries.

‘Fairness’ was considered to be significantly lower in SP sub-locations (67%) compared with CBT and DR (85% and 80%, respectively). However, this could be because the programme was generally explained as being a ‘programme that will target the poorest and most vulnerable’, which naturally raised questions about the less poor who were over 55 years and the poorest who were under 55.

5.1.3 Eligibility

Half of non-beneficiaries (49%) believed themselves to be eligible. Unsurprisingly, this was highest in DR sub-locations (73%), for reasons associated with the difficulty of households in understanding the selection criteria. However, 61% of non-beneficiaries in CBT sub-locations also believed themselves to be eligible. This is probably because of the quota, which was set at 50% in M&E sub-locations. Despite the degree of flexibility in the way the quotas were actually applied, this demonstrates the difficulty of explaining why households are not selected in areas with high overall poverty rates, and might also reflect the fact that the criteria used in CBT are not necessarily clear, even if the *process* is. This difficulty is obviated in SP sub-locations as the targeting criteria are clearer, resulting in a lower (though still significant) proportion of non-beneficiaries who felt they had been unfairly excluded (31%)— this degree of perceived exclusion undoubtedly results from the difficulty of capturing and assessing accurate age data for individuals in these areas.

5.1.4 Perceptions of HSNP staff

HSNP staff were generally identified as those who conducted the targeting and enrolment process. The overall perception is that they were respectful, fair and honest. Beneficiaries were slightly more likely to be positive about staff than non-beneficiaries, though the generally positive sentiment was largely shared by Non-beneficiaries and local officials.

5.2 Payments

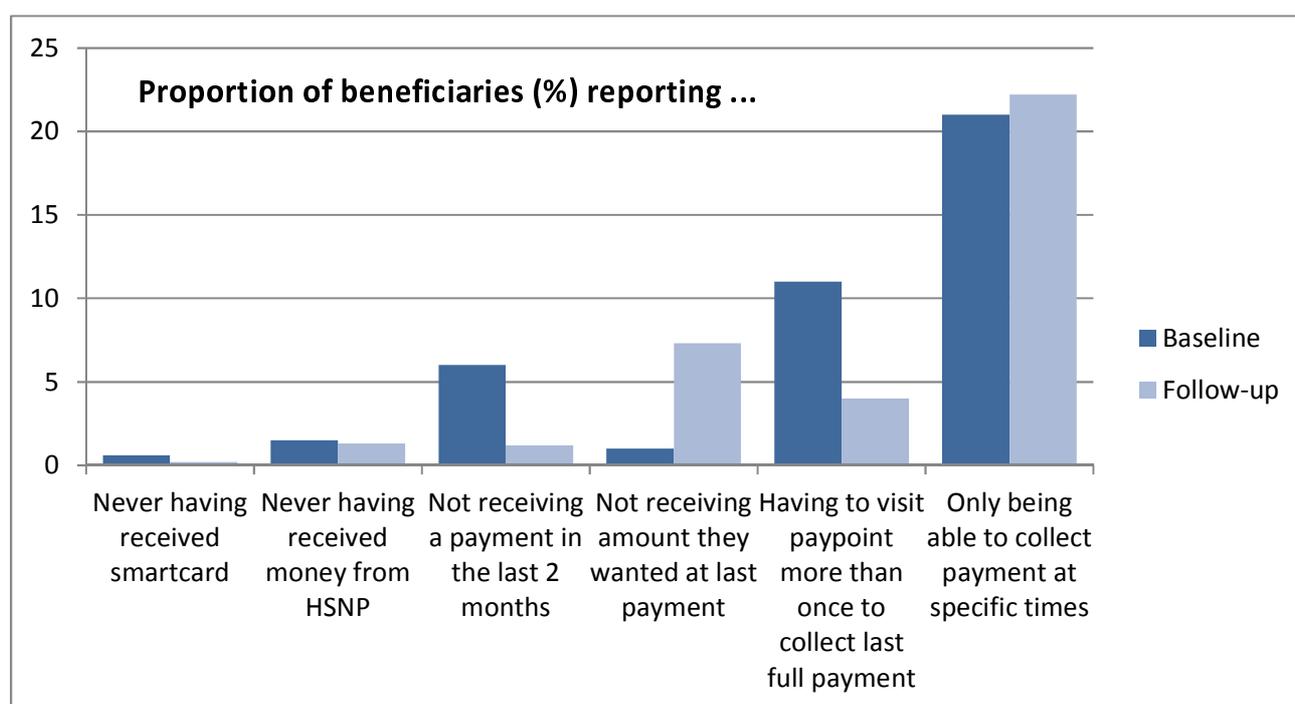
The evaluation found that, at baseline, beneficiaries had a generally very high awareness of the HSNP payments system, including correct knowledge of both the payment cycle and amount (86% and 98% respectively); which increased even further at follow-up (90% and 99%) reflecting the spread and transfer of information.

