

**HSNP**  
Hunger Safety Net Programme



# Hunger Safety Net Programme

Evaluation of the Kenya Hunger Safety Net Programme Phase 2

Emergency payments deep dive study



Oxford Policy Management

# EMERGENCY PAYMENTS DEEP DIVE STUDY

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# EMERGENCY PAYMENTS DEEP DIVE STUDY

## Executive summary

### Background

This deep dive study focuses on the emergency payments (KES 2,700 per month) made to Group 2 beneficiaries of the HSNP Phase 2 in the six months from November 2016 to May 2017, triggered when the HSNP sub-counties were classified by the Vegetation Condition Index as in severe or extreme drought. During this period, 381,132 emergency payments were made to 97,922 households: a total of KES 868 million (approx. \$8.4 million / £6.3 million).

### Findings

Group 2 beneficiaries tend to value the emergency transfers and feel they are timely, although they do not understand the targeting mechanism well. The size, infrequency, and unpredictability of payments means their impacts at the household level are relatively constrained in comparison to HSNP's routine transfers (Group 1). Emergency payments are used to support basic needs but are insufficient to prevent serious depletion of productive assets, such as livestock, which is the most significant negative impact of drought in these pastoralist areas. Emergency payments may have significant positive impacts on the local economy.

### Recommendations

**Clarify the objectives of the emergency payments, including theory of change:** Emergency transfers on their own are not sufficient in building long-lasting resilience and expecting them to achieve too much on their own is a recipe for disappointment. The objectives of the payments should therefore be clarified, together with establishing a clear theory of change.

**Improve levels of coordination:** Building resilience to shocks requires coordination among line ministries, devolved governments, and development partners. The National Safety Net Programme (NSNP) is helping but in order to achieve a coordinated policy response to future emergencies its capacity to implement programmes needs to improve (other NSNP programmes are behind HSNP, in terms of operational capacity).

**Review programme design:** HSNP's design features (e.g. size, frequency, and targeting) should be reviewed. As emergency payments do not structurally address the vulnerability of the population, an alternative model could be delivery of sizeable lump sums, which could impact household productivity and recovery from shocks. Another alternative could be guaranteed, blanket payments to whole populations at pre-specified times of the year, to eliminate the unpredictability and infrequency of the current model, and reduce targeting issues.

**Improve communication flows:** Better communication is required to counter beneficiaries' and stakeholders' low understanding of the aims and functioning of the emergency payments. Recommendations include: a fixed payment date should be agreed for all emergency payments; the recipients list for emergency payments should be shared with chiefs as early as possible; HSNP programme managers should check whether chiefs have disseminated emergency payment information through *barazas*; direct messages should be sent to beneficiaries in

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advance of, and on the day, payments are released to pay agents; and refresher training should be provided to county stakeholders and community members on beneficiary targeting and selection.

**Improve programme data quality:** Data quality issues with the HSNP management information system need to be resolved. This can be done (among other ways) through: routine post-distribution monitoring of the programme; including emergency payments in the internal monitoring system currently being established for Group 1 payments; and using the collection of monitoring data as a chance to update information on households.

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## List of abbreviations

|       |   |
|-------|---|
| ASALs | Arid and semi-arid lands                    |
| DFID  | UK Department for International Development |
| FAO   | Food and Agriculture Organisation           |
| FSD   | Financial Sector Deepening (Trust)          |
| GAM   | Global Acute Malnutrition                   |
| GoK   | Government of Kenya                         |
| HSNP  | Hunger Safety Net Programme                 |
| KES   | Kenyan Shillings                            |
| LEWIE | Local Economy-Wide Impact Evaluation        |
| M&E   | Monitoring and Evaluation                   |
| MAM   | March, April and May                        |
| MIS   | Management Information System               |
| MUAC  | Mid-upper arm circumference                 |
| NDEF  | National Drought Emergency Fund             |
| NDMA  | National Drought Management Authority       |
| NEDI  | North Eastern Development Initiative        |
| NSNP  | National Safety Net Programme               |
| OND   | October, November and December              |
| OPM   | Oxford Policy Management                    |
| PILU  | Programme Implementation and Learning Unit  |
| PMT   | Proxy Means Test                            |
| VCI   | Vegetation Condition Index                  |



# EMERGENCY PAYMENTS DEEP DIVE STUDY

## 1 Background



### 1.1 DROUGHT CONTEXT

Kenya is highly vulnerable to drought. Only 20% of the country receives high and regular rainfall. The remaining 80% is characterised as arid and semi-arid lands (ASALs) where rainfall is highly variable and drought is a regular feature of the climate. The ASALs house more than half of all livestock in Kenya and more than a quarter (30%) of the population; both people and animals are among the most vulnerable populations to rainfall variability and drought<sup>1</sup>.

The indications of an impending extreme drought situation began in 2016. Kenya receives the majority of its rainfall during two periods: the 'long rains' during March, April and May (MAM) and the 'short rains' during October, November and December (OND). However, in 2016 the OND rains failed. Counties in the northwest and

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<sup>1</sup> CKDN (2017).

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southeast regions were particularly badly hit. The southeast also suffered from poor MAM rains<sup>2</sup>. On 10 February 2017, the Government of Kenya (GoK) declared a national drought emergency, with 23 of the country's 47 counties affected. The number of food-insecure people more than doubled – from 1.3 million to 2.7 million<sup>3</sup>. Some 357,285 children and pregnant and lactating mothers were reported to be acutely malnourished. Nutrition surveys showed that three sub-counties (Turkana North, North Horr in Marsabit and Mandera) had Global Acute Malnutrition (GAM) rates above 30%. Six sub-counties (Turkana Central, Turkana South, Turkana West, Laisamis, East Pokot in Baringo, and Isiolo) had GAM rates between 15 and 29%<sup>4</sup>. GAM rates above 15% indicate critical levels of acute malnutrition and are usually indicative of an emergency situation<sup>5</sup>. The Integrated Food Security Phase Classification (IPC) declared that in July 2017 some 2.6 million people were in crisis (IPC Phase 3), of which 0.5 million were already in emergency (IPC Phase 4). Turkana, Marsabit, Mandera and Wajir were all included in those counties classified as being in crisis<sup>6</sup>.

According to some estimates, the current drought in the Horn of Africa is worse in a number of ways compared to the drought in 2011, with some areas experiencing the failure of three rains in a row<sup>7</sup>. The failure of OND rains in 2016 contributed to a drought situation that has manifested itself in a number of adverse impacts: increased malnutrition, reduced harvests, high food prices and higher instances of conflict. Table 1 shows that worsening malnutrition situation for children in three of the four northern counties where the HSNP operates. Table 2 shows that three of the four HSNP counties were on an 'Alert' stage for drought in October 2016, with the situation improving for Mandera, Wajir and Marsabit by June 2017 but worsening for Turkana.

**TABLE 1: CHILDREN AT RISK OF MALNUTRITION (MUAC)**

| COUNTY   | OCT 2016             | MAY 2017             |
|----------|----------------------|----------------------|
| Mandera  | Below LTM, worsening | Below LTM, improving |
| Wajir    | Below LTM, stable    | Below LTM, improving |
| Marsabit | Below LTM, worsening | Below LTM, stable    |
| Turkana  | Below LTM, worsening | Below LTM, worsening |

Note: The NDMA bulletins monitor the percentage of children under five at risk of malnutrition, determined by a mid-upper arm circumference (MUAC). MUAC is an independent criterion for acute malnutrition and is one of the best predictors of mortality. The cut-offs commonly used are <11.5cm for severe acute malnutrition and 11.5–<12.5cm for moderate acute malnutrition. LTM here denotes 'Long-Term Mean'.

Source: *National Drought Early Warning Bulletins* (GoK, Nov 2016 and Jun 2017)

<sup>2</sup> Ibid.

<sup>3</sup> UNICEF reported even higher numbers, with 3.4 million people calculated as food insecure by 1 September 2017 (UNICEF, 2017).

<sup>4</sup> ReliefWeb (2017a).

<sup>5</sup> UNHCR (2017).

<sup>6</sup> (IPC, 2017).

<sup>7</sup> ReliefWeb (2017a).

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TABLE 2: IPC DROUGHT PHASE CLASSIFICATION

| COUNTY   | OCT 2016         | JUN 2017         |
|----------|------------------|------------------|
| Mandera  | Alert, Worsening | Alert, Improving |
| Wajir    | Alert, Worsening | Alert, Improving |
| Marsabit | Alarm, Worsening | Alert, Improving |
| Turkana  | Alert, Worsening | Alarm, Improving |

Note: There are five phases of the IPC Drought Phase Classification:

1. Normal: Environmental indicators show no fluctuations
2. Alert: Environmental indicators fluctuate outside expected seasonal ranges
3. Alarm: Environmental and production indicator fluctuate outside seasonal ranges
4. Emergency: All indicators are outside normal ranges
5. Recovery: Environmental indicators return to seasonal norm

Source: *National Drought Early Warning Bulletins* (GoK, Nov 2016 and Jun 2017)

## 1.2 DROUGHT RESPONSE THROUGH SOCIAL PROTECTION



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## 1.2.1 Policy focus on shock-responsive social protection

The GoK has made significant progress in the provision of social protection to tackle poverty and vulnerability. The four cash transfer programmes that comprise the NSNP—the Cash Transfer for Orphans and Vulnerable Children, the Older Persons Cash Transfer, the Cash Transfer for Persons with Severe Disability and the HSNP—have been central to that progress over the last decade. Substantial efforts have also been made to strengthen and harmonise the overall social protection system, including through the elaboration of the National Social Protection Policy in 2011 and the subsequent creation of the NSNP, the Social Protection Secretariat, and the Social Assistance Unit. This has also led to considerable advances in the underlying delivery systems, including for targeting, case management and payment.

