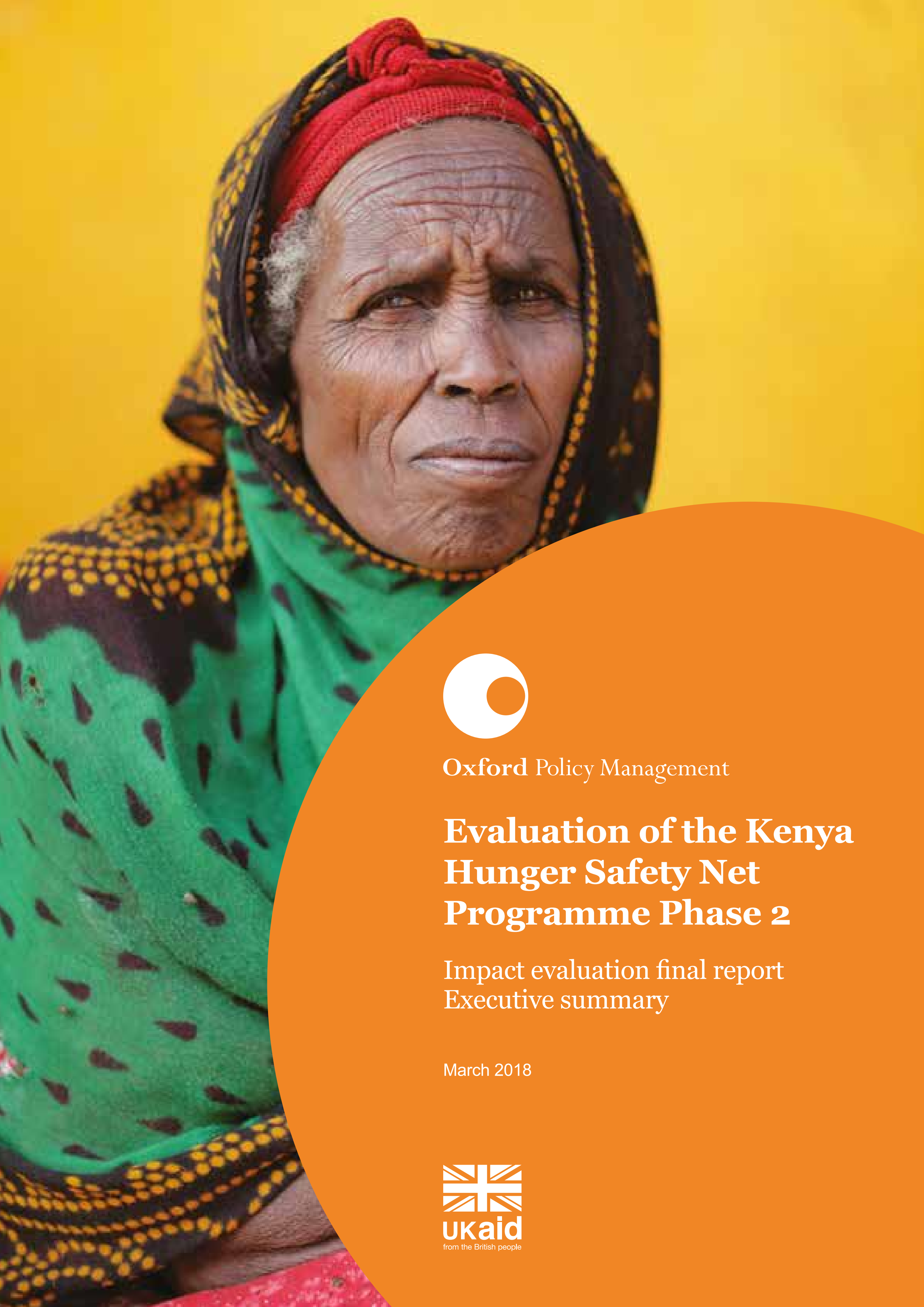

Oxford Policy Management

Evaluation of the Kenya Hunger Safety Net Programme Phase 2

Impact evaluation final report
Executive summary

March 2018

UKaid
from the British people

This evaluation has been carried out by Oxford Policy Management. The project manager and team leader is Fred Merttens. The other team members are: Roger Pearson, Caroline Riungu, Alex Hurrell, Clare O'Brien, Vandi Hill, Professor J. Edward Taylor, Karen Thome, Dr Michele Binci, Dr Patrick Nolen, Marta Marzi, Molly Scott, Hanna Laufer, Alastair Haynes, Dr Ramla Attah, Sope Otulana, Chris Hearle, Dr Emma Jones, Virginia Barberis, Shweta Bahri, Andrej Kveder, Martina Garcia Aisa, Andres Arau, Madhav Vaidyanathan, Lilli Loveday, Daniella Davila, Alexandra Doyle, Claire Gardner, Dr Rachel Sabates-Wheeler, Dr Sebastian Silva-Leander, Judith Sandford, Hendrik Lourens Van Nieuwenhuyzen, and Laura Giles. For further information contact **fred. merttens@opml.co.uk.**

The contact point for the client is Tim Waites **T-Waites@dfid.gov.uk**. Call down reference number: PO 6711; Framework reference number: PO 5859.

Oxford Policy Management Limited	Level 3, Clarendon House	+44 (0) 1865 207 300	
	52 Cornmarket Street	Fax	+44 (0) 1865 207 301
	Oxford, OX1 3HJ	Email	admin@opml.co.uk
Registered in England: 3122495	United Kingdom	Website	www.opml.co.uk

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All opinions expressed, and any mistakes, remain the responsibility of the authors: Fred Merttens, Michele Binci, Molly Scott, Virginia Barberis, Edward Taylor, Karen Thome, Ramla Attah, Sope Otulana, Chris Hearle, Emma Jones, Alastair Haynes, Hanna Laufer, and Johanna Wallin.

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EXECUTIVE SUMMARY

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Introduction

This document presents a summary of the findings from the Final Impact Evaluation Report of the Hunger Safety Net Programme phase 2 (HSNP2).

The Impact Evaluation (IE) consists of three sub-components: qualitative research conducted over multiple rounds; a quantitative household IE based on a single round of data collection; and a Local Economy-Wide Impact Evaluation (LEWIE) to assess the effects of the CTs at the local economy level. These components have been combined using a mixed-methods approach to provide a nuanced assessment of the programme that brings more depth of understanding than any single approach could deliver by itself.

This summary provides some background to HSNP2 and its IE. It briefly presents the methodology and data sources for the IE, it then explains our key findings, drawing from all components of the mixed-methods approach. It concludes with a short discussion of the results and their implications for future programming.

The Hunger Safety Net Programme

What is the Hunger Safety Net Programme (HSNP)?