The payment system performed broadly well. During both baseline and follow up periods very few beneficiaries reported never having received a smartcard or never having received any payment (Figure 5.2 below). The proportion of beneficiaries reporting other problems varied between baseline and follow-up periods. Around 6% of households reported not receiving payments in the last two months during the baseline period, which was reduced to around 1% during the follow-up

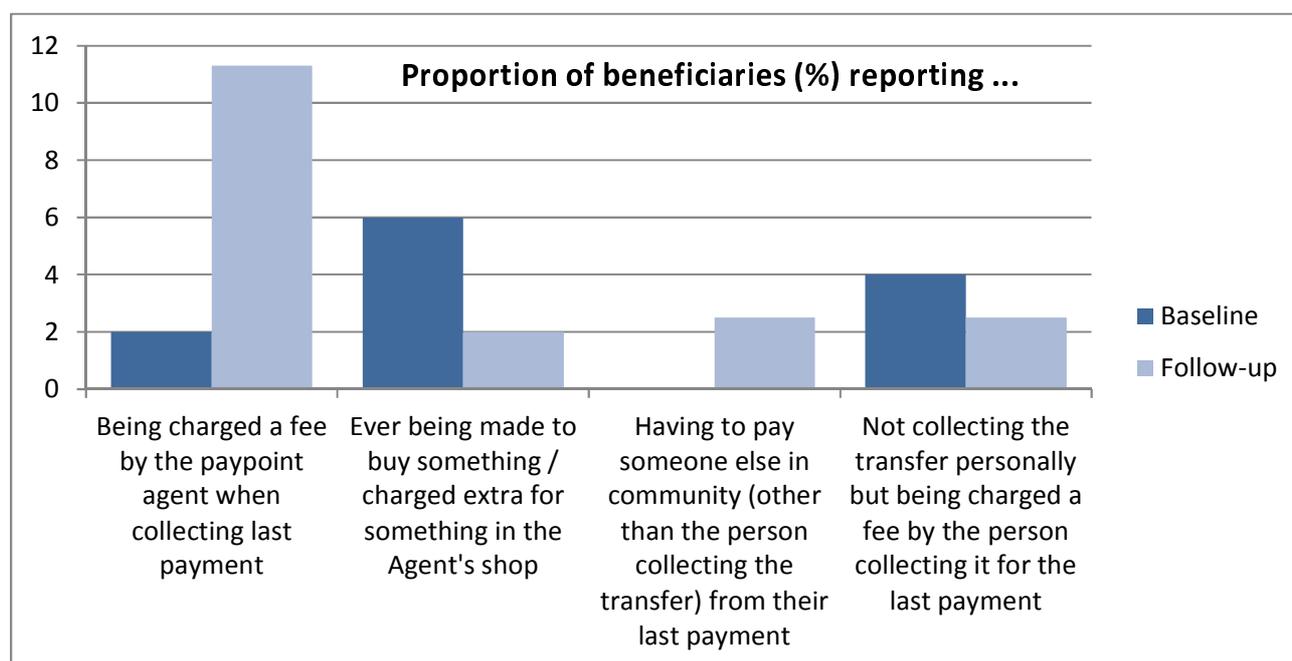
period between November 2010 and November 2011. Moreover 4% of beneficiaries reported having to go to paypoints more than once during the follow-up period compared to 11% during the baseline period.

It thus appears that while the operation of the payments system seems to have improved over time, liquidity at paypoints may have become more of an issue.

Figure 5.2 Beneficiaries experience of payments system



Source: HSNP M&E Baseline Evaluation Survey, Payments Monitoring Form, Sep 2009-Oct 2010 and HSNP M&E Follow up Survey.