Another recent focus for policy has been exploring the role of social protection systems to respond to shocks like droughts. To this end the GoK is setting up a National Drought Emergency Fund (NDEF) to systematically address persistent vulnerability in the ASAL region. The NDEF will enable channelling of funds for a variety of support programmes, including a scalability mechanism for the NSNP cash transfers (in particular, HSNP) to be paid out in times of emergency, such as droughts. The Fund will also provide a platform to other development partners for coordinated financing of the government-led programme. Furthermore, additional funding has been committed to the North Eastern Development Initiative (NEDI), a cross-sectoral initiative that aims to support the expansion of the NSNP in the 10 NEDI counties,<sup>8</sup> which are Garissa, Isiolo, Lamu, Mandera, Marsabit, Samburu, Tana River, Turkana, Wajir, and West Pokot.

The GoK also stepped up its response to the latest drought in 2017: it announced four initiatives in March that focused on reducing the impacts of drought on Kenyans, especially pastoralists, and allocated US\$ 103 million to tackle the issue. Major initiatives include: livestock insurance payouts; a new vaccine for a common livestock disease; an enhanced livestock take-off exercise implemented by the Kenyan Red Cross Society and; the HSNP cash transfer programme which, according to its in-built drought response mechanism, provided emergency cash transfers to 97,922 households in four counties (Turkana, Marsabit, Mandera, and Wajir)<sup>9</sup>.

According to NDMA reports, a total of KES 605 million has been disbursed in 21 counties between July 2016 and May 2017, supporting interventions in seven sectors: water, livestock, agriculture, education, health and nutrition, security, and coordination<sup>10</sup>.

## 1.2.2 Role of the HSNP in recent drought response

The HSNP is an unconditional cash transfer programme targeting households living in extreme poverty. It currently operates in four northern counties in Kenya that are also part of the NEDI: Mandera, Marsabit, Turkana, and Wajir

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<sup>8</sup> Additional financing of US\$ 50 million in International Development Association (IDA) credit to the NSNP has been provided by the World Bank.

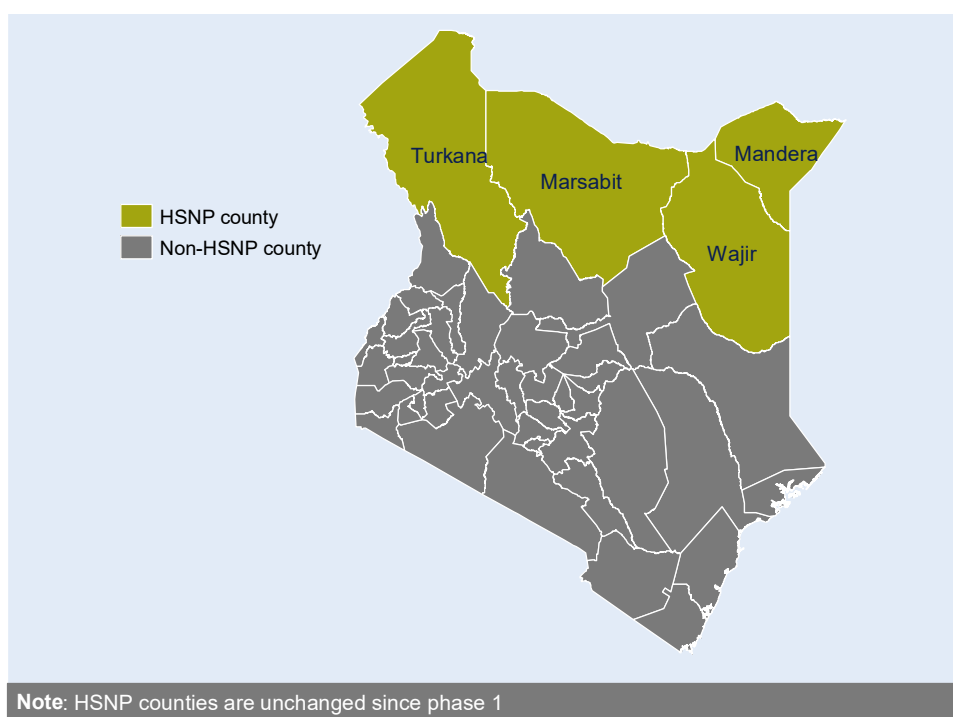
<sup>9</sup> In Mandera, Wajir, Turkana and Marsabit. See CKDN (2017).

<sup>10</sup> NDMA (2017): 20.

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(see Figure 1). The HSNP routine payments cover around 27% of households in these counties, representing about 31% of the population or 2,013,707 people. When running at full scale it aims to provide the poorest 100,000 households with regular, bi-monthly payments into a bank account. The second phase<sup>11</sup> of the HSNP, which started June 2013, has been designed to support two types of households – ‘Group 1’ households who receive regular unconditional cash transfers and ‘Group 2’ households who receive *ad hoc* cash transfers in response to emergencies, primarily drought. The programme aims to reach up to an additional 272,000 of these emergency payment beneficiary households. As at September 2017, 99,085 households had been paid routine cash transfers<sup>12</sup>. An additional 206,396 households have been targeted with at least one emergency payment since the start of the programme<sup>13</sup>.

Figure 1: HSNP Phase 2 Counties



During times of drought emergency, therefore, HSNP is designed to scale up its transfers to a large proportion of the affected population (up to 75% coverage). The scale-up is activated using a Vegetation Condition Index (VCI)<sup>14</sup> operated by the NDMA. Emergency payments are triggered when HSNP sub-counties are classified as in severe or extreme drought status by the VCI, or in other cases of emergency such as El Niño. Group 2 households are then selected from HSNP's management information system (MIS) using the existing wealth ranking scores, identifying

<sup>11</sup> HSNP Phase 1 started in 2009 and ran to June 2013; HSNP Phase 2 started in June 2013 and will end in March 2018.

<sup>12</sup> Against a total target of 101,749.

<sup>13</sup> HSNP (2017).

<sup>14</sup> OPM (2017a).

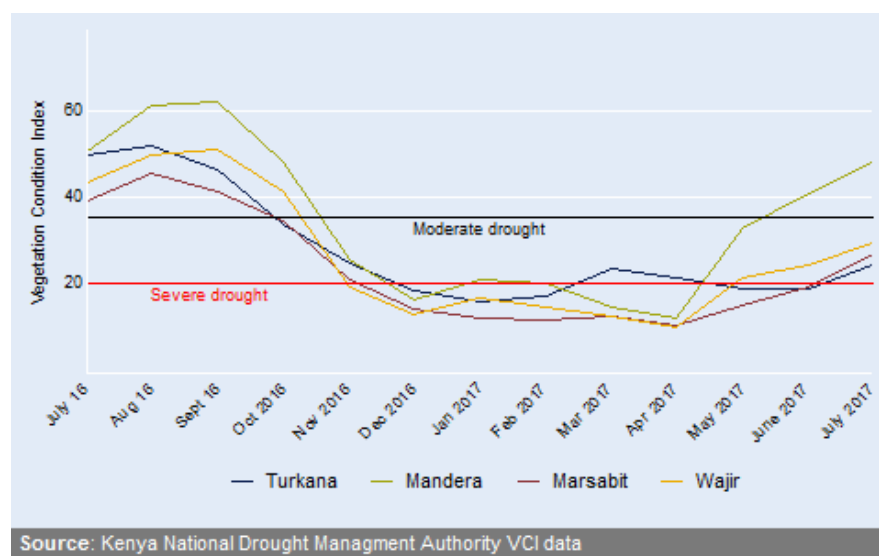
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the Group 2 households with the lowest wealth ranking scores and an active bank account in the drought-affected sub-counties. The number of households to receive an emergency payment is determined by the drought status of each sublocation in the sub-counties that are classified as being in ‘severe’ or ‘extreme’ drought, with 50% of the household population being covered in cases of severe drought and 75% of the household population covered in the case of extreme drought. Currently the transfer to Group 2 beneficiaries is worth KES 2,700 per month (approximately US\$ 27/£20)<sup>15</sup> and is paid each month a given sublocation is deemed to be in severe or extreme drought. The transfer is made directly into beneficiaries’ bank accounts. Some people classed as Group 2 have thus received one or more emergency payments, while others have received no payments.

In November 2016, the VCI showed that there was severe and/or extreme drought in parts of Wajir, Mandera, and Marsabit. This triggered a series of emergency payments, the first of which was released on 23 December 2016. Figure 2 below shows the descent of all four HSNP counties from moderate drought status into severe drought status between October 2016 and November 2016, as measured by the VCI. Among the counties, Mandera began to recover from April 2017 and by July 2017, the remaining three counties were no longer in severe drought. It should be noted that the VCI is an aggregate measure and while these three counties were no longer classified as being in severe drought by this measure, this does not imply that they were no longer affected or that populations are no longer in crisis or suffering negative effects due to drought.

Our study period focuses on the emergency payments made in the six months from **November 2016 till May 2017**, with selected Group 2 beneficiaries expecting to receive zero to a maximum of six payments.

Figure 2: Drought status of HSNP counties since July 2016, as measured by VCI

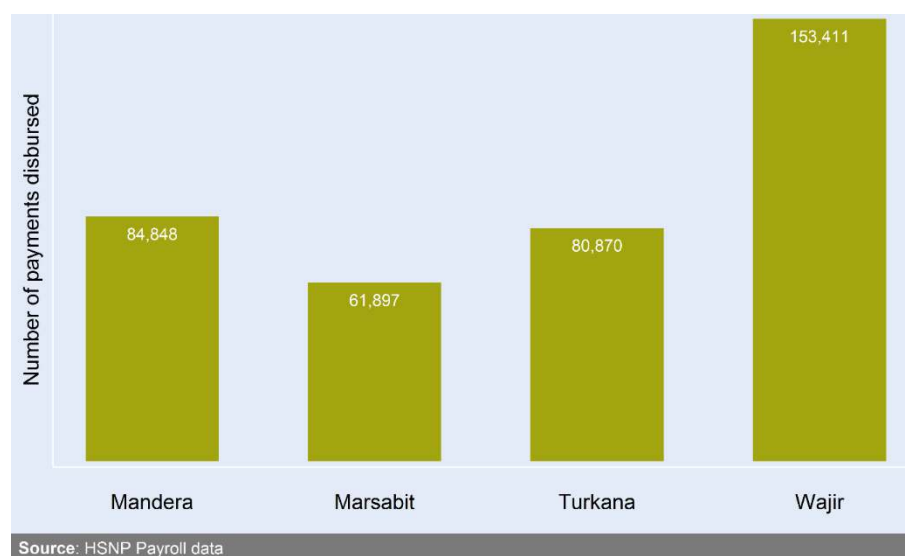


<sup>15</sup> The HSNP transfer value has increased over time: KES 2,550 from July 2014 to June 2015; KES 2,700 from July 2016 to date.

