HSNP
Hunger Safety Net Programme

Hunger Safety Net Programme

Evaluation of the Kenya Hunger Safety Net Programme Phase 2

Strategic Policy Review

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ARC	African Risk Capacity
ART	Anti-retroviral therapy
ASAL(s)	Arid and semi-arid land(s)
ASP	Arid Lands Support Programme
CBT	Community-based targeting
CFA	Cash for Assets
CIDP	County Integrated Development Plan
CRA	County Resource Allocation
CSAC	Constituency Social Assistance Committee
CSG	County Steering Group
CT	Cash transfer
CT-OVC	Cash Transfer for Orphans and Vulnerable Children
DFID	Department for International Development
EC	European Commission
ECHO	European Community Humanitarian Office
EDE	Ending Drought Emergencies
FAO	Food and Agriculture Organization
FFA	Food for Assets
FSD	Financial Sector Deepening Trust
GFD	General food distribution
HSNP (2)	Hunger Safety Net Programme (Phase 2)
IBLI	Index-Based Livestock Insurance
IDS	Institute Development Studies
IFAD	International Fund for Agricultural Development
KES	Kenyan Shillings
KIHBS	Kenya Integrated Household Budget Survey

KLIP	Kenya Livestock Insurance Programme
KNBS	Kenya National Bureau of Statistics
KRDP	Kenya Rural Development Programme
LRA	Long rains needs assessment
MDP	Ministry of Devolution and Planning
MGCSD	Ministry of Gender, Children, and Social Development
MIS	Management information system
MLEAA	Ministry of Labour and East African Affairs
MOEST	Ministry of Education, Science and Technology
MP	Member of Parliament
NDMA	National Drought Management Authority
NDMF	National Drought Management Fund
NDVI	Normalised Difference Vegetation Index
NGO	Non-governmental organisation
NHIF	National Health Insurance Fund
NSNP	National Safety Net Programme
OPCT	Older Persons Cash Transfer
OPM	Oxford Policy Management
PILU	Programme Implementation and Learning Unit
PMT	Proxy means test
PWSD-CT	Persons with Severe Disability Cash Transfer
REGAL	Resilience and Economic Growth in the Arid Lands Programme
SHARE	Supporting Horn of Africa Resilience
SRA	Short rains needs assessment
UFS-CT	Urban Food Subsidy Cash Transfer
UN	United Nations
UNICEF	United Nations Children’s Fund
USAID	United States Agency for International Development

VAM	Vulnerability, Analysis and Mapping [Unit]
VCI	Vegetation Condition Index
VSLA	Village Savings and Loans Association
WFP	World Food Programme

1 Introduction

1.1 THE HUNGER SAFETY NET PROGRAMME

The Hunger Safety Net Programme (HSNP) is an unconditional cash transfer (CT) programme that targets people living in extreme poverty in four counties in northern Kenya: Marsabit, Mandera, Turkana and Wajir. It is currently in its second phase, in which it aims to provide the poorest 100,000 households with regular cash payments, and to reach up to an additional 180,000 households with periodic emergency payments to help mitigate the effects of shocks, such as drought.[1] Currently the transfer is worth Kenya Shilling (KES) 2,550 per month (approximately £17/$25).[2] The transfer is made directly into recipients' bank accounts every two months.

HSNP is implemented under the National Drought Management Authority (NDMA), which reports to the Ministry of Devolution and Planning (MDP). An internationally procured Programme Implementation and Learning Unit (PILU) sits within the NDMA. The PILU manages and monitors the delivery of HSNP and provides oversight of a rights and grievances mechanism for the programme. The PILU reports to the NDMA and HSNP Steering Committee.

HSNP Phase 2 will run from July 2013 to March 2018. It is funded by the UK Department for International Development (DFID) to the value of £85.6 million. The Government of Kenya is expected to contribute funding as part of its commitments to the Ending Drought Emergencies Medium-Term Plan. It is envisaged that by 2017, 49% of total programme costs and 54% of the HSNP caseload will be met by the Government of Kenya.

HSNP is one of four programmes[3] that make up the National Safety Net Programme (NSNP). The other three programmes, managed by two departments of the Ministry of Labour and East African Affairs (MLEAA), are: the Cash Transfer for Orphans and Vulnerable Children (CT-OVC), the Older Persons Cash Transfer (OPCT) and the Persons with Severe Disability Cash Transfer (PWSD-CT). NSNP is a Government of Kenya initiative to support enhancements to the CT sector in a coherent and coordinated way.

An independent evaluation of HSNP has been commissioned, of which this report is a part. The objective of the evaluation is to provide evidence on programme performance and impact for use by all programme stakeholders,

[1] The first phase of HSNP ran from 2009 to 2013 and provided around 69,000 households (approximately 496,800 people) with regular electronic CTs every two months.

[2] The original value of the HSNP transfer was KES 2,150 every two months. This was paid to each beneficiary household (or individual in the case of the Social Pension component). The value was calculated as 75% of the value of the World Food Programme (WFP) food aid ration in 2006, when the value of the transfer was first set. Over time, the value of the transfer has increased: initially from KES 2,150 to KES 3,000 with effect from payment cycle 16 (Sep/Oct 2011), then to KES 3,500 with effect from cycle 19 (Mar/Apr 2012). A one-off doubling of the transfer occurred in Jul/Aug 2011 to support households coping with drought. At the end of the Phase 1 evaluation period it stood at KES 3,500. At the start of Phase 2 the value was worth KES 4,900.

[3] There were originally five programmes. The fifth programme – the Urban Food Subsidy Cash Transfer – ceased to function in July 2014.

including the PILU, NDMA, DFID, NSNP and the Government of Kenya, plus other national and international stakeholders. The evaluation will inform future decision-making and accountability for funding, as well as the wider community interested in CTs, both nationally and internationally.

1.2 OBJECTIVE OF THE STRATEGIC POLICY REVIEW

The overall independent evaluation of HSNP is made up of four workstreams:

1) Workstream 1: Impact Evaluation – comprising a local economy wide impact evaluation study and a mixed methods impact evaluation;
2) Workstream 2: Operational Monitoring and Evaluation – comprising a process and institutional capacity assessment, a costing study, and ongoing programme operations monitoring;
3) Workstream 3: Policy Analysis – comprising an HSNP Strategic Policy Review, a targeting study, a review and re-design of the registration instrument, and a microsimulation study.
4) Workstream 4: Learning and Communication – which will work closely with the PILU and NDMA to ensure solid understanding and ownership of the overall independent evaluation approach and findings.

This Strategic Policy Review forms a key part of the third workstream: Policy Analysis.

The purpose of the Strategic Policy Review is to review HSNP's principle objectives and the degree to which these are aligned with the broader social protection and ending drought emergencies contexts and agendas in Kenya. In doing so, the review will identify a number of options for how HSNP can evolve in the future to better respond to the changing contexts and to further align itself with national and sub-national agendas. As such, the review aims to help DFID to prepare for any follow-on for this phase of HSNP.

The report comprises four key sections, covering the following areas:

- The history of HSNP: this section assesses how HSNP and other DFID interventions have sought to respond to the evolving poverty and policy context.
- Changes to the policy and programming context: this section identifies key changes to the policy and programming context and the critical issues that HSNP programming should take into consideration.
- HSNP: stakeholder perceptions of its design and effectiveness. This section identifies the key themes from interviews with stakeholders, complementing stakeholder perceptions with available evidence in order to assess HSNP's contribution to the policy context.
- Implications for the future of HSNP: this section proposes a number of issues and options which should be considered in the future design of HSNP, and which may be applicable to the broader social protection sector.

1.3 STRATEGIC POLICY REVIEW APPROACH

The Strategic Policy Review has adopted a range of methods to explore the issues covered in these four sections. These have included:

- a desk review of key policy and strategy documents, government and development partner reports and results from other reports or studies conducted as part of this evaluation;
- key informant interviews with a wide range of stakeholders, including:
  - political actors (MPs, governors and senators from pastoral counties)
  - staff from key ministries and departments (Treasury, the NDMA of the MDP and the Departments of Children Services and Social Development of the MLEAA)
  - development partners (DFID, World Bank, European Commission, US Agency for International Development (USAID), UN Children's Fund (UNICEF), and WFP
  - non-governmental organisations (NGOs) (Concern, Red Cross, Welthungerhilfe and HelpAge)
  - sub-national actors in the four counties in which HSNP is operating (including representatives from the county governments, the NDMA and the relevant departments of MLEAA)
  - sub-national actors in one county where HSNP is not operational (Samburu);
- a review and analysis of available data, including administrative data from the programmes making up NSNP, needs assessment data, and poverty data.

TABLE 1: NUMBERS OF STAKEHOLDERS INTERVIEWED AT NATIONAL AND COUNTY LEVELS BY INSTITUTION

<table>
<tr><th></th><th>National level</th><th>County level</th></tr>
<tr><td>MLEAA</td><td>4</td><td>6</td></tr>
<tr><td>Treasury</td><td>3</td><td></td></tr>
<tr><td>NDMA</td><td>5</td><td>6</td></tr>
<tr><td>County government</td><td></td><td>35</td></tr>
<tr><td>NGOs</td><td>9</td><td>5</td></tr>
<tr><td>UN</td><td>5</td><td></td></tr>
<tr><td>Development partners</td><td>7</td><td>1</td></tr>
<tr><td>MPs/senators/governors</td><td colspan="2">8</td></tr>
<tr><td>Other</td><td>3</td><td>3</td></tr>
</table>

Note: A full list of the individuals consulted can be found in 0.