The HSNP is an unconditional cash transfer programme that focuses on households living in extreme poverty in four arid counties of Northern Kenya. It is currently in its second phase. The pilot phase took place between 2007-2013. Phase 2 will run from 2013-2017.

Who implements the HSNP?

HSNP is implemented by the Government of Kenya, with support from the UK Department for International Development. Within the government of Kenya, the National Drought Management Agency (NDMA) is responsible for leading on Phase 2 of HSNP.

Where does HSNP operate?

HSNP operates in Mandera, Marsabit, Turkana and Wajir.

Average regional temperature **28.3C°**

Average regional rainfall **500mm per annum**

Turkana

71,598 km^2

Population **855,399**

Households registered for HSNP **137,534**

Poverty level **93%**

Households targeted to receive routine HSNP payments **39,918**

Marsabit

66,923 km^2

Population **291,166**

Households registered for HSNP **55,701**

Poverty level **80%**

Households targeted to receive routine HSNP payments **20,346**

How do people collect their money?

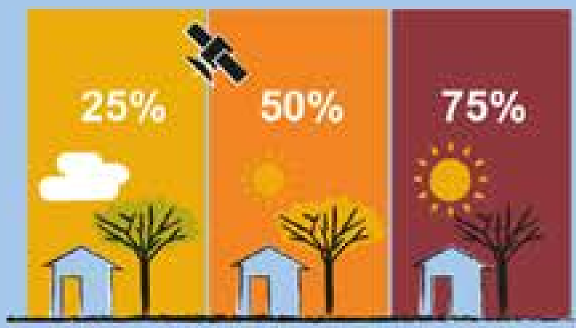
Recipients are issued bank cards. Transfers are paid straight into households' bank accounts on the fifth day of the first month of each payment cycle. To access the cash beneficiaries have three options.

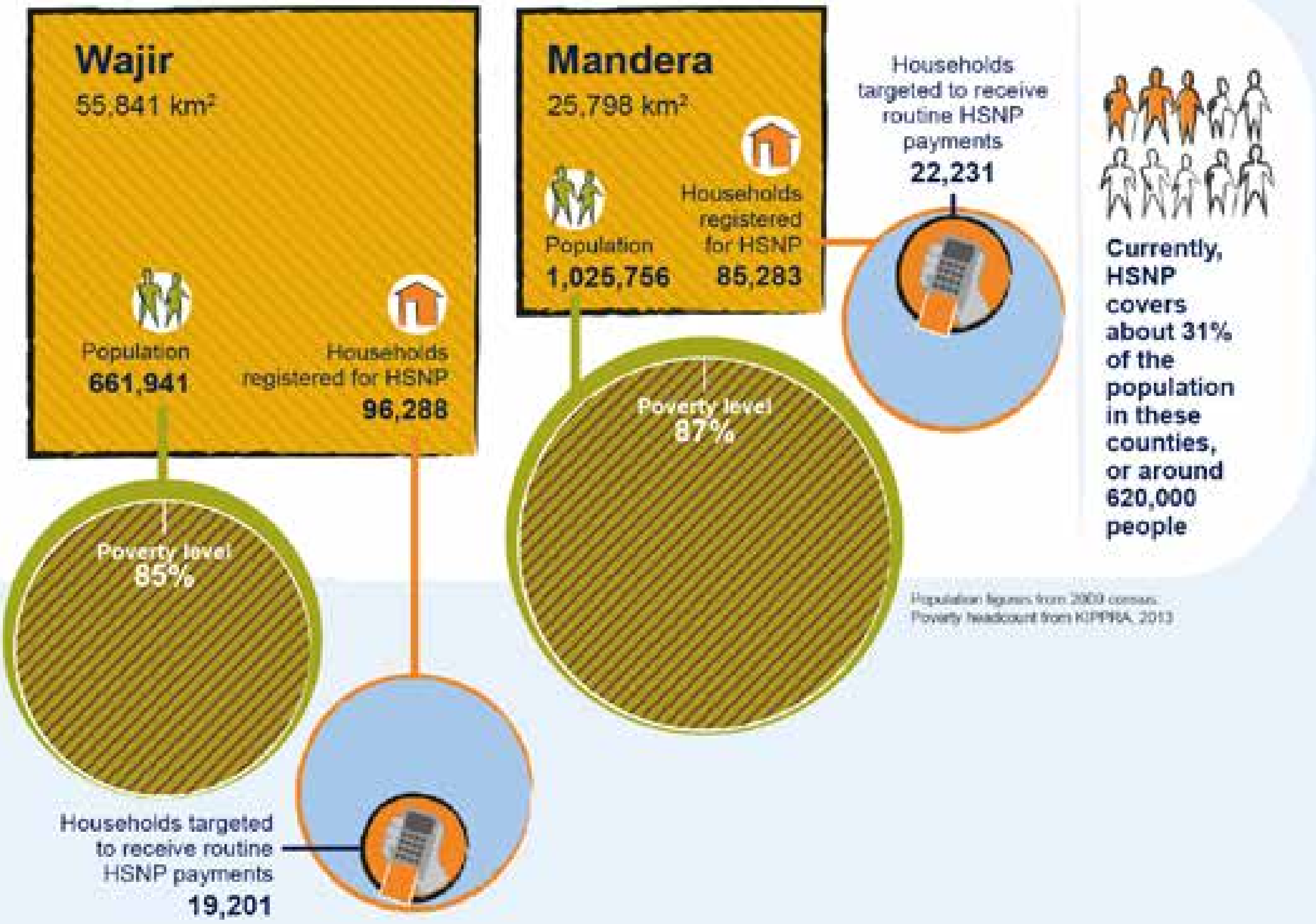
1. Use their bank card at Equity payment agents based in local shops. This is by far the most common.
2. Use ATMs at any bank
3. Collect their money over the counter at the nearest Equity branch

This graphic was produced as part of an independent evaluation of the HSNP

How does HSNP work?