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Figure 3: and Table 3 illustrate the coverage of the HSNP's drought response from November 2016 to May 2017. In aggregate, a total of 381,132 emergency payments were made to 97,922 households between November 2016 and May 2017 across the four counties covered by the HSNP. The largest number of payments was made in Wajir, followed by Mandera, Turkana, and finally Marsabit. The coverage over time varies for each county, increasing around April and May for Mandera. Expansion was fairly uniform for Marsabit, whereas in Turkana coverage particularly increased during February/March of this year with no payments made in November. In Wajir, a large number of households were covered in Jan and May 2017. Table 3 shows that a total of KES 868 million (approx. US\$ 8.4 million / £6.3 million) was disbursed in emergency payments to Group 2 beneficiaries as a drought response over this six-month period.

**Figure 3: Total number of emergency payments disbursed per county, Nov 2016 to May 2017**



**TABLE 3: TOTAL VALUE OF PAYMENTS MADE (KES, MILLIONS)**

| PAYMENT NAME        | MANDERA    | MARSABIT   | TURKANA    | WAJIR      | TOTAL         |
|---------------------|------------|------------|------------|------------|---------------|
| Nov 2016 scale-up   | 2          | 15         | 0.00       | 55         | 72            |
| Jan 2017 scale-up   | 47         | 27         | 45         | 96         | 214           |
| Feb 2017 scale-up   | 42         | 35         | 58         | 44         | 18            |
| Mar 2017 scale-up   | 16         | 27         | 58         | 45         | 145           |
| April 2017 scale-up | 52         | 38         | 19         | 88         | 196           |
| May 2017 scale-up   | 71         | 27         | 39         | 88         | 224           |
| <b>Total</b>        | <b>229</b> | <b>167</b> | <b>218</b> | <b>414</b> | <b>868,06</b> |

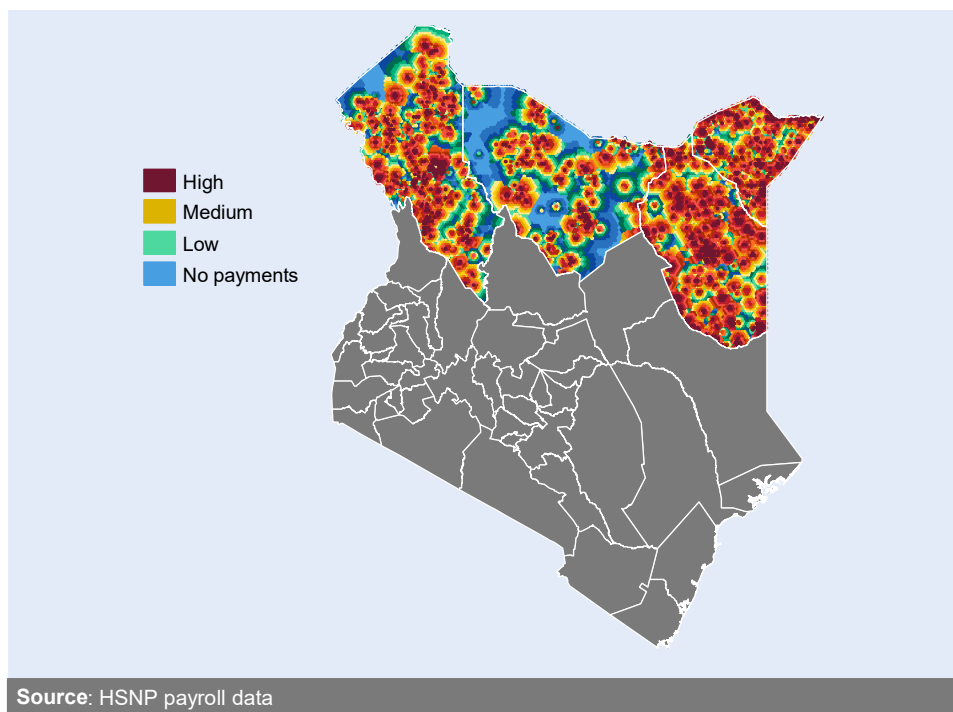
Source: HSNP payroll data.



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Figure 4 and Figure 5 show the geographical distribution and frequency of emergency payments. Overall, 35% of all households potentially eligible to receive emergency payments received at least one payment during this period. Of these, 78% received at least three payments<sup>16</sup>. When disaggregating at the county level, Wajir had the largest number of households receiving six payments, in contrast to Turkana where no household received six payments.

Figure 4: Prevalence of emergency payments disbursed, Nov 2016 – May 2017



It is important to note that HSNP emergency payments can cover up to 75% of registered households in the four counties. The process of identifying households for emergency payments is as follows:

1. Identify sub-counties affected by 'severe' or 'extreme' level drought using VCI.
2. Select households from the HSNP MIS using the existing wealth ranking scores, identifying those with the lowest scores with an active bank account in the affected sub-counties.
3. Allocation is made to all sublocations in all sub-counties that are in 'severe' or 'extreme' drought using a specific formula<sup>17</sup> that distributes payments on the basis of drought exposure, equity and population size.

In practice, this means that coverage of emergency payments is not uniform: some households affected by an emergency in targeted sublocations may not receive emergency payments if they are: (1) not registered with the HSNP; (2) do not have active bank accounts; and (3) are enrolled as Group 1 beneficiaries.

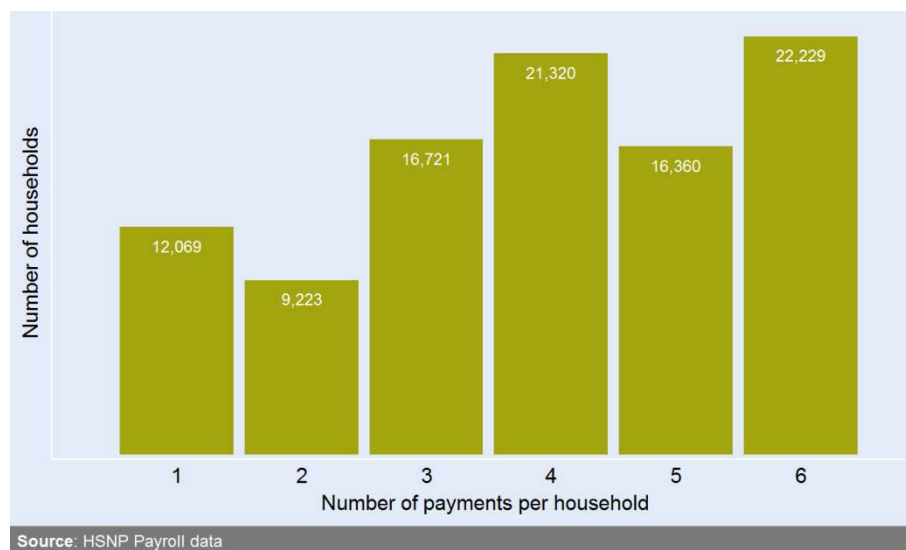
<sup>16</sup> Source: HSNP payroll data and programme MIS.

<sup>17</sup> OPM (2017b).



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Figure 5: Average HSNP emergency payments disbursed per HH, Nov 2016-May 2017



It should also be noted that the analysis presented above is based on information provided by the programme MIS payroll data. Fieldwork conducted in July 2017 (see 0) found some discrepancies in the number of payments received by households according to the payroll data and what those households report receiving themselves. On aggregate, the payroll data is likely to be more accurate than beneficiaries' self-reported receipt of emergency payments for reasons including recall error and incentives to misreport. However, in some cases it will be true that, for a variety of reasons, a given household did not actually receive their full entitlement as recorded in the MIS (see Section 4).

## 1.2.3 Other interventions in the ASALs for drought response

The 2016/17 drought affected other counties of Kenya in addition to the four HSNP counties: the worst-hit counties with a food security phase in 'crisis' were deemed to be Baringo, Garissa, Isiolo, Kilifi, Lamu, Mandera, Marsabit, Samburu, Tana River, Turkana, Wajir, and West Pokot.

The NDMA runs the national drought early warning system, which started to signal some drought stress in a few sub-counties in June 2016. As the situation deteriorated, it triggered disbursement of finances from the Drought Contingency Fund at the beginning of August, a €10 million (US\$ 11.8 million / £8.8 million) fund supported by the European Union for quick action before a slide into disaster. Up until October 2016, the HSNP counties did not receive this funding<sup>18</sup>.

<sup>18</sup> NDMA (2017).

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Following the GoK's drought declaration and appeal for international assistance in February 2017, UN agencies and partners developed a Flash Appeal (covering March to December 2017) in response to the drought: US\$ 165.71 million to reach 2.6 million people with life-saving assistance in the subsequent 10 months<sup>19</sup>. The Flash Appeal complements the government's nine-month response plan (November 2016–July 2017), to which it has so far allocated nearly US\$ 100 million against sectoral interventions totalling US\$ 208 million. In addition, the Kenya Red Cross Society is targeting 340,000 people. The GoK's drought response include several mechanisms providing cash and/or food assistance including through the HSNP; the GoK State department of Special Programmes; government safety nets from the State Department of Social Protection; county governments; the World Food Programme, the Kenya Red Cross Society; and non-governmental organisations<sup>20</sup>. According to the UNOCHA May 2017 Situation report<sup>21</sup>, a lack of adequate funding is preventing development partners from scaling up multi-sectoral interventions to assist communities severely affected by drought. Since its launch in March, the Flash Appeal has raised US\$ 44.5 million (27%) against a total requirement of US\$ 165.7 million. The protection, education, and early recovery sectors have received very limited to no funding.