Prior to the finalisation of the report, the findings and proposals will be presented to key stakeholders to solicit their reaction to the findings and further input. Their comments will thus be incorporated into the final version of this report.

2 History of HSNP

2.1 HSNP PHASE 1

HSNP's initial scale-up plan

'In phase 1, HSNP will provide cash transfers to 300,000 people in [four] ASAL [arid and semi-arid land] districts. In Phase 2, HSNP will scale up to cover 1.5m people across the ASALs with GoK [Government of Kenya] and donor funds'.

DFID (2007)

HSNP was designed in 2006/2007 and began operations towards the end of 2008. It was initially designed as one of three components of DFID's overall support to social protection in Kenya.[4] The other two components included the development of a national social protection policy and strategic implementation framework, and support to CT-OVC.

HSNP was designed to respond to a context in which more than 1.5 million people in Kenya were considered chronically food insecure on the basis of analysis of emergency appeals. Traditionally, the main response was food aid financed through international appeals. One of the stated aims of HSNP was to significantly reduce Kenya's dependence on emergency relief by supporting 'relief-dependent households' with long-term CTs. While the Phase 1 design expected to reach 60,000 households[5] through a pilot programme, the vision laid out in the programme memorandum was of a 10-year programme eventually reaching 1.5 million people (300,000 households) across the arid and semi-arid lands (ASALs).

This initial phase of the programme sought to demonstrate the efficacy of replacing food assistance with cash, and to build the evidence base for social protection. The hypothesis being tested was that a predictable CT programme should cost less than a food aid intervention, while achieving the same consumption smoothing and asset retention and building impacts. The Phase 1 pilot intervention also sought to test three alternate targeting modalities in order to inform the future design of targeting in the ASALs.[6]

In addition to the testing of alternate targeting methodologies, there were a number of other key design features of the programme that are worth noting:

- The programme's 69,000 beneficiary households were located in specific sub-locations (164 out of a total of 478) with an average coverage of the total population within these specific sub-locations of around 51%.[7]
- Management of the programme was divided into different activities, each implemented by a different institution:
    - the administrative component, including targeting, enrolment, registration, and case management, was implemented by a consortium of NGOs headed by Oxfam GB;

[4] DFID (2007).

[5] The programme actually reached approximately 69,000 households.

[6] DFID (2007).

[7] Sandford (2014).

  - the payments component was managed by the Financial Sector Deepening Trust (FSD), which in turn sub-contracted Equity Bank to deliver payments to beneficiaries. Equity bank used a network of agents to administer these payments;
  - the social protection rights component, which was designed to spread awareness of programme rights, entitlements, and responsibilities, and to manage the grievance mechanism, was implemented by HelpAge International;
  - the monitoring and evaluation component was implemented by Oxford Policy Management (OPM), a consulting company; and
  - the management information system (MIS) was initially managed by an independent consultant but after 2010 has been managed by an MIS Officer based in the HSNP Secretariat.[8]
- Payments were made through a biometric smart card via Equity Bank, who operated a network of agents to support the programme within the 164 locations where it was operational.

HSNP was expected to be a key component of a strategy to address historic marginalisation of the arid lands. This strategy also included increased investments in services and infrastructure. While the design acknowledged the importance of 'pull factors' to draw people out of poverty, to complement the 'push factor' provided by CTs, it did not explicitly aim to link the two: 'These "pull" factors are the responsibility of Governments and private sector providers'.[9]

2.2 CONTEXT IN WHICH PHASE 2 OF HSNP WAS DESIGNED

Phase 2 of HSNP (HSNP 2) was designed to respond to the arid lands state of chronic emergency and high levels of food insecurity, but did so in a policy environment that was in the process of undergoing some significant changes. The various elements of this context are explored in the sections below.

[8] Sandford (2012).

[9] DFID (2007) p. 8.

2.2.1 Poverty

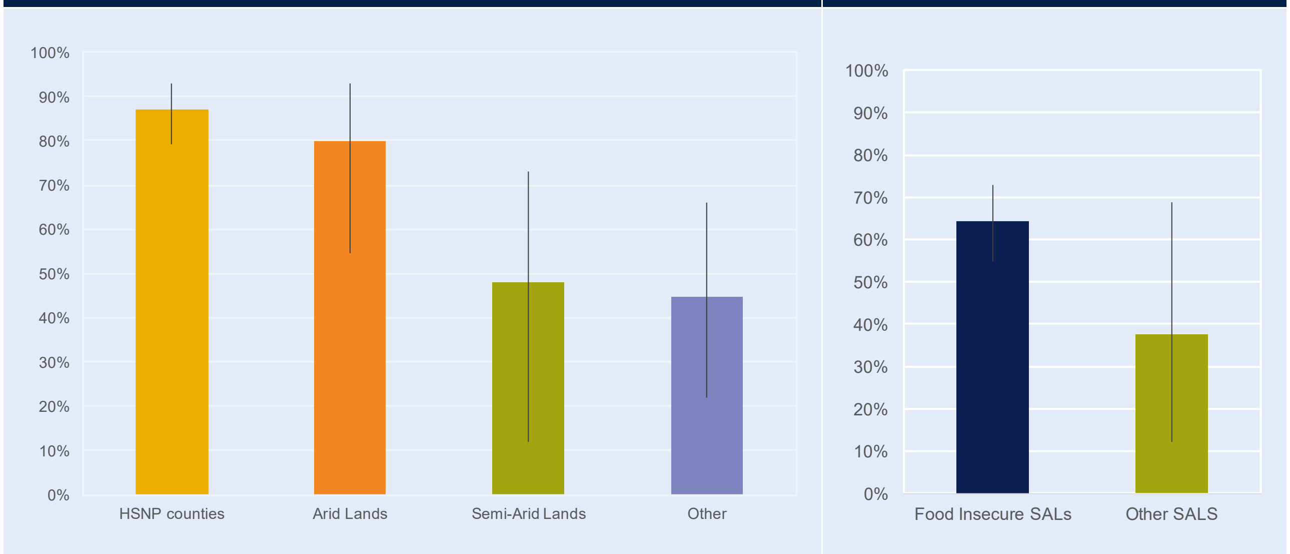
The business case[10] for HSNP 2 highlighted the higher than average poverty levels and the limited provision and uptake of services in the ASALs.

Figure 1 below confirms the higher rates of poverty in the arid lands, particularly in those counties supported by the HSNP. Poverty rates in the semi-arid lands vary considerably, but on average are only marginally worse than those found outside the ASALs. However, if one disaggregates those counties in the semi-arid lands where the needs assessment regularly identifies significant food assistance requirements, then a marked difference can be seen (see

Figure 1).

Figure 1: Poverty rates in different areas of Kenya

Poverty rates in different zones of Kenya, showing minimum and maximum poverty rates by county	Poverty rates of 'food insecure' semi-arid lands



Source: Authors' own analysis of Kenya Integrated Household Budget Survey (KIHBS) 2005/06 and Census data 2009.[11]

Needs assessments also highlight the fact that a significant proportion of food assistance requirements in the ASALs are actually felt in the counties targeted by HSNP (both at the time of HSNP 2 design and to this day).