Figure 5.3 Costs associated with collecting payments

Source: HSNP M&E Baseline Evaluation Survey, Payments Monitoring Form, Sep 2009-Oct 2010 and HSNP M&E Follow up Survey.

Generally costs associated with collecting payments were very low, although not totally insignificant. Less than 2% of beneficiaries during the follow-up period reported ever being made to buy something, or being charged extra for something in the Agent's shop, and only very low proportions of beneficiaries reported that they had to pay a fee to collect their payment, either to the person collecting the transfer on their behalf if they could not collect it in person, or to someone else in the community (2.5% in both cases). However, a more significant number of beneficiaries reported being charged a fee by the paypoint agent when collecting their last payment. This could reflect increased strains on liquidity being suffered by paypoint agents during the follow-up period.

Other costs associated with collecting payments included the time taken to travel to paypoints and time spent queuing for payment. There was some improvement in these measures between the baseline and follow-up periods, with only some 7% of beneficiaries reporting travelling more than 4 hours both ways (equivalent to more than 20km) at follow-up, compared to 18% at baseline. However, once there beneficiaries had to wait on average 2 hours and 15 minutes to receive payment (only a very marginal improvement from baseline). Travelling long distances was particularly challenging for elderly recipients.

Alongside liquidity, the qualitative research also pointed to technological problems with the paypoint machine as other difficulties encountered by recipients – e.g. finger prints and smartcards not reading. Unavailability of money was to some extent driven by pay Agents' reluctance to carrying large sums of money due to security risks.

In terms of security, most beneficiaries felt safe collecting payments and taking them home. The data show an improvement in this regard between baseline and follow-up periods.

5.3 Beneficiaries and recipients

A distinction is made between beneficiaries and recipients. The payments system delivers transfers via recipients, who are not necessarily the actual beneficiaries for whom the transfer is intended¹⁴. The data indicate that 87% and 82% of beneficiaries interviewed during the first follow-up and the baseline period respectively were themselves primary recipients. This indicates that a very high number of beneficiaries owned ID cards and thus had their own name and photo on the Smartcard. Of the beneficiaries who were secondary recipients, for most, their primary recipient was another household member. Only a small proportion of the primary recipients were people of standing in the community.

5.4 Rights

The 'Social Protection Rights' component provides a mechanism through which individuals can express grievances over the targeting process during the two-month period, and raise issues about any aspect of the programme's operation during the three years of Phase 1 payments. A Citizens' Service Charter sets out the programme's standards.

There were some signs during the baseline period that the rights component was not functioning as effectively as designed. The data finds that a Rights Committee had been established in 91% of evaluation communities but fieldwork suggested concerns about whether these committees were operating as intended, especially due to lack of resources for Rights Committee members to explain their role and communicate to communities.

5.4.1 Rights Committees

The Rights Committees are the bodies set up in communities specifically to deal with any complaints about the functioning of the programme. They are composed of representatives elected by the community. Rights Committee members should be the first point of contact for individuals seeking redress if they are not well treated by the HSNP. The Rights Committee is expected to report to the Rights component and receive responses to communicate to and answer people's queries. If they are able to solve the complaints themselves they should do so.

Most Rights Committee members interviewed understood their role, and several claimed to have been able to solve problems for beneficiaries, with affected beneficiaries agreeing. However, there were several cases where Rights Committee members did not understand their roles, did not know how to address complaints, were not known by community members, or were unable to get adequate responses from the programme.

There are four basic types of problem:

- **Rights Committee members do not always know what they are supposed to do.** Some feel their main role is to provide guidance to beneficiaries on how to spend the money wisely, rather than to offer them an avenue for formal complaint. Some were aware

¹⁴ Each beneficiary nominates two 'recipients' who are eligible to collect the transfer. The name and photo on the Smartcard are those of the Primary Recipient, who must be a national ID card holder. Therefore beneficiaries who do not own national ID cards are not eligible to be Primary Recipients and do not have their name and photograph on the Smartcard; it is the name and photograph of their nominated Primary Recipient, who can be a family member, a friend or any other trusted person in the community who owns a national ID card. However, the Secondary Recipient does not have to own a national ID card and still has their fingerprints on the microchip on the Smartcard, which means they are also able to collect the transfer (recipients have to swipe their fingerprints in order to activate the Smartcard at collection).

that their role involved collecting and forwarding on complaints that they could not address themselves, but did not know how to do so. Moreover, they felt that they had insufficient contact with the Rights Component headquarters.