## 1.2.4 Rationale for this study

Oxford Policy Management (OPM) is engaged in providing ongoing Monitoring and Evaluation (M&E) to HSNP Phase 2. Given the declared state of emergency and the significant response by the GoK and development partners through the HSNP's scale-up facility, DFID requested a study on the recent drought. The purpose of this study is to shed light on the experience of Group 2 beneficiaries who have received emergency payments in response to that drought.

This study builds on and complements other activities focusing on HSNP emergency payments conducted under the evaluation. These include a process review of the first two emergency payments implemented by the programme, analyses conducted for the HSNP impact evaluation (in particular the first round of qualitative research), the evaluation's live operational monitoring of the programme (including a number of special themes either devoted expressly to the emergency payments or to themes that cut across and pertain to the delivery of emergency payments), and a forthcoming Emergency Payments Local-Economy-Wide Impact Evaluation (LEWIE) simulation study (see Table 4 below).

Alongside these other reports and outputs, this study seeks to inform the Shock-Responsive Social Protection Research<sup>22</sup> and NEDI, as well as improve HSNP implementation in the future.

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<sup>19</sup> (Reliefweb, 2017).

<sup>20</sup> UNOCHA (2017b).

<sup>21</sup> UNOCHA (2017a).

<sup>22</sup> OPM (2015).

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## 2 What we know so far



As mentioned earlier, the operational effectiveness and impact of emergency payments under HSNP Phase 2 have been analysed in a number of studies conducted for the evaluation (see Table 4). These studies have utilised various methods and cover different cycles of the emergency payments in Phase 2. Although none of these studies are statistically representative of Group 2 beneficiary experiences and impacts, they do present a consistent picture of the operational efficiency and impact of emergency payments.

TABLE 4: RESEARCH ON EMERGENCY PAYMENTS

| REPORT                                 | METHOD  | REFERENCE PERIOD                                    | KEY STUDY AREAS   |
|--|---|---|---|
| Emergency payments LEWIE Study – draft | Quantitative – LEWIE model based on Social Accounting Matrix methodology using a single-round quantitative survey of 5,980 households | Data collection undertaken in February to June 2016 | Modelling the impact of the emergency payments on the local economy |

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|---|---|--|---|
| Special theme:<br>Case study on emergency payments – 2017                                     | Qualitative primary data collection in two counties and four sublocations, detailed interviews with 20 Group 2 households and four area chiefs.<br>Descriptive analysis of payroll data | Between zero and six emergency payments released from May 2016 – June 2017 | Impact and operational effectiveness of emergency payments in response to 2016/17 drought   |
| Operational Monitoring Report – Mar 2017 <sup>23</sup>  | Mixed methods: Survey data from 37 Group 2 beneficiaries and pay agents; Key informant interviews with area chiefs<br>Data collection in two counties and four sublocations             | One emergency payment released in Feb 2017                                 | Group 2 households who received an emergency payment made on 28 February in Mandera and Wajir   |
| Special theme:<br>Emergency payments – Jan 2017 <sup>24</sup>                                 | Qualitative – stakeholders at the national and local level, and pay agents  | One emergency payment released in Dec 2016                                 | Operational effectiveness of emergency payments   |
| Special theme:<br>Post-Distribution Monitoring of emergency payments – Mar 2017 <sup>25</sup> | Qualitative- five NDMA staff at the county level  | Data collection undertaken in March 2017                                   | Capacity of the government's field teams to conduct post-distribution monitoring  |
| Drought emergency scale-up payments process review – Jan 2016 <sup>26</sup>                   | Qualitative – Key informant interviews in Nairobi and in three counties with key stakeholders in implementation   | Emergency payments in April and May 2015                                   | Process of implementing the emergency drought scale-up payments that took place in April and May 2015, with a view to garnering the perceptions of key stakeholders, the level of information they had access to, and their ideas regarding how the scale-up system could be improved |
| Qualitative impact evaluation report  | Qualitative – Key informant interviews, qualitative panel survey and focus group discussions with   | Data collection undertaken in August 2015                                  | Assessment of the impact of both routine and emergency HSNP payments, drawing on the perspective  |

<sup>23</sup> OPM (2017c).

<sup>24</sup> OPM (2017a).

<sup>25</sup> OPM (2017b).

<sup>26</sup> OPM (2016).

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| round 1 –<br>Sep 2016 <sup>27</sup>   | Group 2 beneficiaries in four<br>counties   |  | of both beneficiaries and non-<br>beneficiaries  |
|---|---|--|--|
| Quantitative<br>impact<br>evaluation<br>report<br>round 1–<br>July 2017 <sup>28</sup> | Quantitative – multiple quasi-<br>experimental impact evaluation<br>methods including regression<br>discontinuity design and propensity<br>score matching, plus descriptive<br>statistics and regression analyses,<br>based on a single-round quantitative<br>survey of 5,980 households. Around<br>3,470 Group 2 beneficiaries are<br>included in the sample, some half of<br>which had received at least one<br>emergency payment at the time of<br>data collection | Data collection<br>undertaken in<br>February to<br>June 2016 | Assessing impact of regular cash<br>transfers on Group 1 beneficiaries<br>across a number of welfare<br>dimensions |

<sup>27</sup> Otulana *et al.* (2016).

<sup>28</sup> Merttens (2017).

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## 2.1 OPERATIONAL EFFECTIVENESS



The operational monitoring conducted as part of the evaluation of HSNP Phase 2 found that beneficiaries often find emergency payments to be intermittent and unpredictable. Part of the explanation for this is that the targeting and criteria for payment (drought conditions) are largely unclear to recipient households. The emergency payment mechanism is complex, with different households and locations identified each month for support. The programme cannot know far in advance whether a payment will be triggered, since the decision is made on the basis of monthly data on vegetation cover; nor can it know in advance which households, or how many, will be eligible. Payments to Group 2 households are not issued on a set date each month (in contrast to those to Group 1 households which aim for the fifth of the month), so neither implementers, pay agents nor households can plan in anticipation of receiving a payment.

This complexity translates into gaps in understanding the concept of the emergency payment itself. There are certainly some gaps in awareness at the community level, including around the targeting process: pay agents report facing questions from the community about this. Indeed, awareness of emergency payments and how people are selected to receive them is not only an issue among households. Our research found instances of pay agents being unaware of the emergency payments facility under the HSNP, despite having notionally received

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training on this. Chiefs are generally familiar with emergency payments and how eligible households are determined within locations, although less so with the process of identifying the eligible locations to begin with (there is some desire among chiefs to have refresher training on emergency payments, as well as other topics, to help them disseminate information to communities with more confidence).

Another key finding from the operational monitoring is that the HSNP's efforts to explain how the VCI works have not convinced all stakeholders at the county level. Despite the programme's communications to assure people that the VCI is able to discern the difference between unconsumable vegetation—particularly *Prosopis juliflora*—and consumable vegetation, our research in early 2017 found that scepticism remained regarding the model among some respondents (although others were satisfied with its use as a payment trigger), with some simply viewing the method as a matter of luck. Some also argued that, although the VCI represents a valuable early warning indicator, it did not capture other socioeconomic indicators that would be relevant in assessing the severity of the possible consequences of drought.

Part of the reason for these challenges is that the process of scaling up emergency payments involves several steps and requires action by a number of partners. After NDMA has identified the emergency and eligible households, the Financial Sector Deepening Trust (FSD), which manages the payments service provider on behalf of the HSNP, then needs to process the payroll and inform the Programme Implementation and Learning Unit (PILU) of the payment date, which then informs HSNP staff, pay agents, and chiefs. In turn, chiefs are responsible for holding public *barazas* (community meetings) to inform the community.

Chiefs and assistant chiefs are thus relied on as the primary mode of communicating information about emergency payments to eligible recipients. The majority of stakeholders that we spoke to considered public *barazas* to be an effective platform for reaching community members. However, the system can break down in cases where chiefs and assistant chiefs do not receive the relevant information in time to mobilise the community. Further up the chain, delays in obtaining recipient lists (particularly in remote areas) and the date of payment have been known to occur, leading to situations in which eligible Group 2 beneficiaries were not informed about their entitlement to receive a payment in advance. This uncertainty has caused Group 2 households to learn of payments only by visiting pay agents directly, which again implies considerable costs for some households either in terms of direct costs to reach the pay point (transport etc) and/or the indirect cost of time forgone to reach the pay point (wages from work or household chores etc). This is particularly irksome for those who then find that they are ineligible. It also clogs up pay points as pay agents have to check the balance of many households, only some of whom have actually received a payment. In addition, and besides experiencing some confusion and lost time in travelling to payment sites unnecessarily, Group 2 respondents were also found to be less familiar with the general process for obtaining their money (for example, the need to bring an ID card with them to do so, and that they are entitled to withdraw money at any time).

These issues being acknowledged, most Group 2 beneficiaries interviewed in 2017 generally expressed high levels of satisfaction with the programme as a whole, and few reported complaints about the programme or the experience of collecting their cash.



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## 2.2 IMPACT ON BENEFICIARIES



Due to their intermittent nature and unpredictability, the impact of emergency payments at the household level tends to be perceived as much more constrained than those of the routine payments. Our research suggests significant positive impacts on the welfare of Group 1 households: routine payments reduce poverty and support households to meet their basic needs, particularly food consumption and education expenditure; to improve dietary diversity, particularly around payday; and to smooth consumption by improving access to credit. For some households – mainly those further up the welfare distribution – HSNP cash is seen to support investments in livelihoods and livelihood diversity, either through the purchasing of productive assets like livestock or by investing in starting or building small businesses such as petty trade. The HSNP's routine payments also have important positive impacts on beneficiaries' psychosocial wellbeing, assuaging the negative effects of poverty and enabling households to feel like they share more characteristics with those further up the welfare distribution. They are thus perceived to improve intra- and inter-household relations. Similarly, HSNP payments appear to be contributing to broader social shifts around notions of women's empowerment<sup>29</sup>.