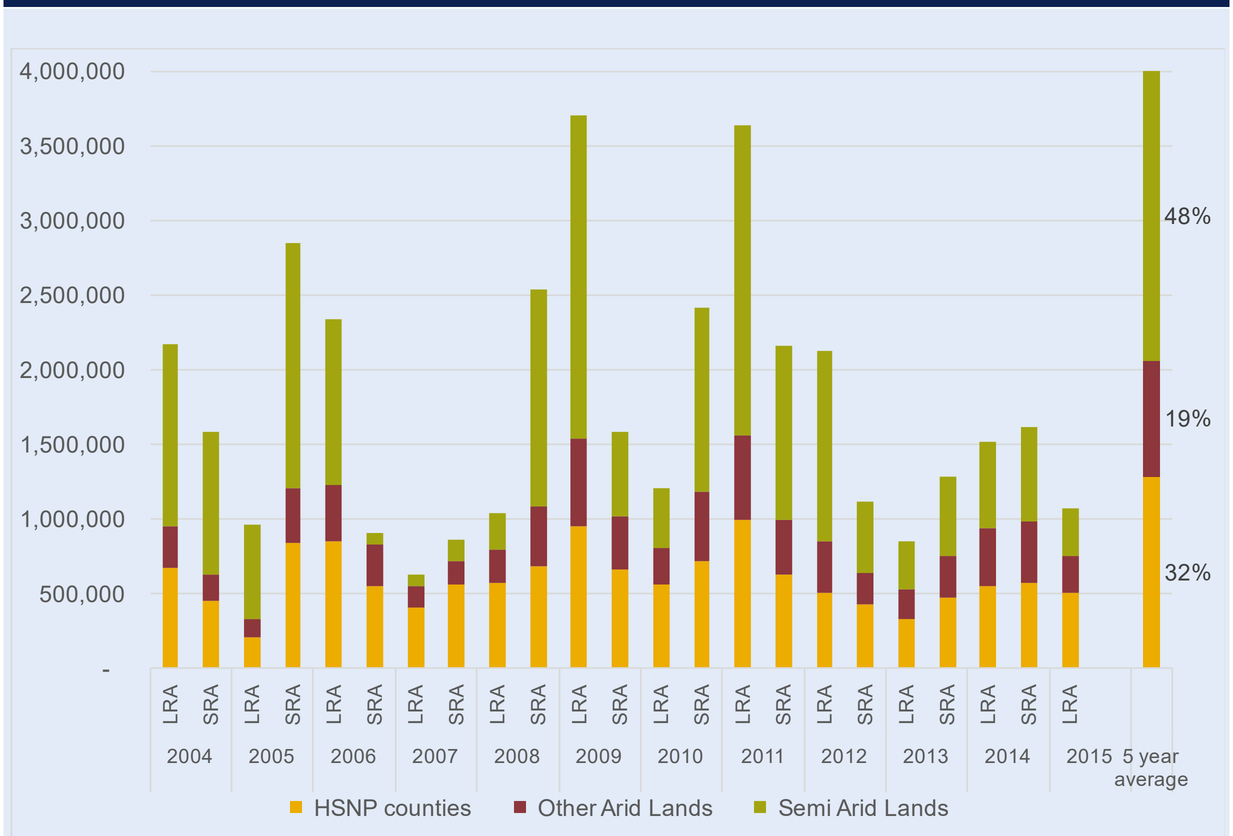
[10] DFID (2013).

[11] Kenya National Bureau of Statistics (KNBS) (2007) and KNBS (2010). This and subsequent graphs use KIHBS 2005/06 poverty data combined with 2009 census data on population and number of households in order to make composite estimates. The categorisation of counties as arid, semi-arid or other is given in Government of Kenya (2014). Earlier documents use a slightly different categorisation.

Figure 2 below demonstrates this and indicates that, when looking at the five-year average of assessed needs in the long rains and short rains needs assessments (LRA and SRA), more than 50% of food needs can be found in the arid lands (including the 32% of food needs identified in the counties supported by HSNP). This is despite the fact that the population of the arid lands only comprise 22% of the ASAL population (with 13% of the population found in the counties covered by HSNP).

Figure 2: Population requiring emergency food assistance 2004–2015

Population requiring emergency food assistance according to LRA and SRA[12]



Source: Vulnerability Analysis and Mapping (VAM) unit data (2012) and bi-annual needs assessments (2013–2014)

Poverty in the arid lands is not only characterised by poverty rates and food assistance requirements. The arid lands, and to a lesser extent semi-arid lands, are also characterised by high rates of illiteracy, lower enrolment and completion rates for education, and high rates of malnutrition. A key factor in these statistics has been underinvestment in basic services. The four counties supported by HSNP have some of the highest student-to-

[12] This graph indicates the number of people identified in the needs assessment as needing food assistance, and is not a measure of the actual number of people receiving food.

teacher ratios, high vacancy rates in the health sector and very limited road infrastructure.[13] The Ending Drought Emergencies (EDE) Common Programme Framework highlights the fact that 'in 2012 there were 18 adult literacy teachers posted to Mandera, where literacy is less than 10%, and 93 adult literacy teachers posted to Kiambu, where literacy is above 90%'.[14]

2.2.2 Social protection policy and programming

At the time that HSNP 2 was designed, the majority (53%) of the Government of Kenya's spending on social protection was still in the form of emergency food aid.[15] However, changes were planned. The Government had indicated a strong commitment to transform the social protection sector through the passing of a new National Social Protection Policy, increased investments in CTs and the development (at that time ongoing) of NSNP.

National Social Protection Policy

The newly passed National Social Protection Policy has as its overarching goal the aim 'to ensure that all Kenyans live in dignity and exploit their human capabilities to further their own social and economic development'.

It highlights a number of key policy objectives, including:

- protecting individuals and households from the effects of shock, and supporting their ability to manage these shocks;
- cushioning workers and their dependents from the consequences of income-threatening risks and the threat of poverty in their post-employment life; and
- promoting key investments in the human capital and physical assets of both poor and non-poor households and individuals.

In doing so it identifies three key policy measures:

- Social assistance: including both cash and in-kind transfers to poor and vulnerable people, which may be conditional or non-conditional depending on the target group and delivery mechanism. The focus is both on consumption smoothing, but also asset protection and rehabilitation, and specifically referenced the development of income opportunities and assets.
- Social security, largely focused on households in employment and including provisions for retirement schemes, sick workers' compensation and unemployment insurance.
- Health insurance, with a particular focus on re-establishing the National Health Insurance Fund (NHIF) as a comprehensive national health insurance scheme and improvements to post-retirement health care (which is unlikely to be fundable through the NHIF as most retirees will not be able to afford contributions).[16]

The policy does not cover broader investments to improve access to essential services, whether in health and education. Despite this, some provisions do exist. Kenya introduced free and compulsory primary education in 2003 and made some

[13] MDP (2014), Ministry of Education, Science and Technology (MOEST) (2014), and DFID (2013).

[14] MDP (2014).

[15] Ministry of State for Planning, National Development, and Vision 2030 (2013).

[16] MGCSD (2011).

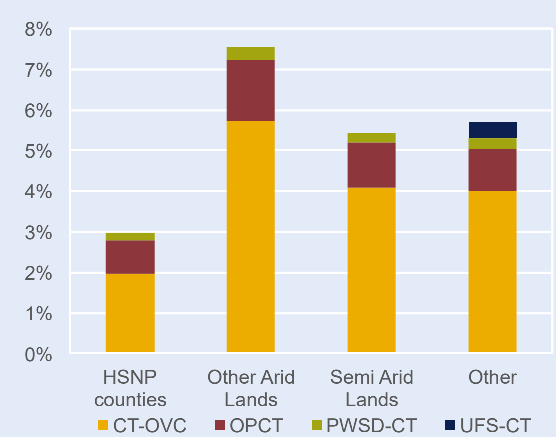
efforts to make some health provisions free (such as treatment of children under five and anti-retroviral therapy (ART) services).[17]

Although the CT sector was growing at this period, coverage remained small[18] and very uneven. The approaches used as the different CTs evolved meant that coverage was often higher in pilot sites, higher in areas with more administrative capacity, while in other areas it was low or non-existent. Coverage varied between counties and constituencies, and between locations within constituencies. For example, HSNP only operated in 164 of the 478 sub-locations in the four counties, whilst the CT-OVC programme operated in only 697 of the 2,427 locations throughout Kenya.

In particular, coverage of the MLEAA (then the Ministry of Gender, Children and Social Development (MGCSD)) programmes was very low in the counties supported by HSNP, where they only reached 10,133 households. As Figure 3 shows, coverage of the four MLEAA programmes was very low overall (covering only 5% of poor households), but was significantly lower in the four counties where HSNP operated. This reflected both the lower administrative capacity in these counties and an explicit decision to limit CT-OVC coverage in HSNP areas.

Figure 3: Coverage of MLEAA programmes

Coverage in July 2013 as a percentage of poor households



Source: Authors' own analysis of programme administrative data, KIHBS 2005/06 and Census data 2009

NSNP, designed in 2012/13 and launched in July 2013, is a key effort by the Government to develop the social assistance sector in a coherent way. The programme was to be an umbrella programme for five CT interventions: CT-OVC, HSNP OPCT, PWSD-CT and the Urban Food Subsidy Cash Transfer (UFS-CT). NSNP had three overall objectives:

- the expansion of CTs to promote more comprehensive and equitable coverage (using a poverty-informed programme expansion plan);
- the strengthening of programme systems (targeting, payments, MISs, complaints and grievance mechanisms) to ensure good governance; and
- greater harmonisation, consolidation and government ownership, and financing of CT programmes to improve sectoral coherence.

NSNP was expected to be financed through a combination of development partner and Government of Kenya financing. Direct development partner financing was expected to significantly decrease over the life of the programme, although sizeable indirect financing was to remain through the World Bank 'Program for Results'

[17] World Bank (2010) and Ikiara (2009).

[18] Coverage amounted to around 280,000 households (World Bank 2013a).

project, developed to support the NSNP. This project, with a total value of $250 million, was to provide financing to the government with disbursements made upon the achievement of agreed targets. These disbursements were not to be paid directly to the programme, and did not need to be used to finance programme activities, but were instead a general contribution (in the form of a loan) to the Exchequer.

During the period of the design and launch of HSNP, the main focus within the social protection sector was on CTs, and in particular the launch of the NSNP.

2.2.3 EDE and a focus on ASALs

Since the early 2000s the Government of Kenya has identified a need to give special attention to the ASALs – and in particular the most northern counties. After the 2007 election a special ministry was established to support development in the region – the Ministry for Development of Northern Kenya and Other Arid Lands; and both the 2010 Constitution and Vision 2030[19] identify the ASALs as needing a specific coordinated and long-term development plan. The reason for this focus was the high levels of multi-dimensional poverty experienced in the region, but also a recognition that the area had historically been economically and politically marginalised.