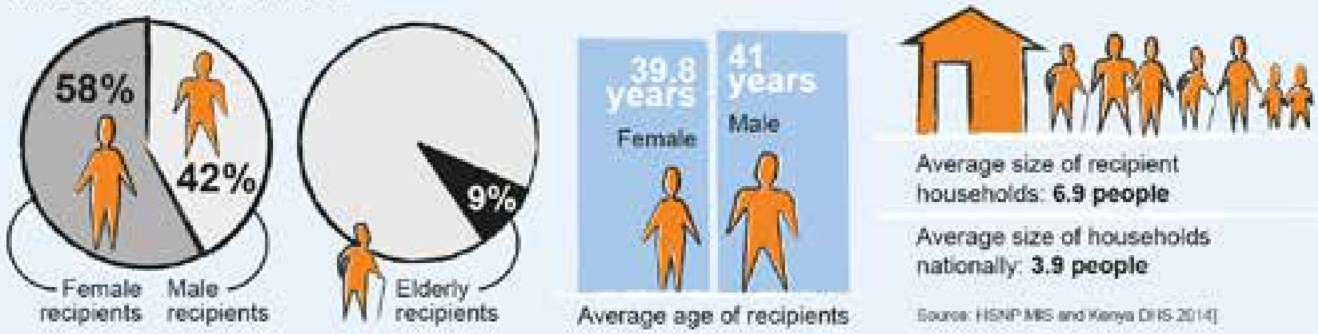
All households in the four counties have been registered for bank accounts with Equity Bank. The HSNP provides regular cash transfers to 100,000 households, which represents about 25% of households in the region. The transfers are worth 5,100 Ksh and are paid every two months. NDMA monitors drought conditions by satellite. If these reach severe levels in any given month, an additional 25% of households in drought-affected areas receive a one-off ' emergency' payment. If conditions worsen to extreme levels, then coverage increases to 75% of all households.





Population figures from 2009 census.
Poverty headcount from KIPPRA, 2013

Who are HSNP beneficiaries?



Source: HSNP MIS and Kenya DHS 2014]

The HSNP2 Impact Evaluation

An independent evaluation of HSNP2 has been commissioned by DFID; it consists of four components:

- a mixed-methods impact evaluation (IE);
- routine operational monitoring;
- a selection of policy analyses; and
- a communications and learning workstream.

The IE of HSNP2 uses a mixed-methods approach. This means that we combine different qualitative and quantitative approaches to address the evaluation questions. The quantitative component consists of a household-level IE and an assessment of impact at the local economy level through an innovative 'LEWIE' (Local Economy-Wide Impact Evaluation) model. The qualitative component of the evaluation employs multiple rounds of data collection, using participatory methods and each focusses on different themes and topics.

- The LEWIE is a method for estimating the impact or 'multiplier effect' of HSNP2 on the local economy. The multiplier effect arises as HSNP2 beneficiaries spend their CTs, thereby spreading cash and potentially other benefits to the surrounding economy. Estimating the multiplier effect implies answering the question 'For every shilling injected into the local economy through HSNP, how much more money is generated by the local economy as a result?'

- The quantitative methodology for assessing impact at the household level is based on a combination of 'quasi-experimental' IE approaches that seek to estimate programme impact by constructing a suitable comparison group for the households that received CTs through HSNP2. The two approaches used are a Regression Discontinuity (RD) design together with a Propensity Score Matching (PSM) analysis.

- The qualitative research uses a range of participatory methods to provide: an understanding of the programme context; an understanding of the processes that produce outcomes of interest to the evaluation; an assessment of impacts that are difficult to measure quantitatively; enable triangulation and validation of the quantitative findings and provide depth to those findings; and to give an insight into longer-term impacts.

The evaluation is based on a sequenced approach. The quantitative and qualitative components were conducted in turn to allow each strand of research to build on the emerging themes, hypotheses and findings of the strand that preceded it, and to inform subsequent evaluation activities. The timeline of our evaluation research activities is presented in Figure 3 below. Whilst each individual component of the IE represents a valid independent source of standalone evidence, the various methods have been designed with synthesis in mind. By combing the evidence coming from each method, we provide a nuanced assessment of the programme that brings more depth of understanding than any single approach could deliver by itself.

The design of the mixed-methods IE is based on the principle that there is no leading method within our suite of approaches. We consider each evaluation method to have its own qualities, strengths and limitations, with different methods being relatively more or less suitable to answer different kinds of question. Following Onwuegbuzie and Johnson (2006), we appraise each source of evidence to consider which of the impact evaluation approaches provides the most trustworthy and detailed evidence in relation to each given question. We use evidence from the chosen evaluation approach to build the primary results narrative of impact for the theme in question, supplementing this with evidence from other methods as relevant, to add depth and nuance to the findings.

Timeline of the Hunger Safety Net Programme impact evaluation

HSNP I
HSNP first started paying beneficiaries in September 2009. The initial value of the transfer was KES 2,150 paid every two months to some 69,000 households. Over time, the value of the transfer has increased to account for inflation.

For phase II 383,235 households were registered by the programme between December 2012 and June 2013, creating a database containing information on almost the entire population of the four HSNP counties.

HSNP II
The first payments to HSNP Phase 2 beneficiaries began in March 2014. At that time the programme provided a transfer of KES 4,900 every two months to around 100,000 households. The value of the transfer has since risen to KES 5,400.

2009 · 2010 · 2011 · 2012 · 2013 · 2014 · 2015 · 2016 · 2017 · 2018

Quantitative research

Baseline survey
Conducted in 48 sub-locations. 5,108 households took part in the survey, including both beneficiary and non-beneficiary households.

Follow-up survey
4,637 households were re-interviewed 12 months after the baseline data collection.

Final survey
For the final round of data collection only beneficiaries were interviewed, with 2,436 households taking part in the survey two years after baseline.

Qualitative research

Baseline study
Focus Group Discussions (FGDs), Key Informant Interviews (KIIs), and a Qualitative household Panel Survey (QPS) were conducted in 32 sub-locations.

Follow-up study
78 FGDs, 92 KIIs and 115 QPS undertaken in 16 sub-locations.

Final study
The final round covered 8 sub-locations and comprised 32 FGDs, 40 KIIs and 16 QPS. It focussed on the impacts of the cash transfers on the local economy and the education experience of beneficiary children.

Quantitative data collection
A total of 5,980 households were interviewed across 187 sub-locations. A business survey and livestock trader survey were also undertaken in the main trading centres across the four counties.

Qualitative research

First round
72 FGDs, 112 QPS and 53 KIIs were completed to provide contextual information and depth to the impact areas being assessed quantitatively.

Second round
62 FGDs, 45 KIIs and 81 household interviews were conducted for a special study on the opportunities and risks facing youth in the HSNP counties.

Final round
The final round focusses on HSNP beneficiaries that have received lump-sum payments from the programme in order to understand the specific impacts, opportunities and issues that they experience.

Whilst the analytical approach outlined above has been designed to provide a comprehensive assessment of the impact of HSNP2, there remain a number of methodological limitations that should be kept in mind when interpreting our results:

- Quantitative impact estimation at the household level is likely to be underestimated, given that the programme has had considerable indirect benefits to non-beneficiary households in the form of raised incomes.

- The RD estimation is likely to provide imprecise estimates of programme impact. Our RD estimates are derived by comparing households either side of an eligibility cut-off score for receiving the programme. However this cut-off does not perfectly determine who receives the programme, and we find a considerable proportions of household below this cut-off who have not received any transfers, as well as those above the cut-off who have. This mixture of actual CT recipients and non-recipients around the cut-off that the RD method exploits means, in practice, that although our results will not be systematically over- or under-estimated, they may be estimated imprecisely.