<sup>29</sup> (Merttens, Binci, Scott, Haynes, & Laufer, 2016), (Otulana, Hearle, Attah, Merttens, & Wallin, 2016).



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In contrast, the impacts of emergency payments at the household level appear much more modest. Recipients are thankful for the money, and often report it as being timely, but because it is irregular and unpredictable it is mostly used to meet basic needs (often food consumption) and immediate expenditures that happen to coincide with its receipt (such as education and health costs). These payments are much less likely to be used for livelihood investments or investing in reciprocal support networks through sharing with others.

The differential impacts on the HSNP regular versus emergency beneficiaries is explained by: (1) different exposure to payments; and (2) the different characteristics of Group 1 and Group 2 households. Analysis conducted using survey data on the HSNP beneficiaries suggests that Group 2 households (emergency beneficiaries) are, on average, smaller and have fewer members aged over 60 and fewer female heads, with household heads having higher levels of education. Group 2 households are also, on average, less poor as measured by the Proxy Means Test (PMT) score, with a larger number of households owning mobile phones and radios and saving through formal bank accounts (see Table 8 in O). Nevertheless, Group 2 households are not rich in *absolute* terms: the poverty rate among Group 2 households is 37% (as measured by monthly per adult equivalent consumption expenditure falling below a poverty line)<sup>30</sup>. However, these different household characteristics may have implications for the design and operationalisation of the emergency cash transfer in the future. For instance, communication about payments can be done directly with emergency beneficiaries through mobile phone messages and radio programmes, allowing for the quicker dissemination of information, which is particularly relevant in response to emergencies.

Although emergency payments at the household level have modest impacts, they may have significant positive impacts on the local economy through increased spending on goods and services by beneficiaries and non-beneficiaries. Earlier research<sup>31</sup> suggests that HSNP routine payments are having a large impact on the local economy, with a significant real income multiplier effect of 1.38 in programme counties. Most of this multiplier accrues to non-beneficiaries, which means the programme is having significant positive spill-overs on the rest of the population. Our forthcoming LEWIE study aims to measure how far emergency payments assuage or off-set the negative impacts of drought on the local economy. Both HSNP routine and emergency payments are significant injections of cash into the local economy, and could support the local economy to be more resilient to drought.

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<sup>30</sup> The poverty rate is defined as the proportion of households whose monthly consumption expenditure per adult equivalent, adjusted for regional price differences, is lower than a poverty line set at KES 2,317.6.

<sup>31</sup> (Taylor, Thome, & Filipski, 2016).

## 3 Emergency beneficiary case studies

The following case studies<sup>32</sup> from field visits in Turkana and Wajir illustrate how the recent drought in northern Kenya affected Group 2 beneficiaries and how the emergency cash transfer impacted their lives. It is important to note that these stories are *reflective* but not *representative* of the experiences of many emergency cash transfer beneficiaries. Nevertheless, they are consistent in reporting the adverse impact of drought on food security and the means with which households have coped with this drought.



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<sup>32</sup> Respondent names have been changed to maintain confidentiality. Photos presented throughout the report are recent images from Wajir and Turkana and do not refer to specific individuals mentioned in the report.

# EMERGENCY PAYMENTS DEEP DIVE STUDY

## 3.1 BEATRICE, NADAPAL, TURKANA

### Self-reported number of emergency payments received in the last six months: two payments

The main livelihood for this community is casual labour working for the refugees in Kakuma and sale of firewood and charcoal. According to Beatrice, drought has been ongoing since August 2015. The drought has brought diseases that have wiped out a lot of the communities' livestock.

Beatrice is 20 years old and lives with her husband, cousin and her three children. During this drought season she lost her mother. The husband is the main provider for the household. He collects and burns firewood while she works as a maid at the refugee camp.

*Recently, it has become difficult to get casual jobs because a lot more people are looking for these jobs. Wages also used to be made daily but now we are paid at the end of the month, which makes it difficult to buy food when this money runs out. For my husband, before we were selling firewood at high price and it was also easier to get customers. Now many people are selling firewood so getting customers is difficult. If I get income, I just spend it in buying food but my husbands' income is saved until mine is finished so we can use it. We have no savings. What we get, we use.*

They have not received any other form of social assistance from the government or private sector or remittances from relatives. The main shocks the family has experienced in the last two years have been drought and the loss of Beatrice's mother in January 2016. Beatrice also fell sick during this period. As a result of the drought, she reports that the community lost a lot of people and livestock. As a household, their income has been reduced because people did not have money to pay them for casual jobs. Pastoralists changed livelihoods to burning firewood because their livestock were cleared by the drought, hence the lack of customers.

She reports that they have no way of reducing or stopping the effects of drought because they do not farm or keep livestock but just rely on casual work. They boil drinking water to prevent diseases and repair their homes to protect them from rain.

The household has received two payments in the last six months: KES 2,700 in February and again in July 2017. The first payment was used to buy school uniforms, shoes and school bags for her children and to pay for food. Using the July payment she bought herself a pair of shoes for KES 300, gave KES 1,000 to her sister, her husband took KES 500 and she spent the rest on food.

*The money came at the right time because in February I could not get a job and my household was crying because of hunger. When I got it, I rushed to the market to shop for my household.*

Like the majority of the recipients we interviewed, Beatrice would prefer to get the payment as a larger less frequent payment that would enable her to open a small business that she can run and thus help in providing for her household.

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### 3.2 SIMON, KALEMUNYANG, TURKANA

**Self-reported number of emergency payments received in the last six months: one payment**

The main livelihoods in this community include livestock keeping, farming, selling of charcoal and small business trade. The majority of the people living in the community are Turkana, of clans Ngimeturona, Ngikomosoroko, and Ngikarauwo. In recent months, the community has been in conflict with the Pokots over animal raiding. The major change experienced in the community in the last two years has been price inflation.

Simon is 64 years old, and lives with his wife and four children. He earns his living from livestock trade and farming, while his wife is a regular HSNP beneficiary. He reports that it has become a challenge to earn his income as the selling of livestock is increasingly difficult due to the high prices, while in farming they lack water. He has thought of starting a business (building houses for rent) but they lack the capital to start. The drought has negatively impacted their wellbeing as they can only afford one meal a day. As he put it: *'Life is different now that there is not much produce from farming to be sold so as to buy livestock and food'*.

## EMERGENCY PAYMENTS DEEP DIVE STUDY

Unique to the respondents we spoke to, who either do not save or save their money in a metal box, Simon saves his money in a bank account<sup>33</sup>. He saves his money to buy food. He plans to change from saving for basic needs to saving for his family's future by building rental houses.

The family's assets consist of farming land and livestock. He lost 23 of his shoats<sup>34</sup> in the previous drought and 100 in the most recent drought. The family also had to sell others to pay fees and buy food. He became so stressed during this period that he left the family for three months and spent time in Lodwar, the capital of Turkana, because he did not want to see his animals die and family suffer.

During the drought, the family's coping mechanism is to migrate with their animals, reduce the number of meals to once a day, and feed on wild foods. They had not yet managed to recover from the drought at the time of our data collection. When asked how they mitigate the effects of drought Simon stated:

*I can't do anything to reduce effects, because I can't prevent animals from dying if they have nothing to graze on. Unless I sell them all and save the money to buy again – but still drought never ends in Turkana ... There is no way I can cope with this problem if it occurs again because whatever I had all died and lost unless the government intervenes.*

Simon noted that he received the information on emergency payments from the chief a day prior to the payment date, but the payment amount was not disclosed to him. This made him suspicious about the pay agent stealing money, although he reported receiving the full KES 2,700 of his entitlement. Out of the money he received, Simon spent KES 600 on transport, KES 2,000 on a sack of maize, and KES 100 on sugar.

Apart from HSNP emergency payments, Simon reports that the county government also intervened during the current drought period with food aid targeting the entire community. In this regard, he prefers food aid because the HSNP only targets a few households.

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<sup>33</sup> In the HSNP evaluation survey sample, only 13.6% of Group 2 beneficiaries reported having any cash savings.

<sup>34</sup> A shoa is a sheep-goat hybrid but also a term used in the context of African pastoralism to describe herds of sheep and goat including actual shoats).



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### 3.3 YUSUF, LEHELEY, WAJIR

#### Self-reported number of emergency payments received in the last six months: three payments

The main livelihoods in this community include pastoralism, casual work and retail shops. There are three main Somali communities – Ajuran, Degodia (both in West Leheley), and Ogaden (South) – and they all engage in similar livelihoods.

Yusuf is over 70 years old and married with three children: one son and two daughters. He has lived in this community for 15 years and migrated from Garissa due to inter-clan conflict. Yusuf only attended nursery grade in school and does not have any formal qualifications. He looks after livestock while his wife looks after their children, does household chores, and collects firewood. Their elder son works in Nairobi and has his own family. Yusuf relies on the money his son sends from his monthly salary to make ends meet. Other than this, he has no income and receives no other form of support.

Yusuf's household was also interviewed by OPM as a part of the quantitative impact evaluation survey in March 2016 and survey data reveal that 48% of his household's monthly consumption expenditure consists of food. In

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that survey, Yusuf's household was described by the household respondent as 'doing well or just okay'. At the time, Yusuf did not own any cultivated land and had no formal savings. According to him *'What can I save? The 3000 I get (from my son) is not even enough for food. I don't save anything'*.

According to Yusuf, the recent drought started in January 2017 and at the time of our visit he noted *'You can't even get a cup of milk here today because all livestock has shifted to Somalia in search of pasture. There is even no milk for children'*.