In 2011/12 the Government of Kenya worked on an EDE Country Programme Paper. The paper was developed as part of a concerted international effort to address drought-related crises in the Horn of Africa following the 2010/11 drought. In Kenya the EDE Country Programme Paper and Common Framework Paper[20] became a key mechanism for coordinating and consolidating efforts between government, development partners and other actors.

EDE Common Programme Framework
The EDE Common Programme Framework focuses on the 23 most drought-prone counties in Kenya. Its implementation is led by the relevant parts of the national and county governments. It has identified six pillars: 1) peace and security; 2) climate proofed infrastructure; 3) human capital; 4) sustainable livelihoods; 5) drought risk management; and 6) institutional development and knowledge management. The drought risk management pillar includes specific reference to HSNP as a social protection measure required in the ASALs, and the need for a scalable response. The NDMA plays a key role in coordinating interventions across the pillars but takes on the lead implementation role for pillars five and six (drought risk management, and institutional development and knowledge management).

A key vision of the EDE was the need to improve coordination of the multiple actors involved in development in the ASALs. This includes the national and county governments but also the significant range of NGO and development partner interventions which have been developed in response to the high rates of poverty.

[19] Government of Kenya (2010) and Ministry of State for Planning, National Development and Vision 2030 (2011).

[20] The two are strongly related, but the Common Framework Paper represents an evolution in thinking.

2.2.4 Learning from HSNP 1

The design of HSNP 2 largely took place before the final results of the impact evaluation of HSNP 1 were established. Despite this, a number of key lessons were built into the design of HSNP 2. Lessons from HSNP 1 informed the design of the targeting system in HSNP 2, adjustments to the payment system and the overall administrative structure for HSNP 2.

HSNP 1 piloted three alternative targeting mechanisms: community-based targeting (CBT), a universal social pension for all individuals above the age of 55 and a dependency ratio approach. The three approaches were assessed in 2011 and it was concluded that, while the CBT approach was the most effective of the three tested approaches in terms of identifying the poorest households, there remained room for improvement.[21] One of the options for improving targeting proposed by the assessment was to complement the CBT with a proxy means test (PMT) which could be used to correct for inclusion and exclusion error. Although a PMT was adopted by Phase 2, its adoption followed a different approach from that recommended by the assessment.[22]

While the use of a private sector payment service provider and electronic transfers was largely seen to be a success, the biometric smart card used in HSNP 1 had unnecessary limitations and systems were inadequate to assess whether or not transfers were being made on time.[23] The biometric smart card used by HSNP lacked the full-functionality of a bank account, such as the ability to store funds indefinitely and to make use of mainstream financial infrastructure. This learning led to the decision to continue to use a private sector payment service provider, but to make changes to the terms of reference against which contractors would bid to improve functionality of the payment solution; and to introduce a service-level agreement to support the ongoing management of the contract, including the ability to report on timeliness.

HSNP 1 was implemented by a number of different partners, each responsible for delivering different programme components. This approach had a number of weaknesses: it placed a considerable management burden on DFID; there was limited government ownership and limited building of government capacity; and there was a lack of clarity on and between the roles and responsibilities of different partners, which created tensions. It was therefore recommended that a service provider be procured to manage HSNP and to build the capacity of the government. However, at the time, FSD was seen to have been effective in managing the payments component and the fiduciary risk of maintaining their role was considered to be lower than any alternatives. Therefor a (reduced) number of partners was maintained.

2.3 DESIGN OF HSNP 2 AND OTHER, RELATED, DFID PROGRAMMING

DFID’s support to the EDE and Social Protection sectors is split across three programmes:

[21] OPM and Institute of Development Studies (IDS) (2011).

[22] See Fitzgibbon (2014).

[23] World Bank (2013a).

- HSNP Phase 2, which sought to consolidate and expand safety net support to the chronically poor;
- Social Protection Programme Phase 2, which focused on DFID's overall technical support to social protection (and the NSNP) and its financing of the CT-OVC programme; and
- the Arid Lands Support Programme (ASP), which aimed to complement HSNP by 'providing additional support to the Government of Kenya to manage and coordinate a regional Arid Lands programme and secure further benefits to poor people'.[24]

2.3.1 HSNP 2 design

HSNP was designed to be an unconditional transfer programme providing CTs to 100,000 households in the four northern counties of Kenya. The proposed initial value of the transfer was KES 2,300 per month, but with the plan that the transfer would be adjusted for inflation each year. There were four key elements to the design of HSNP:

- the targeting and registration process;
- payments systems;
- complaints systems and case management; and
- the system to scale up in response to shocks.

HSNP 2's targeting and registration system design included the (voluntary) registration of all households in the four counties where the programme operated. This design feature was adopted to enable the programme to both identify recipients of the core HSNP transfer (those who would receive KES 4,600 every two months) but also to facilitate the scaling up of CTs in response to shocks. Allocations of resources between counties used a modified County Resource Allocation (CRA) formula using a combination of equal share, poverty prioritisation and population to allocate resources.[25] Targeting of households within counties aggregated the results of a community wealth ranking and a PMT questionnaire with the combined score used to rank households. The poorest households within each county were targeted as core HSNP beneficiaries, with the remaining households identified in a ranked list which could be used to scale up transfers in response to shocks. Targeted households could come from any sub-location in the county.

HSNP's payment system, implemented by FSD Kenya and Equity Bank, makes use of fully functional bank accounts which were to be opened for all registered households (core HSNP beneficiaries and those who might be targeted for an emergency scale up). Although the bank accounts are fully functional, they make use of a biometric smart card (rather than a normal chip and pin bank card). This approach was selected because of concerns that illiterate beneficiaries may struggle to remember PIN numbers and/or might not understand the need to keep PIN numbers secret. It also allows the cards to act as 'e-wallets', allowing the creation of sub-accounts for use by different CT

[24] DFID (2012a).

[25] The CRA is a Parliament-approved formula for allocating funds from central government to the counties on the following bases: 45% population, 25% equal share, 20% poverty, 8% land area and 2% fiscal responsibility. The CRA formula was modified by removing land area and fiscal responsibility and increasing the weight of the poverty count to 30%, resulting in the following weighting: 25% equal share, 30% poverty and 45% population. See Pinney (2013).

programmes and the provision of tokens (to be exchanged for specific quantities of good or services) and vouchers (representing a specific financial amount) by a range of programmes. Payments were expected to be made largely through Equity payment agents using specialised point-of-sale devices. The service-level agreement obliges Equity to establish and maintain a substantial cadre of payment agents. As part of the 'know your customer' requirements the CT recipient must have a valid national identity card.

HelpAge International was contracted to implement the 'Social Protection Rights' component of HSNP, responsible for handling complaints and supporting case management. Their design involved the establishment of rights committees in each of the sub-locations where the programme is operational. Rights committees were expected to collect complaints and document updates of information essential to implementation and forward them to programme administrators for action.

The detailed design of the system for scaling up CTs actually took place during the first two years of HSNP 2's operation. The design was informed by two key considerations: a desire to make use of objective triggers and a commitment to a rapid 'no regrets' response. The Vegetation Condition Index (VCI) was selected as the objective trigger because of its reliability, because it was considered the most appropriate remote sensing indicator to measure the status of grazing resources, and due to its ability to provide timely data. The rapidity of response was enabled by the existence of the pre-ranked list of households (resulting from HSNP's targeting and registration approach) and the opening of bank accounts for registered households. The VCI of each sub-county was assessed and the decision on whether or not to trigger payments was made monthly according to predefined thresholds specifying severe or extreme drought conditions. Scale-up payments were made only to households not included as core HSNP beneficiaries (but they could be beneficiaries of other CTs). County-level quotas were set using the VCI status of each sub-county, with sub-counties reaching the 'severe threshold' contributing an allocation equivalent to raising existing coverage of the core HSNP caseload to 50% of the total population, and sub-counties reaching the 'extreme threshold' contributing an allocation equivalent to raising existing coverage of the core HSNP to 75% of the total population. This county allocation was then redistributed to all sub-counties within the county reaching at least the moderate threshold on the basis of the following formula: 20% equal share, 40% drought status and 40% population.

2.3.2 Broader DFID programming

DFID's investments in HSNP complement and are complemented by its Social Protection Programme Phase 2 and ASP. The Social Protection Programme Phase 2 is composed of two components: 1) DFID's financing of the CT-OVC programme; and 2) technical assistance to support the development of NSNP. This technical assistance funding was seen as critical as the World Banks Program for Results financing instrument is unable to ensure investments in capacity development because it does not directly finance the programme or any of its elements.[26]

[26] The World Bank was also providing some technical assistance as well, as part of its direct financing for the CT-OVC programme.