- Sampling for the qualitative IE was designed to select research sites and informants based on specific attributes of interest. Thus, qualitative data is not statistically representative of the HSNP counties or the HSNP2 beneficiary population

- The results of the LEWIE estimation may be model-dependent. The LEWIE results, like those from any model, are dependent on the particular model calibrated and parameter values estimated for it, and the model of the economy we construct is necessarily a simplification. However, parameters have been validated by running sensitivity tests. The LEWIE model we developed was found to perform extremely well in these tests and is not sensitive to small changes in the specification of the model.

Impact Evaluation findings

To situate these findings, we note that our results often show a clearer narrative emerging from the qualitative findings than the quantitative.

The quantitative findings are mixed. For a few domains this evidence does present a clear picture, but for others the results are ambiguous and less easy to interpret. In general, we observe that the RD approach (which estimates impact for households targeted to receive transfers, regardless of whether or not they actually did so) does not return evidence of programme impact for most indicators. But the PSM approach, which considers the impact on actual HSNP2 beneficiaries who are receiving transfers, does tend to find evidence of stronger programme impacts. These PSM findings are broadly in line with the qualitative results for the indicators for which we find an impact.

Understanding our quantitative results and their significance level.

Some key quantitative results are presented in graphs to illustrate the separate RD and PSM results. When these estimates of impact are statistically significant, this is visually represented in the graph with the use of asterisks reflecting different significance levels: * Significant at the 10% level, ** Significant at the 5% level, and *** Significant at the 1% level. In technical terms, the significance level is the probability of rejecting the null hypothesis when it is true. In our case, a significance level of 0.05 attached to an estimate indicates a 5% risk of concluding that HSNP2 had an impact on the outcome indicator of interest when there was no actual impact.

The effects of HSNP2 reach beyond its immediate recipients. The presence of such effects on households not directly targeted by CTs is known as a positive 'spill-over'. The programme generates a considerable positive spill-over effect that serves to increase overall incomes in the local economy.

The provision of routine of CTs to roughly 100,000 beneficiaries every pay cycle, plus periodic emergency CTs to additional households, represents a significant injection of cash into the local economy. This leads to a significant income multiplier due to HSNP2, of between 1.93 and 1.38 KES, meaning that for each KES injected into the economy by HSNP2, overall income rises by an additional 0.93 to 0.38 KES (the lower bound of the multiplier estimate is given by accounting for possible inflationary effects of the transfers).

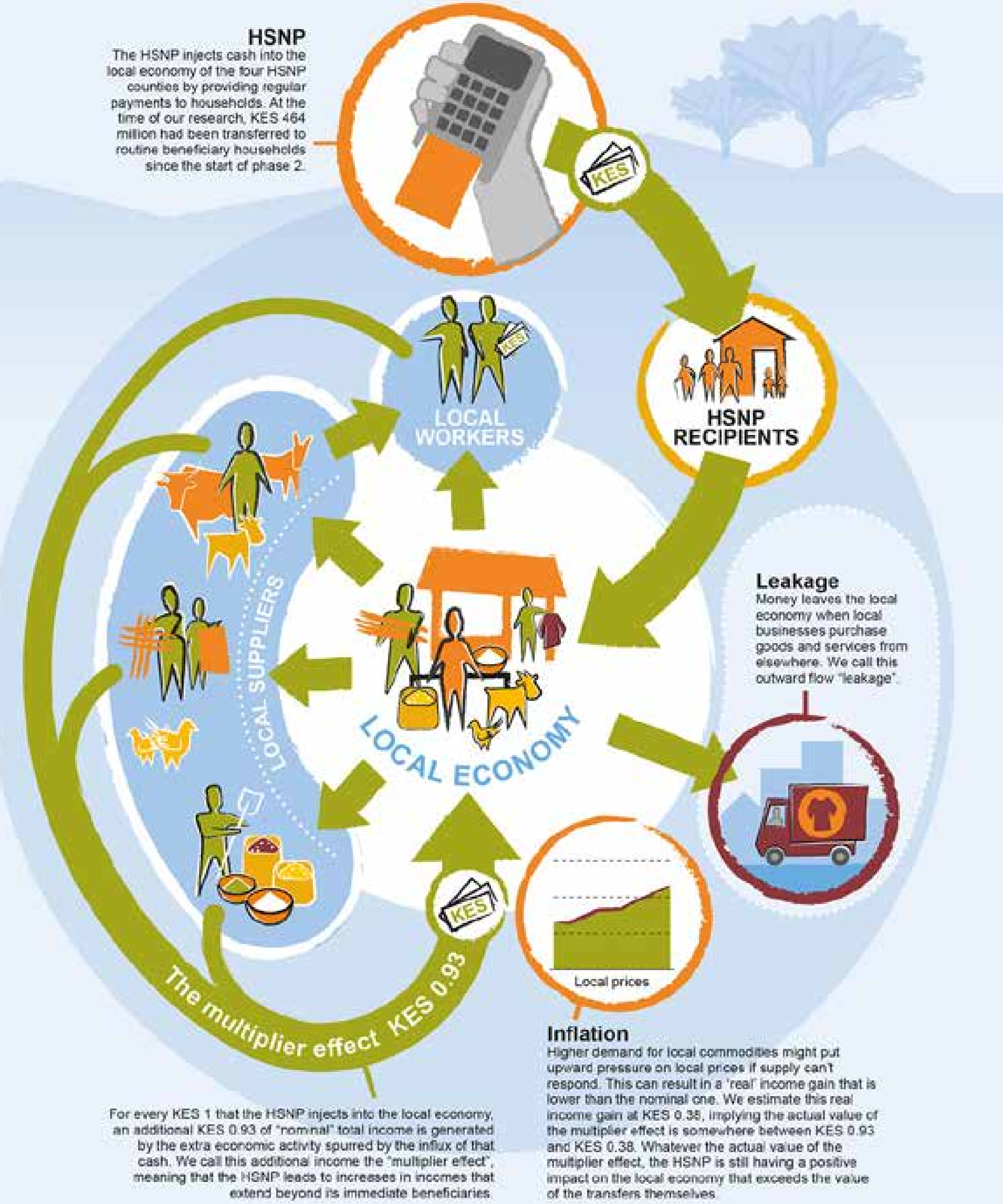
In cash terms, one can say that the KES 464 million transferred to households each routine pay cycle increases local incomes by somewhere between KSH 856 and 945 million in nominal terms, and by between KES 624 and 661 million in real or inflation-adjusted terms.