- **Many people do not know who the Rights Committee members are.**
- **Rights Committee members are considered inactive.** Where the Rights Committee members are recognised by the community they are sometimes considered to be not a useful way to get information or raise issues with the programme.
- In the case where they are more active and submit complaints, **Rights Committee members do not always receive a response or get an appropriate reaction from the programme.** This was something felt acutely by Rights Committee members themselves, and particularly difficult for those in the more remote areas as they struggled to follow up directly with the programme headquarters.

5.4.2 Household experience and perceptions of the HSNP rights component

In evaluation areas during the baseline period households were asked about their experience and perceptions of programme rights and the complaints process. The picture on households' awareness of programme rights and the complaints process between September 2009 and November 2010 was the following:

- Between 37% and 46% of households, reported that they are aware of their rights under the programme;
- Of the communities interviewed, some 80% reported there being a Rights Committee (up to 88% in SP areas and down to 71% in CBT sub-locations);
- Only 3 to 9% of households had made a complaint about the targeting process to the Rights Committee.

The last quarterly operational monitoring report (November 2011) found that only 15% of respondents (74 people) felt that they would know who to talk to if they had a problem with the programme, and of these only 14% would have spoken to a Rights Committee member. This perhaps indicates that the Rights Committees continue to play a limited role.

This finding is confirmed by the perception that Right Committee members generally had not received the necessary training or support to know how to respond to complaints, with the result that some complaints are never communicated, while others take a large amount of time to address.

“The Rights Committee themselves don’t know anything about this because they have not been trained so they don’t know how to handle such issues. It is only the agents who tell beneficiaries about issues but people do not believe in the agents, they think they would take their money if they leave it in their card.” [Interview with Chief, Wajir]

Given that HSNP staff from the programme headquarters are rarely to be found in communities – unsurprisingly given the number of sub-locations where the HSNP operates and the distances involved – it de facto appears that the HSNP is represented almost exclusively by the paypoint agents. In their absence, and with the perceived weakness of the Rights Committees, people feel there is no one to complain to when they need to raise an issue.

“For sure no one helps us even if you complain 100 times. So we had nothing to but hope that one day we will get a person who will listen to our complaints and help us” [FGD with beneficiaries, Mandera]

There may thus be some value in devoting more resources to increasing HQ staff time spent in communities, which would have a beneficial effect on the visibility and reputation of the programme (see section 5.1.4 above for positive reception of HSNP HQ staff).

Given the absence of HSNP HQ staff and the weakness of Rights Committees, the natural option for complaints was the normal administrative structures such as the chief and elders. Indeed, Chiefs report receiving many complaints, but also not really being in a position to deal with them.

5.4.3 Corruption

Overall, corruption seems to be low in the HSNP, particularly compared to the distribution of food aid where many felt that distributing staff could and did steal food. The low levels of corruption in the HSNP were attributed to the need for an identity card and fingerprint scanning. Non-beneficiaries sometimes argued that there was corruption around the targeting (as one relief committee member from Marsabit said, *“Our member of parliament was one of the beneficiaries”*), but this issue is very marginal.

6 Conclusions

6.1 Programme impact

This mixed methods evaluation has confirmed that the Hunger Safety Net Programme is having significant and mostly positive impacts on a range of intended and unintended impact areas:

- Dietary diversity is increasing for beneficiary households
- Livestock are being retained or accumulated by beneficiary households
- Education performance of children in school is better than in non-HSNP households
- Access to credit has improved and levels of indebtedness have fallen for HSNP households
- The HSNP is not having a substitution effect on receipt of food aid
- The HSNP is not contributing to inflation in programme areas
- The HSNP is not having a significant negative impact on labour supply or creating dependency amongst beneficiaries
- The HSNP seems to be having a beneficial effect on local economies and providing some impetus to expansion or diversification of livelihood activities for beneficiary households
- The HSNP does not appear to be causing any undue social tension within or between communities.

In addition, once different factors are controlled for, such as household- and community-level factors or the total cumulative per capita value of transfers received, or once impact is assessed over different types of household, further impacts are discerned:

- Poverty rates can be seen to have fallen for some beneficiary households
- Consumption expenditure has risen for poorer and fully mobile households
- Women's control over household resources seem to have increased
- Older persons in beneficiary households seem to be shifting from paid work to domestic work
- The HSNP is reducing the incidence of both paid and unpaid child labour in beneficiary households
- Wealthier beneficiaries are less likely to receive informal transfers and more likely to give them.