ASP[27] is comprised of four components:

- Support to the Government of Kenya to improve coordination, assist policy development and enhance monitoring and evaluation in support of an integrated policy, planning and funding processes for the arid lands.
- Financing for the scale up of CTs making use of HSNP 2's design of a system to scale up in response to shocks. Although the HSNP 2 design is open to support by a range of financing mechanisms, DFID financing could help to guarantee the use of the new mechanism.
- Funding for the Index-Based Livestock Insurance project (IBLI), run by International Livestock Research Institute (ILRI), which will enable it to scale up to a further two counties.[28] The target group for the insurance benefits would be the 25% of the population immediately above the core beneficiaries of the HSNP (so not the very poorest but the next 25% of the poor).
- Enhanced community resilience and adaptive capacity implemented through a range of international NGO-supported programmes coordinated through County Development Plans. These programmes were expected to support livelihoods activities through a range of livestock and non-livestock related interventions.

ASP and HSNP were designed to complement each other, with HSNP providing key infrastructure for implementation of the elements of ASP (the targeting and payments mechanisms for both shock related scale-ups of CTs and IBLI); and the desire to layer multiple interventions in the four counties most affected by drought and poverty in order to create sustained impacts.

From its inception as a programme to address the substantial burden of chronic poverty and food insecurity, and the overreliance on recurrent humanitarian appeals, HSNP has evolved – in concept, design and implementation – into a flagship programme for addressing food insecurity and drought response. The programme faces continued and new challenges, including from the changing policy environment, including around targeting, coordination and scale-up. These challenges, and possible solutions, will be described in the following chapters.

[27] DFID (2012a).

[28] The business case mentions all four counties covered by HSNP, but actual expansion was to Wajir and Isiolo (with Marsabit already covered by an early pilot phase).

3 Changes to the policy and programming context

There have not been any significant changes to the social protection or EDE policy environment. The key changes in these sectors are more a result of improvements in the implementation of the policies discussed in section 2 above – a move from policy to practice. There are some new emerging areas of focus, particularly in relation to the desire to combine and/or link CTs with complementary interventions and an interest in responsibly graduating households from CTs. The biggest policy change, already envisaged prior to the launch of HSNP, has been the introduction of devolution. This has both changed the level at which decision-making takes place for a number of key functions and has resulted in an increase in resources for the traditionally marginalised counties of the ASALs.

Although there have not been any major policy shifts this move from policy to practice has resulted in significant changes to the programming environment. These shifts are explored in further detail below.

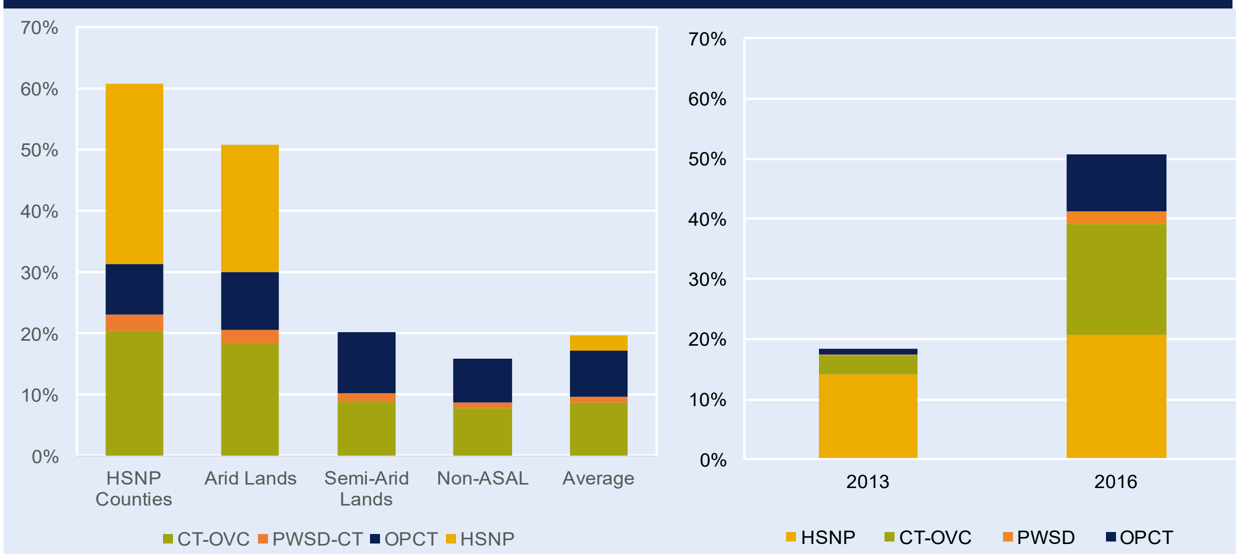
3.1 SOCIAL PROTECTION POLICY AND PROGRAMMING

As mentioned above, changes to the policy environment have been limited. However, there have been significant changes in levels of implementation in relation to CTs. Coverage by the programmes which make up NSNP had gone up from approximately 114,400 in 2013 to an expected 832,000 by July 2016.

Figure 4 below shows how overall coverage of the poor has now reached 20%, with coverage of the poor now equalling more than 50% in the arid lands. Figure 4 also shows how much of this growth in coverage has come from the expansion of the MLEAA programmes in these areas (represented by the CT-OVC, the PWSD-CT and the OPCT bars). This significant expansion in the arid lands is a consequence of the poverty-informed expansion plan which has guided the growth of the MLEAA programmes since 2013.

Figure 4: Anticipated coverage and growth in coverage of NSNP programmes

Anticipated coverage of NSNP programmes by July 2016 as a percentage of poor households[29]	Growth in coverage of NSNP in the arid lands



Source: Authors' analysis of programme administrative data, KIHBS 2005/06 and Census data 2009

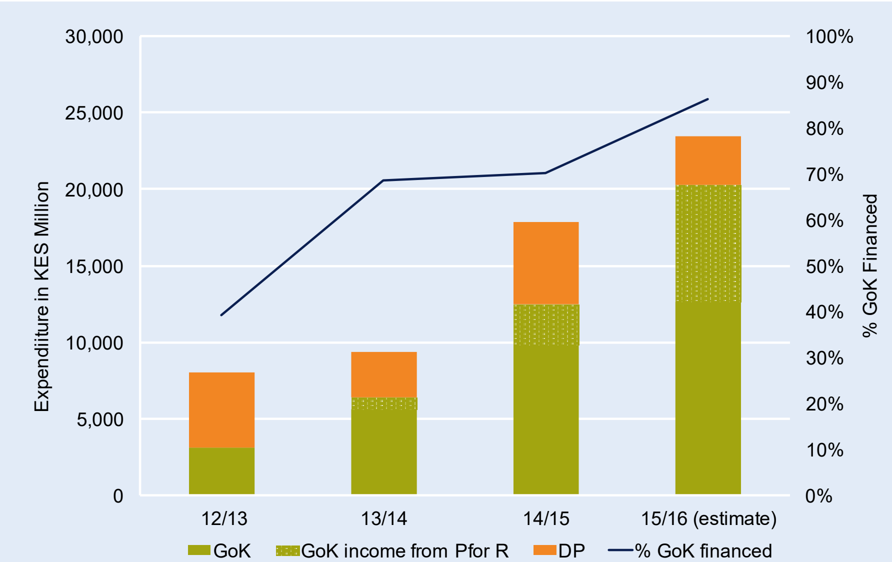
This expansion has largely been financed by significant increases in Government of Kenya funding for CTs, demonstrating the commitment made by the state to CTs.

Figure 5 highlights both the increase in the absolute levels of government financing and the increase in the proportion of NSNP that is financed by government. By the end of this 2015/16 financial year, government financing of the MLEAA programmes and HSNP is expected to have reached more than KES 20,000 million, 86% of total programme financing. As noted above, NSNP receives some indirect financing from the World Bank, in the form of a Program for Results, but even when this financing is taken into account it is clear that Government of Kenya financing has increased dramatically

[29] Figure 4 assumes no double-dipping (households benefiting from more than one programme). As Section 4.1.3 indicates, some double-dipping does take place but it is likely to be less than 2.5% of the total caseload.

Figure 5: Government financing of NSNP

Increased government financing of NSNP



Source: NSNP MTEF, NSNP Financial Reports and Government of Kenya budget data

Government financing of NSNP is split between financing of the MLEAA-implemented programmes and financing of HSNP. In the annual budgets the former are categorised together as the National Social Safety Net, but the latter is described separately. Similarly, the 2016 Budget Policy Statement talks about future planned expansion of NSNP, but in doing so only includes those programmes implemented through the MLEAA.

Other elements of the National Social Protection Policy have not received the same levels of attention to date. However, as noted below, government stakeholders highlighted repeatedly the need to complement CTs with other interventions that could support graduation from social assistance support, and specifically stated the need to broaden the focus from CTs to all aspects of the National Social Protection Policy.

3.2 EDE AND BROADER HUMANITARIAN RESPONSE

In line with the vision outlined in the EDE documentation, there appears to have been a move away from *ad hoc* humanitarian response to a focus on national systems that are scalable in response to shocks. There is also an emphasis on early response to crises. Examples of these changes can be seen in both the food aid (more detail below) and the non-food sectors.