The finding that overall incomes rise by up to almost as much as the initial amount of cash provided by HSNP2 (in nominal terms) is a striking result. It shows that the benefits of CTs extend widely through the HSNP counties. This phenomenon occurs through the spending of CTs by beneficiaries, which in turn causes cash and other benefits to be spread to other households and businesses within the local economy.

Local Economy-Wide Impact Evaluation (LEWIE)

HSNP

The HSNP injects cash into the local economy of the four HSNP counties by providing regular payments to households. At the time of our research, KES 464 million had been transferred to routine beneficiary households since the start of phase 2.



Leakage

Money leaves the local economy when local businesses purchase goods and services from elsewhere. We call this outward flow "leakage".

Inflation

Higher demand for local commodities might put upward pressure on local prices if supply can't respond. This can result in a 'real' income gain that is lower than the nominal one. We estimate this real income gain at KES 0.38, implying the actual value of the multiplier effect is somewhere between KES 0.93 and KES 0.38. Whatever the actual value of the multiplier effect, the HSNP is still having a positive impact on the local economy that exceeds the value of the transfers themselves.

For every KES 1 that the HSNP injects into the local economy, an additional KES 0.93 of "nominal" total income is generated by the extra economic activity spurred by the influx of that cash. We call this additional income the "multiplier effect", meaning that the HSNP leads to increases in incomes that extend beyond its immediate beneficiaries.

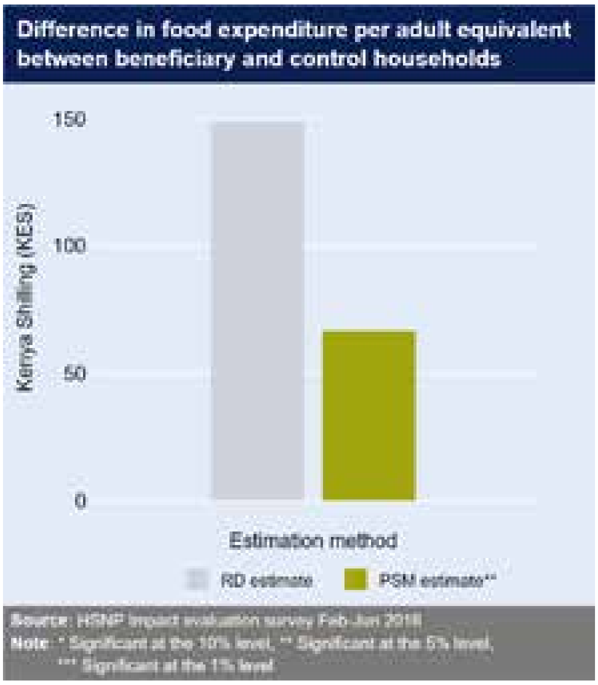
The existence and extent of this income multiplier indicates that CTs are predominantly spent on goods and services purchased within HSNP2 counties rather than outside. The qualitative IE provides support for this view, highlighting that HSNP2 'pay days' often coincide with lively local market days, with vendors and traders gathering around pay points, and beneficiaries spending a large portion of their CT as soon as they receive it. Therefore, local trade is stimulated around pay days, enabling the HSNP2 transfers to confer indirect benefits on local suppliers and producers, which leads to the overall income multiplier effect that we observe.

> *I personally benefit because once they receive it [the HSNP CT], they come to eat here, since if they get the money they must eat. Even if I don't receive the money [the HSNP CT], they buy food from me and thus I benefit.*
>
> —Trader in Lodwar Town, Turkana

HSNP2 effectively fulfils its function as a safety net, supporting vulnerable households to improve their wellbeing and alleviate the worst effects of poverty.

The core objective of HSNP2 is to mitigate extreme poverty and vulnerability for the poorest households. Our results show that the provision of regular and predictable HSNP2 transfers leads to increased food expenditure (see Figure 1) and increased ownership of livestock, which is the dominant source of livelihood in the HSNP counties.

Figure 1 The HSNP2 impact on household food expenditure per adult equivalent



We also find a small but tangible impact on poverty, with the small magnitude of this measured impact possibly due to the extent of the spill-over effects that CTs generate on overall incomes within the economy.

The qualitative research also points to a meaningful improvement in the subjective wellbeing of HSNP2 recipients. In the sites visited, discussions about the prevalence and nature of poverty with community leaders and members (including HSNP2 beneficiaries) often began with the narrative that 'we are all poor here.' However, as a male routine beneficiary in Marsabit explained, HSNP allowed a simple change in his household that made him feel as though his family was now better off:

> *There is a big difference. We even have enough cups at home now. Unlike previously, when we used to drink our tea in shifts. Some of us now even sleep on mattresses.*
>
> — Male routine beneficiary in Marsabit

The programme also had a modest impact on some indicators of food insecurity. Both routine and emergency beneficiaries interviewed for the qualitative research indicate that HSNP2 has enabled their household to increase the number of meals eaten per day and reduce levels of food insecurity. However, the quantitative results on food security are mixed. In terms of dietary diversity, the findings show that the HSNP2 does support households to achieve more varied diets. However, this effect is mostly only sustained for the first few days after the CT, after which most of the transfer has generally been spent.

> *Before, maybe they [beneficiaries] lived on maize only, but now they can supplement their meals. They buy some rice and some other foodstuffs and also they can now afford to eat three meals a day.*
>
> —Teacher, Marsabit.

In addition, HSNP enables households to improve their creditworthiness. This is significant because the ability to combine cash spending with purchases on credit allows beneficiaries to better sustain consumption levels throughout the payment cycle.

Importantly, beneficiary households also report an improvement in non-monetary measures of wellbeing. Across counties we heard numerous descriptions of how the transfer has buoyed beneficiaries' spirits, reduced stress and increased overall happiness. For some, being an HSNP beneficiary has also improved their standing in the community. It has enabled them to contribute to reciprocal support structures and even improved their physical appearance through new clothing and use of hygiene products.

The impacts of HSNP2 on supporting livelihoods, building resilience and facilitating investment in assets are more piecemeal and not experienced by all households. Wealthier households appear more likely to benefit in this regard, indicating that routine CTs have diverse impacts for different kinds of household.

The largest impact of HSNP2 CTs at the household level is to support beneficiaries to increase consumption and meet their immediate needs. We find that it is less common for beneficiaries to use CTs to help finance longer-term investments in productive assets or livelihoods activities. Such productive expenditures generally remain unavailable for the very poorest households, who tend to be focussed on securing their basic needs.

This means that, first and foremost, HSNP2 functions most effectively to provide social assistance for households living in extreme poverty. This said, there is evidence that the HSNP does enable some households to move onto a more sustainable livelihoods paths in the longer-term, by diversifying their sources of income, investing in productive assets and building their resilience to future shocks.

There is also some evidence that HSNP2 has enabled some households to set up new business ventures and it has increased the profitability of businesses in the local economy.