As well as recognising the positive impacts of the HSNP it is important to note where anticipated impacts have not materialised after one year, or where unanticipated impacts have occurred:

- There was no significant impact on education enrolment, attendance or spending
- There was no significant impact on health status of beneficiaries
- There was only negligible impact on health spending by beneficiary households
- The HSNP might be affecting mobility patterns by encouraging those households that are partially settled to become fully settled.

Equally, it is important to recognise that the magnitude of the impacts that have been achieved is constrained by several factors:

- The drought in 2011 caused much HSNP cash to be spent on food, leaving little cash over for other consumption needs, investment or savings.

- The size of the cash transfer was low, so its purchasing power was low, and was further eroded by price inflation, especially during and after the global food crisis in 2008.
- The decision to disburse payments every second month presents beneficiaries with cash flow problems, which sometimes impels them to sell assets or become indebted.
- Except for the social pension (given to each individual over 55), the cash transfer does not vary by household size, so its value per capita is very low for larger households

Ultimately, the aim of the HSNP pilot is to reduce poverty, food insecurity and malnutrition, and promote asset retention and accumulation amongst its beneficiaries. However, as its name suggests, its primary function is not a poverty reduction per se, but to act as a hunger safety net. In this sense the emphasis is on livelihood protection rather than livelihood promotion.

As a hunger safety net, the HSNP was fairly effective at protecting beneficiary households in northern Kenya against the worst effects of the Horn of Africa drought. On the other hand, HSNP impacts on poverty reduction to date are much weaker, perhaps because of the drought-triggered food crisis in 2011, which together with the declining purchasing power of the cash transfer due to price inflation since 2008, resulted in most of the cash being consumed rather than invested. The HSNP therefore had a bigger impact on short-term food security than on long-term poverty.

Thus, while the HSNP, at its current coverage rates and level of transfer, might provide a functional safety net during bad years, it is unlikely to systematically move people out of poverty. This is because of the negative climatic conditions that are endemic to the region and the relative marginalisation of the population.

The analysis conducted by the evaluation indicates that should the value of the transfer be appropriately indexed to the size of recipient households, as well as focussed on relatively poorer households, impact across the main programme goals would be much more significant. Conducting some ex-ante simulations of the programme design parameters for phase II will help ensure both that the HSNP effectively reaches its target population and maximises its impact in the desired areas of poverty reduction, reduced food insecurity and malnutrition, and promotion of productive livelihoods.

A payment mechanism that disburses funds on a monthly rather than a bi-monthly basis would also help alleviate any cash flow problems suffered by beneficiaries.

The impacts recorded in this report cover 12 months of HSNP operations (4-5 transfer payments), during a difficult year of drought and high inflation. More significant positive impacts are anticipated after a second year of operations (10-11 transfer payments), in hopefully not as challenging circumstances (post-drought recovery) and with higher payment levels (up from KES 2,150 to KES 3,000 in 2012). The Final impact evaluation report will report findings on impact after this further period.

6.2 Programme operations

Most respondents in HSNP targeted areas were aware of the programme and felt that the targeting process was fair. However they noted that many of those not selected may have not been present during the public information campaign or perhaps even the targeting process. In fact almost half of all non-beneficiaries felt that they themselves were eligible. There is some suggestion that mobile households could have been systematically excluded from the targeting process.

Social Pension targeting was considered the least fair compared to Community Based Targeting and Dependency Ratio targeting. However, this could be due to the perception that the programme was meant to target the poorest and most vulnerable households. On average, it was felt not enough notice was provided for mobile households to effectively participate in registration.

The payment system seems to have performed generally well. Most beneficiaries were aware of the payment amount and payment cycle. Almost all beneficiaries had received a smart card and very few reported never receiving any payment. Some households did report not being able to withdraw the amount they desired during the last payment or being charged a fee by the paypoint agent when collecting their last payments. These problems were small but merit attention in the subsequent phase of the programme.

Various reports indicate that the Rights Component was not effectively implemented. Less than half of all households were aware of their rights under the programme and a quarter of households reported no Rights Committees in their sub-locations.