The interest in early response can be seen in the Government of Kenya's commitment to establish a disaster contingency fund and, despite delays in its establishment, interest from donors in financing such an approach. DFID's funding of emergency payments through HSNP is one example (see Section 4.3.1 for further details), as is the European Union's financing of the Kenya Rural Development Programme: Drought Contingency Fund Project. This project is investing in contingency planning and coordination mechanisms and the provision of resources to finance an early response to drought. 70% of the programme budget is expected to be used for financing early responses, with funds channelled through NDMA until the government's contingency fund is established. KES 348.5 million had been spent by March 2015, with allocation of funds guided by contingency planning and early warning data. Livestock and water interventions make up most of the spending (around 65% between them).[30]

The Community Management of Acute Malnutrition system, adopted by the health sector, provides a 'non-food' example of a system built so that it can scale up in response to shocks. This approach ensures ongoing measurement of children at risk of malnutrition, along with ongoing systems for providing support. Should this routine monitoring identify increasing malnutrition rates, systems are in place (including the identification of thresholds and key response mechanisms) to allow rapidly increased capacity to respond, including staffing and therapeutic foods.[31]

3.2.1 Food aid and other consumption smoothing support

HSNP is one example of how scalable long-term systems are being applied in the 'food' sector. The core HSNP transfer provides ongoing consumption-smoothing support to poor households in a sub-set of frequently affected counties, with further resources available should a scale-up be needed. Food aid planning following the seasonal assessments takes the HSNP core caseload into consideration before deciding whether additional emergency food aid resources are needed. Beneficiaries from an emergency scale-up of the HSNP are not included in this calculation because the timing of the two forms of response (response to the needs assessment and response to the emergency scale-up triggers) do not coincide.

This approach can be seen in Table 2 below, which identifies the need for additional general food distribution (GFD) support in Wajir.

[30] NDMA (2016a).

[31] Kopplow *et al*.

TABLE 2: CALCULATION OF THE NUMBER OF BENEFICIARIES IN WAJIR REQUIRING GFD, FOLLOWING THE 2015 LRA

Sub-county	LRA 2015 proposed beneficiary number	HSNP (individuals not households)	GFD beneficiary numbers (to be supported by WFP)
East	16,300	10,980	5,320
North	40,650	24,900	15,750
Tarbaj	22,070	14,736	7,340
South	31,680	10,992	20,690
Eldas	44,260	9,606	34,660
West	15,920	14,340	1,580
TOTAL	170,880	85,554	85,340

Source: NDMA internal data

HSNP is not the only 'consumption-smoothing' intervention taken into consideration in these calculations. WFP's Cash for Assets (CFA) and Food for Assets (FFA) interventions are both considered in identifying the remaining number of people requiring GFD. As Table 3 shows, 62% of those identified as needing consumption-smoothing support during the 2015 LRA were expected to have their needs met through an 'ongoing' programme, with only 38% identified as needing an emergency financed food response.

TABLE 3: RELATIVE CONTRIBUTIONS OF HSNP, WFP CFA, WFP FFA AND GFD TO INDIVIDUALS IDENTIFIED AS NEEDING CONSUMPTION-SMOOTHING SUPPORT DURING THE 2015 LRA

	Total	Net contribution to meeting needs	%
Individuals in need of consumption-smoothing support	1,074,786		
Individuals supported by HSNP	456,414	353,070#	33%
Individuals supported by WFP CFA	441,432	191,676$	18%
Individuals supported by WFP FFA	341,370	124,518*	12%
Individuals identified as needing GFD		405,530	38%

The net contribution of HSNP to meeting consumption-smoothing needs is calculated by identifying the maximum number of individuals in need of consumption-smoothing support that can be supported by HSNP in each sub-county. If the actual number of HSNP beneficiaries exceeds the number of people in need of consumption-smoothing support, then only the number in need of consumption-smoothing support counts towards the net figure.

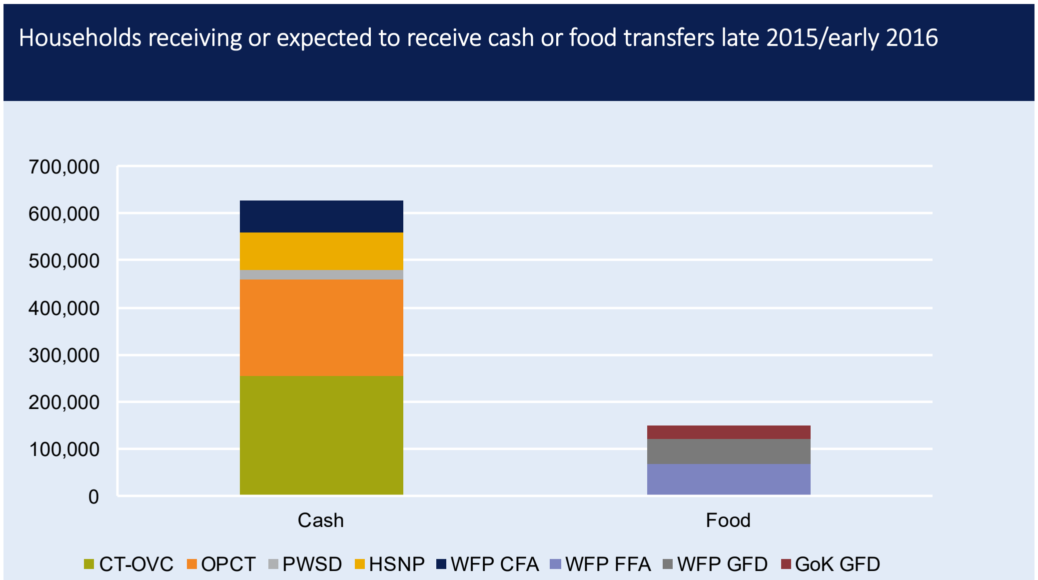
$ The system for calculating the net contribution of WFP CFA to meeting needs is the same as that used for HSNP. Because WFP CFA is more geographically focused (covering a higher number of people in a smaller geographic area), the proportion of WFP CFA beneficiaries making a net contribution is smaller.

* The system for calculating the net contribution of WFP FFA is complicated by the fact that there is overlap in the geographic coverage of WFP FFA and HSNP. As HSNP has more widespread geographic coverage, for the purposes of this table HSNP's net contribution is calculated first. In the three counties where both HSNP and WFP are operational, the net coverage by WFP FFA is assessed by first identifying the number of individuals assessed as being covered by HSNP, before identifying those which could be supported by WFP FFA. If one calculated WFP's FFA support first this figure would increase to 228,560 (or 21%); and HSNP's net contribution would decrease to 249,028 (or 23%).

Source: NDMA internal data.

The above table not only shows a shift to long-term support, it also demonstrates increased use of cash as a response mechanism. 51% of those identified as needing consumption-smoothing support had their needs met through CTs (either HSNP or WFP CFA). Although complete data are not available to allow an analysis of the respective coverage, investment in food aid and CTs, Figure 6, below, makes use of available evidence to show that in late 2015/early 2016 less than 20% of households receiving either a food or CTs received food (either GFD or FFA). This graph does not capture all in-kind or in-cash benefits. Not included in the benefits presented in the figure below are: school bursaries, beneficiaries of a pilot conditional cash-for-education programme, school feeding interventions, supplementary feeding interventions and a range of other interventions.

Figure 6: Households receiving or expected to receive cash or food transfers



Source: October payroll for NSNP beneficiaries, WFP administrative data and analysis of internal NDMA data[32]

There is a lack of data on actual food transfers, particularly with respect to food aid procured by the Government of Kenya. Difficulties in collecting these data are compounded by the fact that food might be purchased at county or federal level. In three of the five counties we visited county representatives mentioned purchasing food, but only in one of these counties was the purchase of food clearly programmed against the needs assessment. Anecdotal evidence suggests that actual distributions of food are much less than the levels proposed in the needs assessment because of shortfalls in government provision, and the above graph is therefore likely to overstate the amount of food.

3.3 DEVOLUTION

Devolution has both changed the level at which decision-making takes place for a number of key functions and led to an increase in resources for many historically marginalised counties in the ASALs. Although social protection remains a national-level function, many potentially complementary interventions have been devolved. Table 4 provides some examples of those functions that have been devolved and those which remain national.

[32] This figure only includes beneficiaries or potential beneficiaries documented in NSNP payrolls or the needs assessment. It does not include any food or cash distributions not explicitly linked to the needs assessment.