The businesses set up by HSNP2 beneficiaries tend to be small-scale activities in areas with low barriers to entry, such as selling vegetables and small food items in villages. And there are considerable differences in the kinds of businesses undertaken by men and women. Businesses started by women are often focussed on selling food items, such as rice, sugar, beans and vegetables. While for male beneficiaries there tends to be greater diversity of business types, such as and including boda-boda (motorcycle) services, welding businesses, hardware kiosks, and livestock trading.

Regarding business productivity, the LEWIE model points to positive and significant impacts of HSNP2 on gross output of businesses in most sectors, captured in the form of 'production multipliers'. A production multiplier estimates the change in the output of an industry or sector brought about by the changes in local supply and demand due to HSNP2. Across the four HSNP counties we find the largest productivity gains to the retail sector. Here, for each 1 KES injected into the economy by HSNP2, the retail sector generates an additional 0.46 KES in the value of production. Across other sectors we also find several positive production multipliers, the livestock and crop sectors, petty trading, food processing and the services sector. We don't find a significant production multiplier impact on every forms of production, and we observe a slight negative effect on transport (KES -0.03).

HSNP2 is supporting households to increase their resilience to negative shocks, such as drought.

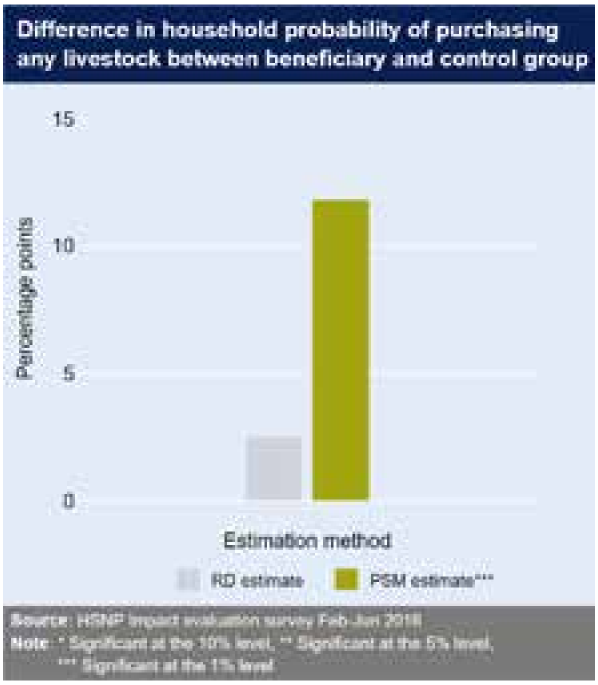
We find a large and significant impact on beneficiary households' creditworthiness. This enables households to better maintain consumption levels in the event of a negative income shock.

> *Before, I used to only buy half of something. Now I buy the full size and pay off my debt for the other half."*
>
> —Male emergency beneficiary, Mandera

However, HSNP2 does not generally appear to improve the ability of households to prepare in advance for shocks (such as by saving money or planting drought resistant crops). These 'insurance' strategies generally remain unavailable for very poor households, who are focused on securing their day-to-day needs.

Nonetheless, we do find evidence of a positive impact on asset accumulation. The PSM results show a 4.5 percentage point improvement in households' ownership of livestock, and a small increase in productive assets ownership (1.4 percentage points from a very high base); though the RD results on these indicators are not significant. The apparent impact on livestock ownership seems to be driven by increases in livestock purchases during the last 12 months, of around 12%, rather than a decrease in sales, for which we find no impact in the quantitative IE.

Figure 2 The HSNP2 impact on the household probability of purchasing any livestock during the last 12 months



The focus of HSNP2 is on poverty alleviation and raising household wellbeing, and as such it did not have specific objectives around social norms and community dynamics. Nonetheless, the introduction of cash within communities has led to greater peace and unity within households and communities.

At the community level these changes are partly attributed to a strengthening of informal support networks, as routine beneficiaries are better able to support relatives and neighbours in times of need.

> *The hatred that was there before was due to poverty. People used to steal some time ago because they are poor. But today, this money has improved people's living standards.*
>
> —Male routine beneficiary, Goromuda, Marsabit

The HSNP2 operates within a context where traditional gender roles and decision-making are entrenched. However, there are signs of incremental changes around women's empowerment, which the HSNP appears to be contributing to. These include greater participation in livelihoods activities by women, and increased autonomy for female HSNP-beneficiaries.

Changing social norms and relations in HSNP counties

Gender Relations

Patriarchal cultural and social norms prevail in the four counties. However, HSNP is contributing to emerging notions of women's empowerment.

There is a clear division of labour in northern Kenya. Women are in charge of household chores and perform much of the unpaid work, while men are mainly responsible for income generation and decision-making.

Awareness of women's rights is growing, encouraged by NGOs. HSNP contributes to women's empowerment by increasing women's purchasing power and improving their status within their household.

Many men feel threatened by new forms of female empowerment.

"Women are busy with family issues, like taking care of the kids. Men have been mandated to be our leaders by our religion"
– Female HSNP beneficiary, Wajir

"A long time ago we made our own decisions, women followed instructions. But nowadays we share decisions with them"
– Male HSBP beneficiary, Marsabit

"Women are concerned with decision making because they have heard of these so-called ' women's rights'. They even want to rule us now!"
– Male HSNP beneficiary, Wajir

"The husband decides how money is spent. We women just follow and agree on what they say"
– Female HSNP beneficiaries, Turkana

"People believe that single women like me cannot survive. But we can survive"
– Female HSNP beneficiary, Mandera

"My wife is just at home mostly. She holds no leadership position anywhere"
– Male Routine Recipient, Turkana

Community

By easing some of the negative effects of poverty, HSNP strengthens the social support networks that exist in communities.

Most HSNP beneficiaries share the transfer with their neighbours and relatives, often supporting those that previously supported them.

"The relationship between me and my friends has changed since this money began. They now respect me. They know that I can help them"
– Male HSNP beneficiary, Mandera

"Everyone is happy about this programme because even if you are not a beneficiary your neighbour assists you"
– Female HSNP beneficiary, Mandera

"I give support to others when they face problems because I might require assistance one day"
– Female emergency payments recipient, Mandera

Households

HSNP has created more peace and unity within the household

With less pressing need to earn money, there is generally less stress in the household

"My wife and I love each other more and more because we get this HSNP money"
– Male HSNP Beneficiary, Mandera

"HSNP has installed happiness in the family, as we are now able to meet needs that we couldn't before"
– Male Emergency Recipient, Mandera

"All is well. Because of the money people receive from HSNP, there are no more conflicts due to inadequate food in the home"
– Sub-location chief, Marsabit

Impacts of HSNP2 vary between routine and emergency beneficiaries, in line with the different objectives that the two transfer types were designed to address.