Although HSNP staff and Rights Committee members were perceived as polite and respectful, they were not seen as effective in addressing the complaints and problems of beneficiary and non-beneficiary households. Rights Committees were not always aware of their duties and responsibilities and lacked support from the HSNP headquarters. There was perceived to be a general failure of communication with the Rights Component and limited feedback on the complaints that were submitted.

7 Recommendations

A number of recommendations emerge from the findings and conclusions of the impact evaluation and study on the operational effectiveness of the HSNP for the programme to consider as it moves into Phase II. These are listed below.

7.1 Phase II programme design

- **Consider the HSNP within the wider Government of Kenya social protection policy.** The relationship of HSNP with other GoK social protection initiatives, such as the Orphans and Vulnerable Children Cash Transfer (CT-OVC), the Older Persons and Disabilities grants, needs to be clearly articulated taking into account the specific aims and objectives of Each.
- **Consider the relationship of HSNP to food aid.** The HSNP was not intended as a substitute for food aid and indeed has not proved to have a substitution effect so the relationship of HSNP phase II to Food Aid in Kenya needs to be clearly articulated and monitored.
- **Consider relationship of HSNP to other complementary development initiatives,** such as livelihoods protection programmes, strengthening of social services, and development of access to financial services.
- **Clearly articulate the aim and objectives of the programme for phase II.** While phase I of the HSNP was a pilot and thus an opportunity for experimentation and learning, the objectives and aims of phase II should be clearly thought through, defined and articulated. The programme should aim at a limited number of achievable objectives, underpinned by a robust theory of change and viable M&E framework. Available datasets providing information about the characteristics and needs of the potential beneficiary population should be exploited during this process, including the data collected by the M&E component as well as alternative sources such as KIHBS.
- **Clearly identify the target population and means of reaching them.** Having thought through and articulated its core aims and objectives the programme should be able to easily identify its target population and devise a mechanism for reaching that population. Analysis conducted by the Evaluation shows that programme impact tends to be greatest for poorer households, but the cost and difficulty of reaching the poorest households in areas characterised by high rates of poverty in general is recognised. The programme should consider the costs and benefits of universal targeting or combinations of differing targeting approaches, such as proxy means testing allied with community-based targeting, in consideration of most effectively reaching its target population.
- **Conduct ex-ante simulations of alternative programme design parameters for phase II.** This will help ensure both that the HSNP effectively reaches its target population and maximises its impact in the desired areas of its core aims and objectives. The data collected under the M&E component constitutes a useful basis for simulation exercises as it provides recent and context-specific data on the population groups the programme will be hoping to reach. Parameters that could be simulated include:
 - **Value of the transfer**
 - **Indexing value of transfer to household size**
 - **Indexing value of transfer to inflation**

- **Payment period**
- **Targeting options**
- **Simulate cost of different Phase II design options.** Understanding the number of beneficiaries to be targeted under the various alternative programme design options will provide a sense of the cost of scaling up the programme as well as being a critical to the sustainability of the programme.
- The Evaluation shows an association between the cumulative value of transfers received per capita and programme impact. **Indexing the size of the transfer to household size** would thus help maximise programme impact within given resource constraints and thereby improve equity as well as efficiency of achieving core programme objectives. Different ways of achieving this indexing could be modelled using ex ante simulations.
- **Agree procedures with potential partners using the HSNP targeting data to ensure that potential impacts of new projects are allowed for in the design of HSNP phase II.**