TABLE 4: SELECTED NATIONAL AND DEVOLVED FUNCTIONS

National function	Devolved function
Security	Health
Education	Pre-primary education and village polytechnics
Communications	Agriculture
Transport	Livelihoods
Social protection[33]	County roads
Disaster management	Disaster management
Policy-making for: agriculture, health etc.	Water Supply

Source: ICJ Kenya (2013)

Kenya's system of devolution was established as a result of the 2010 constitution, with implementation largely happening after the March 2013 general elections. The first transfer of functions was made in early 2013, with most of the remaining functions formally transferred in August 2013.[34] 2013/14 was the first financial year in which substantial financing for devolved funding was budgeted. [35] The constitution includes the provision that at least 15% of all government revenue should be allocated to county governments (equivalent to KES 259,774.5 million in 2015/16). The means of allocating this revenue between counties is the CRA formula. The formula takes into consideration: population (45%), poverty (20%), equal share (25%), land area (8%) and fiscal discipline (2%). As a consequence, many of the historically marginalised counties of the arid and semi-arid regions are, for the first time, benefiting from significant budget resources. In addition, specific marginalised counties (14 in all, including all those falling into the arid lands) are expected to benefit from an equalisation fund (KES 6 million in 2015/16).[36]

While widely seen as a positive move, devolution has not been without challenges. Budget absorption rates are improving but have been weak, reflecting a need for improved capacity in budgeting, planning, financial management and delivering the devolved sectors. Furthermore, there are weaknesses in communication between national and county-level governments. In interviews with staff of the county government and staff of the national government at county level, we found that staff in similar fields were unaware of each other's interventions, and in many cases did not know each other. This lack of communication leads to confusion and misunderstanding of the nature of interventions, but also results in a lack of coordination of interventions targeting the same or similar

[33] It is interesting to note that the Division of Revenue Bills of 2015 and 2016 both specifically mention NSNP (comprising only the MLEAA programmes) as an item of national interest to take into consideration before it is possible to determine allocations to county governments.

[34] The constitution envisaged a gradual transfer of functions over a three-year period as capacity was developed in county governments.

[35] World Bank (2013a).

[36] World Bank (2016a).

individuals or households. As a consequence, there is a high chance of duplication of certain interventions, such as school bursaries, but also missed opportunities to layer programmes such as CTs and support to livelihoods.

The County Steering Group (the CSG), which supports emergency interventions, is one structure which does successfully bring together county and national government staff. The CSG is co-chaired by the County Governor (the head of the county government) and the County Commissioner (lead representative of the national government). However, as a structure supported by the NDMA it only exists in counties where the NDMA has a presence, and it tends only to be active where there are frequent shocks and emergency interventions.

Although CTs are a national function, some counties have explored and even operationalised efforts to implement their own CTs. Examples include the following:

- Turkana County, which allocated KES 150 million to CTs in the 2015/16 budget, but then reallocated these funds when it became clear that the Social Protection Bill, a prerequisite for fund disbursement, would not be agreed to in time by the county assembly.[37]
- Marsabit County, which has started to implement a CT with a 2015/16 budget of KES 20 million. As county development budgets are only released every four to five months, payments are frequently delayed. To date it has been making payments through Equity, but wishes to move to using ward administrators to manage payments with the aim of increasing the visibility of the county government and reducing reliance on 'mischievous payment agents'.[38]
- Wajir County, which has a programme supporting five disabled people per ward with a CT amounting to KES 5,000 per month. Payments are administered by the county government.
- Machakos and Baringo counties made one-off CTs payments to selected vulnerable citizens.[39]

In addition, many County Integrated Development Plans (CIDPs) make reference to the national CT programmes, whether just to acknowledge their existence or to make a case to supplement their efforts. A CIDP is produced by each county government at the start of its term in office and is expected to guide investments through the five-year term. The 2013 CIDPs were the first produced and many were widely considered to be overly ambitious, with some plans significantly revised in 2015. A new round of planning will take place following the August 2017 elections.

[37] Interview with County Treasury Planning Officer, Turkana.

[38] Interview with County Department of Culture and Social Services, Marsabit.

[39] Informal communication with MLEAA staff.

4 HSNP's effectiveness in responding to the policy context

This section draws heavily on stakeholder interviews and the views they expressed on HSNP's effectiveness in responding to the current policy context. It highlights key themes emerging from the interviews, complementing these with a range of available evidence drawn from secondary sources. This section does not attempt to provide a comprehensive overview of progress and challenges (there are other planned studies which are better placed to examine key issues in detail).[40] Rather, it focuses on a set of key strategic issues: scale, scope and sustainability; HSNP and its position within the NSNP; scaling up in response to shocks; and coordination and linkages to deliver resilience building and graduation.

During the interviews some key themes did emerge on key operational aspects of the programme. These included:

- Targeting: A number of concerns and complaints were expressed regarding how HSNP 2 targeting took place and whether it successfully targeted the poor. These came from those involved in the programme, and those who might have been interested in making use of the HSNP MIS if they had more confidence in the targeting results. Recent studies have confirmed weaknesses in the targeting, both in terms of the process followed and results achieved.[41]
- Payments: There was widespread acknowledgement of HSNP's success in making payments on time, but still some concerns over the payment mechanism (accounts with Equity Bank) that the programme chose. Lack of national identity cards has delayed some beneficiaries' ability to access programme benefits; and a number of stakeholders raised issues regarding the distance beneficiaries have to travel to access payments (although those aware of the MLEAA interventions acknowledged that the distances travelled for HSNP were considerably shorter than those travelled for the other NSNP CTs, and that the greater predictability of HSNP transfers also substantially reduced beneficiary costs).
- Complaints and case management: Although not mentioned as frequently as the other two issues, a number of stakeholders expressed concerns about a lack of action or feedback regarding complaints and case management.

4.1 SCALE, SCOPE AND SUSTAINABILITY

This section focuses on some of the key design elements of HSNP, in particular in relation to its stated target group. In doing so it touches on issues, such as the use of conditional or unconditional transfers and the fiscal sustainability of a programme that is geographically focused.

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[40] These include: an assessment of targeting under HSNP (Silva-Leander and Merttens 2016), the special study on the ASP (Pearson *et al*. 2016a), an emergency scale-up process review (Pearson *et al*. 2016b), the overall HSNP impact assessment, a report on governance and organisation development (Blackshaw and Oduma 2015 a and b), and a review of payment mechanisms (Pulver 2016).

[41] Fitzgibbon (2014) and Silva-Leander and Merttens (2016).

4.1.1 Target group

There was widespread understanding that HSNP's eligibility criteria differ significantly from the eligibility criteria of the other programmes making up the NSNP. These other programmes include a categorical element,[42] alongside a nominal poverty targeting element, while HSNP is expressly poverty-targeted. Opinions were mixed as to whether there was justification for a long-term CT intervention targeted expressly at the poor as a distinct group.

Some stakeholders, particularly those based in northern counties, highlighted the degree of poverty and the risks of exclusion of needy households within programmes which are only categorically targeted.

> *The HSNP was born out of a situation where people are very vulnerable, resilience is low and there is high food insecurity. When there was drought, we knew what to do, but even when we don't have a drought people are suffering and we only have the same tool – food. Food for drought, food for normal times. And the reality is food is needed. As we do development we need to support people, otherwise by the time we have done the development, people will have died. We need to do something for the very poor while this development is happening.* — Senior staff member, NDMA

> *The other [MLEAA] programmes only target people who are old or disabled, and there are many people struggling in the north who cannot be covered.* — MP, Turkana

Others felt that livelihood-focused interventions, rather than CTs, might be more appropriate for economically able households. They questioned parliamentarians' willingness to provide unconditional transfers to such households.

> *Rather than giving cash to poor households with labour capacity, we should be providing productive support. We need to address the root cause of poverty in the north … The issue of poverty alone [as a reason for CTs] will not sell to the government. Look at the urban cash transfer, it lacked political support.* — Senior representative MLEAA

NSNP programme data[43] clearly indicates that not all poor households are covered by the MLEAA programmes because not all poor households have a member who would meet the categorical criteria of any of the three programmes. However, at present it is not possible to determine the numbers of households that would be excluded if the only programmes available were those with categorical criteria.[44]

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[42] For OPCT the categorical element is at least one household member over the age of 65, for CT-OVC it is that the household is caring for at least one orphan or vulnerable child, and for PWSD-CT it is that the household is caring for a person with a severe disability.

[43] HSNP MIS (accessed in March 2015) and MLEAA (2014).

[44] Anecdotal evidence from the pilot testing a harmonised targeting approach for all four NSNP programmes suggests that there are significant numbers of very poor households that do not meet the eligibility criteria for the MLEAA programmes (Catherine Fitzgibbon, personal communication). Actual data on the number or proportion of poor households (and whether they could be considered to be hard core poor) not covered by the MLEAA programmes are not yet available, but it may be possible to access these data once the pilot nears completion.