The emergency payments component of HSNP2 was conceived to respond to the specific challenges households face in the event of a negative climate shock such as drought. In line with these differences in the objectives of the emergency transfers compared to those of the routine transfers, our evidence shows that the impacts of the two kinds of transfers differed in practice. Emergency beneficiaries are more likely to spend their CTs almost solely on meeting immediate household needs, and less likely to make investments in productive assets or business enterprises.

The reasons for this difference include the lower value of emergency CTs (equal to one month's worth of a routine CT), and the fact that they are less frequent and less predictable than routine payments. This irregularity of emergency payments, and the fact that households cannot anticipate in advance who will receive them, makes it more difficult for beneficiaries to factor CTs into their spending plans. Given that emergency payments are also paid out in situations of climate-shock, emergency beneficiaries are also more likely to have short-term spending priorities that take precedence over longer-term investment plans.

HSNP2 transfers are not sufficient to meet all immediate household needs and do not replace existing sources of income.

Although the income effects of HSNP2 at the local economy level are significant, they do not imply that the transfer value is sufficient to meet all household needs. On average the monthly transfer value accounts for around 43% of household monthly food expenditure, and 32% of total expenditure per month[1]. The qualitative IE shows us that HSNP2 transfers act primarily as a safety net to support household income and insulate households from the worst effects of negative income shocks, but are too small in value to wholly replace traditional sources of income.

> *The [amount] given every 2 months is not enough and can't cater for everything; maybe items like sugar, milk, tea leaves and so on. It prevents someone from hustling… [but] you need to still rely on your old ways of getting income.*
>
> —Community leader, Mandera

[1] Source: OPM quantitative household survey. These figures represent the monthly transfer amount (2700 KES) normalised to the per adult equivalent amount, as a proportion of total monthly expenditure and food expenditure, per adult equivalent.

Conclusions

The core aim of HSNP2 is to reduce poverty and disadvantage in four northern counties of Kenya. This is an ambitious objective in a context where poverty is deeply entrenched and has multiple complex causes.

Overall, our mixed-methods IE of HSNP2 shows that the programme has achieved meaningful success in meeting this primary aim. We find that the CTs serve as an effective safety net for the poorest, helping households that have very few other means of protecting themselves to alleviate the worst effects of poverty. The ability of this programme to support households to achieve a certain minimum level of consumption is a significant result given the scale of the challenge. We also find a substantial 'spill-over' effect of HSNP2, causing its impact to extend beyond its immediate beneficiaries and to raise incomes in the local economy as a whole.

Nonetheless, this evaluation also reveals a nuanced set of results. HSNP2 has not unequivocally achieved all its aims, and poverty remains an endemic issue throughout the HSNP counties. HSNP is not going to solve the problem of poverty by itself. Rather, it is one crucial part of a platform of interventions that will be required to combat this entrenched and structural challenge in northern Kenya. Our results suggest that HSNP is most effective as a means of helping households to meet their immediate consumption needs, with the impact on supporting a longer-term transition toward more sustainable livelihoods and resilience being more limited. In the environment where HSNP2 operates households continue to face ongoing, complex challenges in their daily lives in spite of receiving CTs, though these are making a real and tangible difference to the quality of those lives.

Implications for policy

As NSNP programming continues to develop and scale-up across Kenya, there are a number of implications that we can draw from these findings to inform future programming.

The fact that HSNP2 is having significant positive spill-over effects on the local economy suggests significant value for money, which should be acknowledged when assessing the overall cost of the programme. Another study conducted as part of this evaluation provides a detailed assessment of programme costs;[2] however, the wider benefits of the programme beyond its immediate recipients are not included in the calculation of the metric used by that study (and commonly used in assessments of costs of social assistance programmes of this type) to measure cost efficiency. HSNP is shown to be benefiting the local economy as a whole, and so one question for future research is the extent to which the local economy as a whole is being made more resilient to adverse economic fluctuations as a result of HSNP.

Many of the beneficial effects of HSNP2 identified by this IE depend to a large extent on the reliability and predictability of the payments. Results from other studies conducted as part of this evaluation show that the positive reputation the programme has built up over time vis-à-vis delivering payments regularly and on time is now at risk.[3] It is vital that the programme gets back on track and sustains its payments delivery record in order that the objectives of the programme can continue to be met and the important positive impacts it has achieved can be sustained.

The impact findings show that for most households, and especially the poorest, the HSNP2 transfers are overwhelmingly spent on basic household needs, such as food consumption. HSNP2 aims to reach the poorest households but multiple successive assessments of programme targeting performance conducted by

[2] Bahri, S. and O'Brien, C. (2016) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: HSNP Phase 2 Cost-Efficiency Analysis', OPM.

[3] See O'Brien, C., Riungu, C. and Scott, M. (2017) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Operational monitoring—Synthesis report', OPM; Gardner et al. (2017) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: The legacy of HSNP Phase 2: systems, practices and lessons learned', OPM; and Scott, M; Riungu, C; Merttens, F; Chege, J (2018) 'Operational Monitoring Report January 2018, Hunger Safety Net Programme: Phase 2 Evaluations', OPM.

The NSNP

There are four main cash transfer (CT) programmes in Kenya, which are implemented by two ministries: the Ministry of Labour, and East African Affairs (MLEAA;formerly the Ministry of Labour, Social Security and Services) and the Ministry of Devolution and Planning (MDP). The three programmes housed in the MLEAA are:

the Cash Transfer for Orphans and Vulnerable Children Programme (CT-OVC) in the Department of Children's Services; the Older Person Cash Transfer Programme (OPCT); and the Cash Transfer Programme for People with Severe Disability (CT-PWSD), both in the Department of Social Development. The HSNP sits in the National Drought Management Authority (NDMA) within the MDP. The three MLEAA CTs currently operate in 47 counties across Kenya, including the four HSNP counties. Within these four counties, there is currently not much overlap between the various programmes, though each of the MLEAA CTs have defined expansion plans that are due to be met in 2015/16 and 2016/17 . Following the Kenya National Social Protection Strategy (2011) the government has established the National Safety Net Programme (NSNP.) The aim is to create a framework around which the four main cash transfer programmes (CT-OVC, OPCT, CT-PWSD and HSNP) will be increasingly coordinated and harmonised. The NSNP has three objectives that aim to improve the efficiency and effectiveness of safety net support to poor and vulnerable populations in Kenya:

1. create robust and transparent systems for targeting, registration, payments, case management and monitoring, and strengthen the overall governance of the programmes;

2. harmonise the four CT programmes to improve the coherence of the sector; and

3. expand the coverage of the four programmes in a co-ordinated manner to progressively realise the right to safety net support.