His community has suffered due to the drought: the resulting migration has reduced retail business and children suffer from malnutrition. At a personal level, Yusuf has suffered a large loss in livestock – drought has resulted in the death of 65 goats in the last two years and now only five goats remain. The recent drought has also meant that his family now eats less compared to their neighbours – twice a day instead of three times. Furthermore, Yusuf's daily costs of living have increased: he now has to buy milk that he used to produce himself and food at double the cost.

Yusuf has not sold any assets to cope with the effect of the drought: *'It is only God who can stop shocks from happening – I can do nothing about it. The only thing I can do is migrate with my livestock to a better place of pasture and water'*. He gets information about the drought from the local radio station (Key FM radio). This is also how he heard about Takaful livestock insurance, although he does not fully understand how it works.

Yusuf has received three payments of KES 2,700 each as an HSNP emergency payments beneficiary. He was not sure of the reason for receiving these payments, but suspected that it was because of the drought. He found it easy to withdraw the payments at the local pay agent and did not have to travel far. Yusuf said that the payments were timely and helpful and suggested that, in the future, news of upcoming payments through mobile phones would be helpful. He used all of the transfers to buy food for his family. Given the small amounts, he did not have enough to share the cash. As Somali custom dictates, though, he did share food with others in the community and also received some in-kind support from other households. He suggested that larger, more frequent payments would be more useful to push him out of drought-induced hardship.

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### 3.4 HASSAN, SARMAN, WAJIR

Self-reported number of emergency payments received in the last six months: six payments

The main livelihoods in this community are livestock herding and retail business. This is a largely Somali community and the main clan here is Degodia.

Hassan is 30 years old and married with four children, one of whom is new-born. He has lived in this community since birth and knows it well. Hassan is the Imam of the local mosque and a *dugsi* (religious school) teacher or '*ma'alim*' for the community and earns income every month from instructing students. Apart from this, he has no other source of income and no savings. As he explained, '*I don't save any money because the income I earn is from hand to mouth; barely making ends meet*'.

According to Hassan, the drought started in August 2016 and ended in December 2016. Compared to earlier droughts, the recent drought was harsher as more animals in the community died due to shortage of pasture. This also resulted in some conflict between the Degodia and Garre clans who fought over water and pasture. The



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community suffered from the death of livestock, price inflation, and poor sales of livestock, affecting everyone's livelihoods.

At a personal level, Hassan's income was affected due to the drought. He used to receive KES 20,000 per month as *dugsi* fees but now only receives KES 5,000 as community members can no longer afford such high *dugsi* fees. Over the last two years, cycles of drought have led to a loss of livestock for his household: 25 of his goats died and he sold 17 goats at a lower-than-usual price of KES 2,000 during the recent drought. He is now left with only 28 goats and six camels.

Hassan reports receiving six payments of KES 2,500 each during the last six months. He does not understand why he received these payments and wanted the research team to explain this fully. He says that the village chief notifies him about the payments three days before they come, the same as everyone else in the village. Although he was able to receive the payments in most instances, he did once have to wait for a week because the agent did not have enough money. Hassan did not have to walk far to collect his payment; however, he lamented that *'I know I should receive KES 2,700 but the agent deducted KES 200 and I was given KES 2,500. It is not fair to deduct our money'*.

For Hassan, the emergency payments came at the right time, especially as his son was ill and needed treatment. He spent all of this money on his child's medicines and did not share the cash with anyone else. According to him: *'I treated my child with this money – he could have died because of a lack of medication'*.

When asked about frequency of payments, Hassan preferred larger, less frequent payments as he noted that, with more money, he could buy many more things.

## 4 Implications for policy and programming



Northern Kenya is prone to drought and other emergencies such as flooding. The current policy shifts toward harmonisation of cash transfer programmes under the NSNP, as well as the integrating of shock response with social protection using the HSNP, are steps in the direction of addressing this situation. Currently, all four cash transfer programmes under the NSNP are operating in the NEDI counties and are expected to contribute toward increasing the resilience of targeted households. More specifically, the HSNP has been operating in four of the 10 NEDI counties for almost a decade. All operational processes for the HSNP are now led by NDMA, with continued technical assistance from the DFID (including through the PILU).

Emergency payments under HSNP Phase 2 are expected to shield households from the negative impact of emergencies such as drought. Our research to date suggests that beneficiaries of emergency payments tend to value the transfers and feel they are timely, although they do not claim to understand the targeting mechanism well. The size, infrequency, and unpredictability of payments means their impacts at the household level are relatively constrained in comparison to the routine transfers: emergency payments are used to support basic needs but are insufficient to prevent serious depletion of productive assets, such as livestock, which is the most

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significant negative impact of drought in these pastoralist areas. Evidence produced so far for the HSNP Phase 2 evaluation suggests that emergency payments may have significant positive impacts on the local economy and ongoing research aims to investigate this hypothesis.

Moving forward, there are a number of considerations for the design and implementation of emergency payments for future phases of the HSNP.

## 4.1 CLARIFYING THE OBJECTIVE OF EMERGENCY PAYMENTS, INCLUDING A CLEAR THEORY OF CHANGE

The HSNP Scalability Guidelines<sup>35</sup> state the objectives of emergency payments as follows:

- Humanitarian response: To provide a fast and effective response to large proportions of the population during severe drought and other crisis events.
- Resilience cushion: To support the resilience of poor and vulnerable populations in response to regular, local climatic fluctuations.

The HSNP emergency payments model, as it stands, fulfils the first set of objectives – supporting basic consumption needs during an emergency through timely assistance – and the second in as far as it cushions these households, at least to some extent, from a shock-induced fall. However, it does not prevent them from falling.

Existing research in Kenya<sup>36</sup> already confirms that people overwhelmingly prefer cash support versus in-kind support during emergency responses. In a context of well-functioning markets, using cash to respond to emergencies is much more efficient than in-kind transfers, especially given the payments and other delivery systems infrastructure already built by the HSNP. However, in-kind transfers such as food aid may still be required in remote areas where markets cannot effectively respond to increased demand and/or in extreme emergencies where small amounts of cash may not be sufficient on their own to secure the food and dietary diversity needs of all households. Current data suggest that HSNP beneficiaries (both Group 1 and Group 2) still benefit from food aid in times of drought, but there is insufficient data to provide exact coverage of food aid provided through government and/or non-government channels. Nevertheless, emergency responses in the future are likely to require significant cash elements, and perhaps in some areas a combination of cash and in-kind transfers, to provide comprehensive coverage to affected populations in northern Kenya.

While supporting basic consumption is a valuable objective in its own right, HSNP emergency transfers on their own are not sufficient in building long-lasting resilience for poor households in northern Kenya. During droughts, emergency payments are useful and timely in supporting basic consumption but cannot by themselves change underlying labour market conditions or prevent asset depletion (during droughts, households may lose far more livestock than the total value of HSNP emergency payments received would allow them to replenish). The HSNP – and, indeed, social protection programmes more generally – thus needs to explore ways in which cash transfers

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<sup>35</sup> PILU (2016).

<sup>36</sup> See Merttens *et al.* (2013); Michelson *et al.* (2012).

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can support households with productive investments, but such programmes are just one mechanism among many that will consequently build resilience to future shocks. Expecting them to achieve too much on their own is a recipe for disappointment.

In the context of northern Kenya, many households need better ways to manage livestock before and after drought. Index-based livestock insurance and destocking programmes<sup>37</sup> represent two additional kinds of intervention that have the potential to further mitigate the impact of droughts on the core livelihoods of these communities. Recent evidence from Kenya using HSNP data suggests that the HSNP improves child health and helps households maintain their mobility-dependent livestock production strategies. At the same time, households with index-based insurance make productivity-increasing investments, reduce distress sales of livestock during droughts, and see a marked increase in income per adult equivalent<sup>38</sup>. There is thus a need to better link and coordinate these different types of support so that resilience of households is comprehensively built.

## 4.2 A MULTI-SECTORAL AND COMPREHENSIVE RESPONSE TO EMERGENCIES REQUIRES HIGH LEVELS OF COORDINATION

The above remarks, as well as other global evidence, suggest that building resilience to prevent and manage shocks requires a multi-pronged approach including support to households in the form of access to finance, insurance, skills training, adequate health and education services, as well as investments in infrastructure (transport, communications, energy, etc.)<sup>39</sup>. In the long term, social protection programmes such as the HSNP not only need to consider linkages with other support services but also be supported themselves by broader investments in other domains to ensure that poor households are able to build resilience toward persistent droughts in northern Kenya.

Such multiple responses require different levels of coordination among various line ministries and devolved governments, as well as development partners and non-governmental organisations. In terms of interventions at the household level (as opposed to infrastructure investments), fragmented, small-scale interventions implemented outside of government systems can be effective but are often difficult to scale up. There is sufficient evidence now to suggest ‘what works’ in improving socioeconomic outcomes and moving forward, and fundamentally stakeholders need to consider ‘how systems work’. The harmonisation of social protection programmes under the NSNP, as well as initiatives such as NEDI, are moves in the right direction. Improving the capacity of the NSNP to implement its various programmes, including collecting high-quality data (through the National Registry and the NSNP single registry) would help strengthen efforts toward a coordinated policy response to future emergencies. The HSNP is leading the way in this regard, with its significant donor

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<sup>37</sup> Destocking is aimed at removing affected animals before they become emaciated, lose their value, die, or pose a risk to public health. It enables pastoralists to salvage some capital from their livestock at risk, support families with cash to meet their food and other basic needs, relieve pressure on scarce water and pasture resources, and protect their livelihoods and strengthen the community’s ability to recover from the short- and long-term effects of the drought.

<sup>38</sup> Jensen *et al.* (2017).

<sup>39</sup> Banerjee *et al.* (2015).

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support from DFID, but improvements are ongoing and the other NSNP programmes remain some way behind in terms of operational capacity.

## 4.3 REVIEWING PROGRAMME DESIGN FOR EMERGENCY PAYMENTS

Once the objectives of emergency payments are clarified, it would be useful to review design features such as the size, frequency, and targeting of transfers to Group 2 beneficiaries. As indicated earlier, emergency payments are predominantly used for basic needs such as expenditure on food, with little saving or sharing of these transfers.