7.2 Phase II Monitoring and evaluation

- **A viable M&E framework** is required to both monitor programme operations and enable problems to be swiftly identified and resolved, and to ensure the programme is achieving its aims and objectives. The M&E framework must be cost effective in terms of its implementation and data requirements, with clearly defined monitoring indicators matched to data sources. A unified MIS system that covers registration and enrolment, case management, and payments should provide the base platform for the M&E.
- **Planning for future impact evaluations.** In order to conduct future rounds of rigorous quantitative impact evaluations for HSNP Phase II, the establishment of a viable counterfactual is required. Because Phase II ultimately aims to cover all four Phase I counties (plus Moyale) in their entirety, the best method of establishing a counterfactual will be to exploit the natural roll-out schedule of the HSNP. However, doing so would have implications on Phase II operations that would need to be planned for as early as possible before the Phase II roll-out schedule is finalised. This Impact Evaluation has uncovered a number of areas where future impact assessments could profitably be focussed:
 - **Local economy effects:** the impact evaluation uncovered some evidence of positive programme impact on local economies, such as on demand for local goods and services. Future impact evaluations could be geared towards generating estimates of impact on the local economy in order to assess the multiplier effect of the injection of HSNP cash. In short, for every GBP the HSNP injects how much is generated for the local economy? Being able to answer such questions is important for the sustainability of the programme, because such data would enable stakeholders such as the Ministry of Finance to better assess the benefits of the programme to the Kenyan economy as a whole, thus aiding decision makers with future public budget allocations.
 - **Education and other outcomes and psychosocial effects:** the Evaluation uncovered a significant positive impact on educational attainment for children in school. Focussing future impact assessments more specifically on education outcomes (rather than outputs, such as increased enrolment) would provide useful evidence for stakeholders such as the Ministry of Education to support the claim of HSNP in future government budget allocations. Assessing the degree to which 'psycho-social effects' – that is, the positive effect of the transfer on the psychological and social wellbeing of recipient children, for instance – produce positive impacts elsewhere, such as on education and health outcomes, will both

further the international debate on the effectiveness of cash transfers and provide DFID and GoK with evidence on synergies with other interrelated policies which can then be tailored to maximise impacts across a range of interventions.

- **Checks at appropriate intervals to ensure data required for programme monitoring are being properly produced and not delayed** by issues outside of the programme (e.g. a delay in KHIBS 2013).

7.3 Phase II programme implementation processes

7.3.1 Management Components

- **Ensure clear lines of responsibility and accountability are drawn between the HSNP Secretariat and the various Management Components.** The HSNP Secretariat must have power of approval over MC outputs such that the MCs are accountable to the programme to deliver on their responsibilities, and appropriate sanctions can be levied by the HSNP secretariat against MCs for failing to deliver against those responsibilities. At the same time, clear delineation of responsibilities between the various MCs needs to be articulated, such that each is aware of the others', so that problems and issues don't fall between the gaps and MCs are not unfairly sanctioned for the failures of their counterparts. Giving the HSNP secretariat control over MCs will also increase government ownership of the programme.
- **The programme requires a robust set of programme managing metrics and KPI's.** These need to be produced and made available at least monthly for review and action by the Programme management. A process needs to be in place to regularly review these to ensure they continue to meet the Programme requirements.
- **Critical KPI's need to be defined to monitor the performance of all partners and cross partner activities** to ensure beneficiaries get the best service possible.
- **The MIS systems, which are crucial to the monitoring of Phase II, should be regularly audited** to ensure they are effective, produce the required information at the required time and appropriate backup and security is in place to protect the programme.
- **Strict defined controls need to be put in place for every payment run** to ensure maximum beneficiaries are paid and early detection is made on fraud.
- **There needs to be good feedback procedures in place, linking across partners, to record changes to household beneficiaries circumstances** (such as the death of a beneficiary) to ensure these are fed back into the payment control processes and other partner activities.

7.3.2 Targeting

- **More outreach and communication prior to and during targeting to ensure all potentially eligible households register.** Some households, particularly mobile households, claim to have missed out on enrolment because they were unaware of the programme at the time of targeting. If the programme aspires to a comprehensive registration process of the entire population larger and lengthier communication and outreach activities will be required to ensure some households are not excluded.

- **More notice prior to targeting process.** One of the perceived barriers to participation in the targeting process by mobile households in particular was insufficient notice prior to targeting to enable them to return to their resident sub-locations in order to register for the programme.
- **Particular efforts to ensure mobile households are aware of the targeting process.** Given the potentially increased impact the programme has on mobile households, and the special difficulties mobile households have in registering for and participating in the targeting for the programme, particular efforts need to be made to ensure reaching these households.
- **Multiple registration desks in each sub-location to reduce the time required to reach the registration desk.** One of the barriers to registration for the programme faced by households was distance to registration desk and the amount of time required to travel that distance. Increasing the number of registration points in each sub-location would help reduce this barrier.
- **Consider mechanisms for receiving late applications from households not present at time of targeting.** Given the barriers to programme participation faced by mobile households and the long distances they travel, even with special efforts to reach those households it is still likely that some households will be missed during initial enrolment. In order to combat this, the programme should consider ways to handle late enrolments.