The NSNP is thus the first step in a longer-term reform agenda that aims to establish a national safety net system as part of an integrated approach to delivering social protection services nationally. The Social Protection Secretariat, a body created by the National Social Protection Policy, provides sector-wide oversight and coordination.

The NSNP is supported by the World Bank's Programme for Results (P4R). Some of the indicators that trigger payments to the GoK under the P4R rely on data from the HSNP programme and its evaluation.

this evaluation and its predecessor show just how challenging this endeavour is in a context of extremely high levels of generalised poverty.[4] However, this same context of broad and deep rates of poverty mean that providing support to these needy populations, whose need is exacerbated by the frequent climatic shocks they face, is crucial. There is thus a requirement to continue to develop the HSNP targeting protocol within the harmonised targeting protocol currently being evolved by the NSNP.

The different impacts of the HSNP2 emergency payments from the routine payments results from the different objectives and varying operational processes of the two components of the programme. In short, the fact that the emergency payments are less reliable and predictable means that emergency beneficiary households cannot plan for HSNP2 transfers in their expenditures, and consequently almost exclusively use those transfers to support immediate basic needs. This is further compounded by the context of the shock in which the emergency payments are made – recipient households are likely to have more pressing immediate needs that supersede longer-term investment plans. Numerous other studies conducted as part of this evaluation assess the impact, operational processes, and system infrastructure associated with the emergency payments in more detail.[5] However, the evidence presented here nevertheless also highlights that, if the positive impacts of the emergency payments

[4] See: OPM and IDS (2011) 'Kenya Hunger Safety Net Programme Monitoring and Evaluation Component HSNP Targeting Effectiveness Evaluation Report', OPM; Silva-Leander, S. and Merttens, F. (2016) 'Assessment of Programme Targeting report', OPM; and Merttens et al. (2017) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Assessment of the National Safety Net Programme Harmonised Targeting Methodology Pilot in Turkana', OPM.
[5] OPM (2016) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2 – Drought Emergency Scale-up Payments Process Review Final report', OPM; O'Brien, C., Riungu, C. and Haynes, A. OPM (2017) 'HSNP Special Theme Report: Emergency Payments - Hunger Safety Net Programme Phase 2 Evaluations'; O'Brien, C., Riungu, C. and Scott, M. (2017) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Operational monitoring—Synthesis report', OPM; and Farhat et al. (2017) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Emergency payments deep dive study', OPM.

are to be sustained and improved, there is a need to improve the predictability and reliability of those payments. This means continued investment to sustain and improve the underlying system infrastructure that enables the emergency payments to function (i.e. the effective 'social registry' that is the HSNP2 MIS) as well as developing the design parameters of the policy.

Despite being significant in terms of the share they contribute to average total household incomes, the HSNP2 transfers are too small in real terms to meet all household needs. This real value would be further diminished over time due to inflation if HSNP did not have a policy of periodically increasing the value of the transfer in response to increases in general prices. This policy decision is rational in order to protect the achievement of the core programme objectives. However, it also represents an important difference with respect to the policy implemented for the other CTs under the NSNP, which, to date, have adjusted their values far less frequently and currently transfer a lower value to recipients each pay cycle. Moving forward, it is crucial that HSNP engage with the NSNP in this policy debate to achieve an appropriate balance between ensuring that the objectives of the NSNP can be fulfilled and ensuring the sustainability of the programmes.

In addition, while the sustainability of HSNP within the NSNP is a crucial consideration, especially as programme financing is increasingly taken over by the Government of Kenya, at the same time there is a recognised need to expand the coverage of HSNP, both within and beyond the current HSNP counties, due to the breadth and depth of poverty in these areas. Again, while other studies conducted as part of this evaluation have discussed the implications regarding the strategic policy agenda and fiscal space for social protection in Kenya that arise from these considerations,[6] the point to emphasise on the basis of the IE findings is that there remains a need both to keep developing HSNP within the broader policy framework of the NSNP and to lobby for greater financing from government.

[6] See Sandford, J., Merttens, F., Pearson, R., Riungu, C. and Sabates-Wheeler, R., (2016) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Strategic Policy Review', OPM; and Álvarez, L. G. and Van Nieuwenhuyzen, H. (2016) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Study on fiscal space for social protection in Kenya', OPM.

Evaluation Questions

	Evaluation question	Evaluation approach		
		Quantitative	Qualitative	LEWIE
1	What are the overall effects of the CTs in terms of consumption, poverty, asset retention/ accumulation, nutrition (dietary diversity), financial inclusion (saving, borrowing, and credit), subjective wellbeing, social networks, conflict/social tension?	✓	✓	
2	For which sub-groups are effects most pronounced (taking account of poverty status, household size, family composition, geographic location, livelihood base, gender, and disability)?	✓	✓	
3	How do CTs impact on women's control of cash within their (often polygamous) households and their wider empowerment?		✓	
4	How do the effects of predictable transfers compare with those of short-term transfers triggered in response to acute shocks?		✓	
5	How do the larger one-off transfers some households will receive due to the later than anticipated start of the programme impact on those households?	✓	✓	
6	Does the combination of CTs and wider livelihoods activities open up new livelihoods opportunities/income-generating activities for poor households? How?	✓	✓	✓
7	What kinds of multiplier effects are found in local economies?			✓
8	Is there evidence of the programme having an impact on community relations – both within and between communities?		✓	
9	Do the new payment platform and expansion of financial services provide benefits for beneficiaries and non-beneficiaries?	✓	✓	
10	Do the reliable CTs build people's resilience to climate variability?		✓	✓

EXECUTIVE SUMMARY

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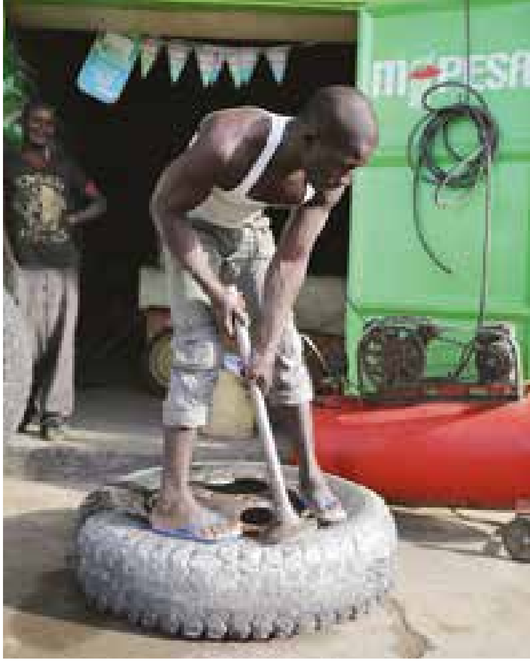





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