Evidence from the qualitative impact evaluation of the HSNP and from other studies<sup>40</sup> suggests that lump-sum cash transfers can allow households to spend money on productive assets such as livestock. This implies that an alternative or additional model for emergency payments might be one in which sizeable lump sums are delivered in a bid to positively impact household productivity as well as recovery from shocks (e.g. to support productive asset building). Notwithstanding budget constraints, such a model implies larger payments to fewer households and/or perhaps less frequent but larger payments in areas where basic needs are required to be met through food aid. It also implies perhaps new programme elements to be delivered alongside cash, such as skills development and access to further finance in the form of loans. There is not comprehensive evidence as to how far such 'graduation-style' programmes can work at scale, or how much they would cost and thus whether they are more cost-effective, but the point is that, if the aim of the programme is to fundamentally transform the condition of households in terms of their resilience to shocks, much more is required than the relatively small-size and unpredictable *ad hoc* emergency payments of the current form. The current emergency payments support resilience in as far as they prop up basic consumption in times of emergency but they do not appear to structurally address the vulnerability of the population.

Another alternative might be to implement guaranteed, blanket payments to whole populations at pre-specified given times of year, such as the historical drought months. This would eliminate the unpredictability and infrequency of the current model, and potentially allow households to better plan for additional uses of the transfers beyond basic consumption needs, such as for productive investments. Such blanket geographical targeting in response to extreme droughts could also reduce the challenges associated with targeting, given that the targeting mechanism for emergency payments is complex and weakly understood, especially at the household and sub-county levels (though the new harmonised targeting protocol piloted in Turkana may help improve this).

## 4.4 IMPROVING COMMUNICATION FLOWS WITHIN THE HSNP

We found levels of understanding of the aims and functioning of the emergency payments to be low among Group 2 beneficiaries, as well as chiefs and officials below sub-county level. This is likely hindering the impact of the payments as people cannot plan, do not invest in reciprocal support, and may face larger costs to receive their

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<sup>40</sup> Beazley and Farhat (2016).

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transfers. Recently, one of OPM's special themes<sup>41</sup> studies provided specific recommendations for improving communication:

- At the national level, FSD and PILU should coordinate to agree on a fixed payment date for all emergency payments and then implement a continuous communication strategy to ensure that that date is well known at the local level. This would involve setting out a clear protocol for a timely payment run, similar to the protocol for regular payments.
- PILU should share the recipients list for emergency payments with chiefs and assistant chiefs as early as possible in the payment process (i.e. without waiting for confirmation of the payment date); normally, the final payroll list is known a few days in advance of the payment date and it requires some time to get the lists to the chiefs.
- Communication channels between PILU at the national and county level should continue to be improved, e.g. through collection of missing phone numbers of chiefs and pay agents and the inclusion of assistant county commissioners or other relevant actors in the main towns. If possible, HSNP programme managers could follow up to check whether chiefs have disseminated emergency payment information through *barazas*.
- Compared to Group 1 beneficiaries, Group 2 beneficiaries are more likely to own mobile phones and have access to radio – one possible way of communicating more efficiently could be to send direct messages to beneficiaries both in advance of and on the day that payments are released to pay agents.
- Finally, refresher training to county stakeholders and community members including chiefs and rights committees on the targeting and selection of emergency payments recipients would be beneficial. If possible, this could incorporate the use of Information Education Communication materials with key messages on how the selection and targeting process works at pay points and chiefs' offices.

## 4.5 IMPROVING PROGRAMME DATA QUALITY

Numerous rounds of research (for programme M&E) have presented data quality issues in the HSNP MIS. These include inaccurate addresses and contact details, as well as disparities between HSNP MIS payroll data and beneficiary recall in terms of receipt of payments. While respondent recall does play a role in these disparities, this seems to be less of an issue for emergency payments given the small number of payments over a limited timeframe. Given the need for emergency transfers to provide quick assistance to the right beneficiaries at the right time, it is important for these data issues to be resolved. The HSNP is already implementing a rolling registration process, through which current household data will be updated on a periodic basis<sup>42</sup>. The data quality assurance system for this process represents a huge improvement on that which produced the Phase 2 registration data. Similarly, the programme updates and complaints and grievances systems that have been built and evolved during Phase 2 provide additional mechanisms by which to incorporate updates to the programme information on

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<sup>41</sup> OPM (2017a).

<sup>42</sup> The precise frequency of data updates (e.g. every two years, every four years, or however often) is not clear at the time of writing. However, the point is that such data need to be updated as regularly as possible in order to remain current.

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a rolling basis. Even further, this could potentially be supported through routine post-distribution monitoring of the programme, including of emergency payments. Efforts are already underway at PILU to build an internal monitoring system for regular payments to Group 1 beneficiaries. These could be expanded to include emergency payments to Group 2 beneficiaries. Collection of these monitoring data potentially provides another opportunity to update information on households (such as contact details), which could help in the implementation of emergency payments and the associated communications (such as communication of payments' release dates, the value of the transfer, etc.), as well as providing information on the potential or perceived impacts of the transfers (e.g. through gathering information on the use of transfers) and operational performance (e.g. occurrence of informal fees and fraud).

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# EMERGENCY PAYMENTS DEEP DIVE STUDY

## Annex A Methodology for primary data collection

Primary data collection was conducted over a course of two weeks in July 2017 in four sublocations across Wajir and Turkana. This was done using qualitative methods.

Key informant interviews were conducted with sample area chiefs and in-depth interviews were conducted with 20 randomly selected emergency payment recipients.

The study objective was to draw out a comparison of the current drought with previous droughts in relation to its scale and impact on recipients and their ability to cope with the shocks, the coping strategies employed by recipients in the past, present and their future drought-coping strategies, their use of the transfer, and their perception of how the HSNP compares with other social assistance programmes.

The research team specifically looked at the following key areas:

- **Community overview** – their perceptions on the main community livelihoods, ethnic groups, social relations and whether there were changes in the last two years, the timing of shocks including droughts during the last two years, and a comparison of recent drought with other shocks.
- **Household overview** – household composition, sources of livelihood, assets including livestock and whether there were changes in the last two years.
- **Impact of recent drought and coping mechanisms** – impact on household income, assets, livelihoods, health, emotional and mental wellbeing, and social relations.
- **Resilience** – community and household expectation of future shocks and planned coping strategies (if any); other social assistance programmes in play – which organisation, type of support, comparison to the HSNP, etc.
- **Operations** – Receipt of external transfers including the HSNP emergency transfer; timing of transfers and amounts, ease of access, communication from authorities, etc.
- **Use of HSNP emergency transfer** – when, how and where spent.

**Study team:** The field study comprised of six researchers comprised of two teams of three researchers each: these were two field supervisors, two interviewers and two notetakers.

**Sampling:** Two counties were selected for the purpose of this study – Wajir and Turkana. This was based on preliminary information suggesting that Marsabit had the lowest drought impact and Mandera had some security concerns. Within the two counties, the team selected the sublocations with the highest exposure to drought during December 2016 to May 2017, randomly selecting two sublocations in each county: one urban and one remote.

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**TABLE 5: SUBLOCATION SELECTION**

| HSNP COUNTY | URBAN SUBLOCATION | REMOTE SUBLOCATION |
|-------------|-------------------|--------------------|
| Wajir       | Leheley           | Sarman             |
| Turkana     | Nadapal           | Kalemunyang        |

**Selection of respondents:** Group 2 or emergency payment respondents in the sublocations sampled were stratified by the number of payments received between December 2016 and May 2017, dividing them into three categories: those receiving two payments or fewer; those receiving three or four payments; and those receiving five or six payments.

**TABLE 6: NO. OF INTERVIEWS BY EXPOSURE TO PAYMENTS\***

| SUBLOCATION | RECIPIENTS WITH TWO PAYMENTS OR FEWER | RECIPIENTS WITH 3–4 PAYMENTS | RECIPIENTS WITH 5–6 PAYMENTS |
|-------------|---------------------------------------|------------------------------|------------------------------|
| Leheley     | 3                                     | 3                            | 1                            |
| Sarman      | 2                                     | 2                            | 2                            |
| Nadapal     | 2                                     | 2                            |                              |
| Kalemunyang | 4                                     |                              | 1                            |
| Lodwar      | 1                                     |                              | 1                            |
| Total       | 12                                    | 7                            | 5                            |

Notes: \* Two interviews were conducted with emergency beneficiaries in Lodwar to test the research questions. Data are based on payments reported in MIS

**Field considerations:** It was difficult to locate respondents in Sarman as, during the household registration done by the HSNP, the sublocation named Sarman in Wajir and the Sarman in Mandera were accidentally merged together. We were therefore unable to find a large number of our sampled recipients in this area and had to find replacement respondents. This led to delays in fieldwork. Furthermore, rain in Lodwar cut off some villages in Kalemunyang, further frustrating the team's efforts in locating all the sampled respondents. In order to resolve this issue, we conducted snowball sampling in the field.