7.3.3 Payment mechanism

- **Allow beneficiaries to roll cash over from one payment cycle to the next without having to visit the paypoint agent to reload their card.** The requirement to load your card with each payment causes unnecessary disruption to beneficiaries and discourages beneficiaries from utilising the smartcard as an effective store of value as it was intended. If possible, beneficiary's accounts should be automatically credited on each payment cycle with the smartcard, thus acting more like a bank account. Developing a payment mechanism that functions like a bank account would allow increased flexibility to vary the size and periodicity of payments, layer other interventions using the same payments mechanism, and help minimise payment reconciliation problems.
- **More paypoint agents.** While recognising the difficulty of recruiting and managing paypoint agents, beneficiaries report being required to travel long distances to reach paypoints and facing long waiting times when they get there, which represent high costs to beneficiaries. Providing more paypoint agents would reduce these costs to beneficiaries.
- **Consider implications of payment period and schedule on liquidity.** Liquidity is a real issue in these areas and may underwrite some of the difficulties associated with negative behaviour of paypoint agents. Having a payments mechanism that functions like a bank account will allow beneficiaries to collect cash at a time of their choosing, rather than on specifically designated days, thus decreasing the pressure on liquidity at particular paypoints on payment days. Staggering payments to beneficiaries in each location such that they don't all get paid on the same day will also help decrease pressure on liquidity.
- **Revise mechanism and process for follow up on faulty cards / fingerprint errors.** At the current time lack of clarity between the roles and responsibilities of the various programme Management Components in the mechanisms and processes for beneficiaries to report errors or issues to the programme mean technological problems with smartcards and paypoint machines (including biometrics) take a long time to resolve or are not resolved. The HSNP should consider ways to improve lines of accountability and responsibility between MCs, and thus reporting of these types of errors, so that they may be more swiftly resolved.

- **Continue to follow up on missing cards.** Although this study only found a small number of cases, for those cases missing cards effectively means exclusion from the programme. The programme should ensure a swift and secure process to enable beneficiaries to report missing cards and be issued with replacements.
- **Better communication to beneficiaries of the ability to access cash from any paypoint.** The study found that some beneficiaries still did not understand, and thus utilise, the full flexibility of the smartcard system, and the fact that payments may be accessed anywhere at any HSNP paypoint. Improved communications are required to address this problem.
- **Prevent paypoint agents charging beneficiaries fees to collect transfers.** Though the number of reported cases of paypoint agents charging beneficiaries a fee to access their payment was relatively small, it was by no means insignificant. This phenomenon may well be the result of real liquidity issues (or even issues relating to the particular denominations of money amounts that make up a single full payment) faced by paypoint agents. In order to effectively prevent this, therefore, the programme should try to ensure those constraints are alleviated, as well as suitably sanctioning the payments agency for paypoints charging informal fees.
- **Consider alternatives to the smartcard system, such as mobile banking.** Given the challenges associated with the current smartcard system, including constraints stemming from financial services regulations, and given the current availability of mobile banking services in Kenya (such as MPESA), it is worthwhile considering available alternatives to the smartcard payments system in order to provide greater flexibility to both the programme (i.e. to layer other interventions) and its beneficiaries and thus maximise the impact of the programme.

7.3.4 Rights:

- **Ensure Rights Committee is operating effectively in every sub-location.** If Rights committees are to be the primary mechanism by which beneficiaries and other households raise complaints and other issues with the programme they need to have the capacity and resources to operate effectively. This may be achieved by:
 - **Ensuring Rights Committees receive sufficient training** so they understand their role and know what procedures to follow when administering a complaint
 - **Ensure Rights Committee members are appropriately reimbursed** for their time and expenses incurred (e.g. travel to district HQ to report complaints)
 - **Regular field visits by Rights Component central staff** to meet and communicate with Rights Committees, support them in their activities, follow-up on particular grievances, and generally increase the support and presence of headquarters within the districts.
- **Increase field visits by and visibility of other HSNP central staff.** There is currently a disconnect between the programme and its beneficiaries which represents a potential reputational risk to the programme. Increasing the number and frequency of visits of central HSNP staff to HSNP sub-locations will reduce this risk—this will only be the case if the complaints and grievance procedures and mechanisms are improved in tandem.