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## Annex B Additional payroll data analysis

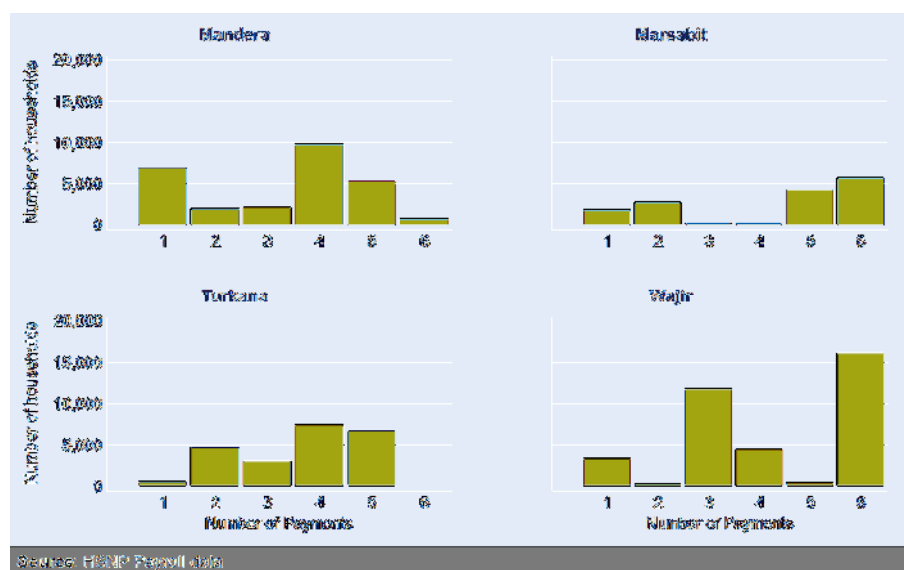
### B.1 DISTRIBUTION OF EMERGENCY PAYMENTS

TABLE 7: NUMBER OF EMERGENCY PAYMENTS DISBURSED IN RECENT DROUGHT PERIOD

| PAYMENT NAME        | MANDERA | MARSABIT | TURKANA | WAJIR   | TOTAL   |
|---------------------|---------|----------|---------|---------|---------|
| Nov 2016 scale-up   | 582     | 5,626    | 0       | 20,168  | 26,482  |
| Jan 2017 scale-up   | 17,420  | 9,836    | 16,632  | 35,425  | 79,313  |
| Feb 2017 scale-up   | 15,520  | 12,801   | 21,472  | 16,461  | 66,254  |
| Mar 2017 scale-up   | 5,830   | 9,841    | 21,473  | 16,493  | 53,637  |
| April 2017 scale-up | 19,385  | 13,952   | 6,849   | 13,432  | 72,618  |
| May 2017 scale-up   | 26,111  | 9,841    | 14,444  | 32,432  | 82,828  |
| Total               | 84,848  | 61,897   | 80,870  | 153,411 | 381,132 |

Source: HSNP payroll data

Figure 6: Average number of emergency payments disbursed per HH, by county



### B.2 COMPARISON OF GROUP 1 AND GROUP 2 HOUSEHOLDS

TABLE 8: CHARACTERISTICS OF GROUP 1 AND GROUP 2 HOUSEHOLDS

| VARIABLE LABEL | GROUP 1 MEAN | GROUP 2 MEAN | DIFFERENCE IN MEANS |
|----------------|--------------|--------------|---------------------|
|----------------|--------------|--------------|---------------------|

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|   |          |            |            |            |
|---|----------|------------|------------|------------|
| Household size  |          | 6.23       | 5.7        | -.537***   |
|   |          | SD=2.3     | SD=2.28    | SE=.08     |
|   | <i>N</i> | 2231       | 3748       |            |
| Age of household head   |          | 52.55      | 46.32      | -6.234***  |
|   |          | SD=16.09   | SD=15.44   | SE=.36     |
|   | <i>N</i> | 2230       | 3745       |            |
| Proportion of household that are over 60  |          | 9.17       | 6.34       | -2.829***  |
|   |          | SD=15.26   | SD=13.69   | SE=.31     |
|   | <i>N</i> | 2231       | 3748       |            |
| Proportion of household that are under 15   |          | 59.16      | 56.84      | -2.326***  |
|   |          | SD=20.19   | SD=20.96   | SE=.61     |
|   | <i>N</i> | 2231       | 3748       |            |
| Household dependency ratio  |          | 166.7      | 163.5      | -3.19      |
|   |          | SD=138.33  | SD=132.17  | SE=4.12    |
|   | <i>N</i> | 2135       | 3661       |            |
| Whether the household has any cash savings <sup>^</sup>   |          | 13.98      | 13.6       | -0.38      |
|   |          | SD=35.03   | SD=34.08   | SE=.99     |
|   | <i>N</i> | 2231       | 3747       |            |
| Whether the household saves via a formal bank account <sup>^</sup>                                  |          | 0.55       | 2.71       | 2.155***   |
|   |          | SD=7.5     | SD=16.14   | SE=.49     |
|   | <i>N</i> | 2231       | 3747       |            |
| Household head is female  |          | 40.78      | 32.39      | -8.397***  |
|   |          | SD=49.59   | SD=46.55   | SE=1.67    |
|   | <i>N</i> | 2230       | 3745       |            |
| Normalised PMT score  |          | -96.44     | 503.66     | 600.091*** |
|   |          | SD=231.51  | SD=1028.45 | SE=46.92   |
|   | <i>N</i> | 2231       | 3749       |            |
| Monthly total expenditure per adult equivalent adjusted for regional price differences <sup>^</sup> |          | 2620.99    | 3094.41    | 473.421*** |
|   |          | SD=1319.17 | SD=1839.96 | SE=74      |
|   | <i>N</i> | 2231       | 3747       |            |
| Monthly food expenditure per adult equivalent adjusted for regional price differences <sup>^</sup>  |          | 1954.31    | 2230.74    | 276.437*** |
|   |          | SD=1012.97 | SD=1254.72 | SE=45.33   |
|   | <i>N</i> | 2231       | 3747       |            |
| Highest grade achieved by household head  |          | 1.84       | 2.6        | .755***    |
|   |          | SD=5.74    | SD=4.9     | SE=.19     |
|   | <i>N</i> | 2230       | 3744       |            |
| Household owned any livestock in the last 12 months <sup>^</sup>                                    |          | 79.16      | 72.75      | -6.407***  |
|   |          | SD=41.03   | SD=44.27   | SE=2.21    |
|   | <i>N</i> | 2231       | 3747       |            |

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|  |          |          |          |          |
|--|----------|----------|----------|----------|
| Household owns a mobile telephone <sup>^</sup>             |          | 27.14    | 34.63    | 7.492*** |
|  |          | SD=44.92 | SD=47.31 | SE=1.78  |
|  | <i>N</i> | 2231     | 3748     |          |
| Household owns a radio <sup>^</sup>                        |          | 7.24     | 9.83     | 2.596**  |
|  |          | SD=26.17 | SD=29.6  | SE=.82   |
|  | <i>N</i> | 2231     | 3748     |          |
| Whether the household owns a productive asset <sup>^</sup> |          | 92.64    | 91.03    | -1.614*  |
|  |          | SD=26.36 | SD=28.43 | SE=1     |
|  | <i>N</i> | 2231     | 3747     |          |

Source: HSNP impact evaluation survey data, Feb – July 2016. Notes: \* =  $p < 0.1$ , \*\* =  $p < 0.05$ , \*\*\* =  $p < 0.001$ . <sup>^</sup> indicates characteristics that are not 'persistent' and therefore where any significant differences between the two groups may reflect differential exposure to HSNP transfers, and not underlying characteristics of the household.

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## Annex C Process review follow-up actions

As part of OPM's process review of emergency payments in 2016, the HSNP reviewed these findings together with the findings of the survey of 474 households carried out in 20 of the NDMA drought monitoring sentinels<sup>43</sup> and agreed upon the following potential areas for improvement and action points.

**TABLE 9: SUMMARY OF PROCESS REVIEW**

| ISSUES  | FOLLOW-UP ACTION  |
|---|---|
| <b>General issues amplified during scale-up</b>   |   |
| 1 County-level drought response managers need more information on how VCI works   | Ensure all county-level stakeholders are consulted on the rationale and operation of the current scalability guidance. This could involve a series of workshops in each HSNP county with stakeholders to explain how the current approach has evolved and agree on further evolution or measures to take to explain the approach more effectively to interested parties |
| 2 The Equity Bank service charter is not being implemented well across all service points   | Put in place a communication plan in the branches and among agents so that the charter is understood and complied with  |
| 3 Rights committee effectiveness varies greatly from place to place   | Ensure HSNP complaints and grievances policy and procedures can address issues arising during scale up.   |
| <b>Issues specific to drought scale-up</b>  |   |
| 4 The May formula for deciding on the geographic range of drought transfers (20% Equal Share (to all sub-counties); 40% Drought Status based on VCI status); 40% Population) proved to be more popular than the April formula for determining distribution; the latter did not recognise the need to balance community cohesion via 'fair' distribution | See follow-up action 1  |
| 5 County-level managers express an interest in merging top-down VCI-based geographic targeting with post-rains assessment methods   | See follow-up action 1  |
| 6 Service points are not maintaining liquidity especially in areas remote from county capitals during scale-up months   | Equity Bank branches to put in place plans to transport cash to remote locations in anticipation of demand generated by scale-ups   |
| 7 People are confused about the difference between Group 1 and Group 2 status based mainly on the   | Implement a stronger communication plan to explain the differences between groups 1 and 2 to the public in the four counties.   |

<sup>43</sup> PILU (2015).



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local observation that Group 2 households are often not better off than Group 1 households

Ensure a community validation stage is put in place before lists are finalised.

Review the current PMT-based household targeting system based on analysis of MIS data and data coming from the OPM evaluation with a view to simplifying the PMT in the short term

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- 8 A clear strategy for monitoring of emergency drought scale-up payments does not yet exist

PILU and donors to lobby NDMA to review of existing data collection systems to ensure they can be used to monitor drought-induced scale-ups. Support piloting the use of mobile phone (or other) instant reporting systems. Use of mobile phones will be improved by expanding the list recipient mobile phone numbers in the MIS. This could also be used to enhance NDMA Early Warning data collection systems

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- 9 A post-payment household survey was undertaken in July and August 2015 following the April and May scale-up payments. This provided a snap shot of who received a payment, how much and how it was spent. However, the quality of some of the data was poor

This post-payment monitoring needs to be standardised so that a standard monitoring report is provided after each scale-up. The speed and quality of data collection requires improvement to provide more robust monitoring, specifically:

- The survey should take place within one month of the payment date to ensure improved recall with the report provided within eight weeks of payment;
- Enumerators require improved training and supervision in completing questionnaires;
- Ensure household responses to NDMA Early Warning questionnaire can be cross-referenced with responses in the HSNP questionnaire