4.1.2 Use of conditional transfers

HSNP is not the only transfer programme targeting households on the basis of poverty alone. WFP's FFA and CFA programmes also target this group, but with conditions attached – the conditions are that they participate in community works programmes to earn the cash or the food. FFA interventions are operational in three of the four counties where HSNP operates (Wajir being the exception); a combination of FFA and CFA interventions are implemented in a further 10 counties. A number of stakeholders suggested that applying conditions ('co-responsibilities') might be particularly appropriate for a target group which includes the working poor:

> *We should think about the productive poor and those with vulnerabilities, and what kinds of households should get support for free, and which others could be working for it.* — Senior NDMA official

Implementation of the WFP-led FFA and CFA interventions is supported by local NGOs working within each county. They support the relevant local government agencies (part of the county government structures) to implement the works component, assist with targeting and help in the management and distribution of payments. This additional support, whether provided by NGOs or government implementers, implies additional costs, as well as benefits. Programmes which involve asset creation are typically more expensive. An assessment of public works interventions in sub-Saharan Africa found that, on average, only 46% of the budget was spent on wages.[45] Furthermore, studies show that quality public assets can be very difficult to achieve (and measure) and require significant implementation, and supervision, capacity.[46] CT-OVC has also been piloting a conditional transfer programme related to the uptake of health and nutrition services. This pilot has faced a number of key implementation challenges related to monitoring adherence to conditionalities or co-responsibilities.[47] Monitoring is key because those who fail to meet their co-responsibilities are expected to be penalised through deductions to their CTs. A range of different mechanisms for collecting data were tried over the nine years the Department of Children's Services has been trying to implement the pilot. A new monitoring system finally became operational in mid-2015, but there are now concerns that the delays in CTs experienced in the CT-OVC programme may undermine the effectiveness of the penalty clause, because a) the penalty is incurred so long after the infringement, and b) all beneficiaries (those who have met co-responsibilities and those who have infringed them) have been affected by substantial delays in payment in any case.[48]

4.1.3 Coverage and geographic footprint

A number of stakeholders questioned HSNP's continued focus on only four counties. Two key concerns were expressed: first, that there are similar needs in neighbouring counties which should be met; and second, that a programme that is increasingly government-financed should not be so geographically focused. One national stakeholder asked 'Is it a prudent use of government money to invest in only four counties?' (Senior national

[45] McCord and Slater (2009).

[46] Beazley *et al*. (2016) and McCord and Slater (2009).

[47] Ward *et al*. (2010) and MLEAA (2016).

[48] World Bank (2016b).

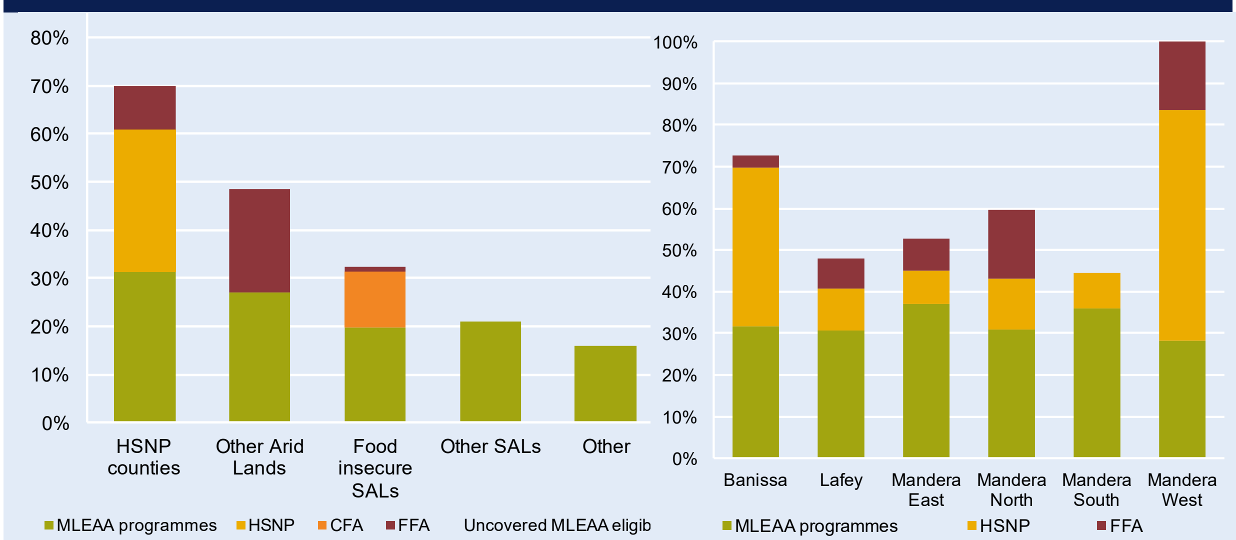
NDMA staff member). Regarding the first point, there is significant evidence to show that poverty rates and persistent food needs are higher in the four counties targeted by HSNP(see

Figure 1 and Figure 2 above). At the same time, there are indeed other categories of counties where poverty rates are also very high, such as counties categorised as arid lands and those which are recurrently identified as needing significant levels of food assistance (e.g.

Figure 1). While those expressing a need for geographical expansion also proposed an increase in the overall HSNP caseload, there was also a view that future caseloads could be spread more thinly. This was both a response to the perceived political imperative to cover more counties, but also because of the feeling that it should now be possible to 'drop some existing beneficiaries… [taking into account the] things that are happening in terms of development and employment' (Senior national NDMA official), and in recognition of the increased coverage by MLEAA programmes. Figure 7 below shows that the combined coverage of long-term transfer programmes in HSNP operational areas has reached 70% of poor households. Over half of this coverage comes from a combination of HSNP and WFP's FFA programme, with the latter programme also providing substantial coverage in the other arid land counties.

Figure 7: Expected coverage of cash and food transfer programmes in different areas of Kenya

Expected coverage (by June 2016) of long-term transfers programmes as a proportion of poor households	Expected coverage (by June 2016) of long-term transfer programmes as a proportion of poor households in Mandera County



Source: Authors' own analysis of programme administrative data, KIHBS 2005/06 and Census data 2009[49]

[49] This report defines the food insecure semi-arid lands as those counties which have been identified as needing food assistance for an average of more than 40,000 beneficiaries over the last four years (so excluding the 2011 crisis).

It is interesting to note that while those areas widely considered by stakeholders to have more need do receive more coverage, the proportion of poor households supported can vary significantly within counties (and within constituencies). As Figure 7 also shows, coverage in Mandera West reaches 100%, but in other constituencies it can be as low as 45%.

A number of stakeholders believe that 'double-dipping' (beneficiaries benefiting from more than one NSNP programme) is a serious problem and that significant savings might be possible once cases are identified and limited to receiving only one benefit. While there were efforts to prevent double-dipping during targeting processes, the fact that the Single Registry was not operational when much of the targeting was done means that some 'double-dipping' is probable. Analysis for the four programmes making up the NSNP shows that in total there are around 19,000 households that appear to be benefiting from more than one programme.[51] This is equivalent to around 2% of the total NSNP caseload and may not provide the cost savings some anticipate. However, as Table 5 and Table 6 show, the prevalence of double-dipping is much higher in the four northern counties, reflecting the higher levels of coverage, weaknesses in cross-checking data between departments or ministries, and weak implementation and oversight of targeting in those counties.

TABLE 5: POTENTIAL DOUBLE-DIPPING WITHIN THE FOUR COUNTIES WHERE HSNP IS OPERATIONAL

	HSNP	OPCT	CT-OVC	PWSD-CT	Total
HSNP		4,512	3,982	636	9,130
OPCT			1,044	109	5,665
CT-OVC				200	5,226
PWSD-CT					945
Total					10,483

Source: Social Protection Secretariat Single Registry. Note: The total cell in the bottom right is not a total of the rows above as this would double-count much of the data, but instead sums the individual programme cells.

TABLE 6: POTENTIAL DOUBLE-DIPPING OUTSIDE OF THE FOUR COUNTIES WHERE HSNP IS OPERATIONAL

	HSNP	OPCT	CT-OVC	PWSD-CT	Total
HSNP		128	126	6	260
OPCT			6,191	731	7,050

[50] It should be noted that the census results for Mandera, which form a basis for this graph, are in dispute. Analysis has also been done using data from the HSNP MIS. It shows a similar variability but only Mandera East and Mandera South have coverage levels of less than 100% (with Mandera East having a low of 56%).

[51] Actual double-dipping may be less than this, because some individuals may be included as a recipient in their own right and as a caregiver for beneficiaries of another programme. Although this is not allowed according to programme procedures, resolving these cases will result in a change in caregiver, not in the removal of a household from one of the programmes.

CT-OVC	1,378	7,695
PWSD-CT		2,115
Total		8,560

Source: Social Protection Secretariat Single Registry. Note: The total cell in the bottom right is not a total of the rows above as this would double-count much of the data, but instead sums the individual programme cells.

4.1.4 Fiscal sustainability

On the one hand, the Government of Kenya's commitment to social protection and to the EDE agenda has been demonstrably strong, as evidenced by the expression of significant political will and increased financing. On the other hand, a number of stakeholders expressed concerns about the future fiscal sustainability of the programme. Key issues raised included the following:

- The government's willingness to provide CTs to people who are only poor: '*The issue of poverty alone will not sell to the government. Look at the UFS-CT [one of the original MLEAA programmes which closed in 2014] – that didn't have political support.*' (Senior MLEAA official)
- Indications that the Government of Kenya's finances are stretched: '*The recent struggle [in releasing financing to make timely payments for the MLEAA cash transfers] is a question of revenue collection, not a question of priority. Social protection is high on the list.*' (Senior official NDMA) There are also concerns about whether the government will meet its obligations to EDE in this financial year, with only 1 billion of the 1.5 billion commitment included so far in the government's printed estimates.
- Concerns that social protection is not understood as well as it needs to be across key government departments (such as Treasury), or by MPs.

One risk to the fiscal sustainability of the programme is the government's perception that it is a fixed-term intervention. During the 2016/17 budgeting process Treasury refused a request to include budget projections for HSNP for the financial years 2017/18 and 2018/19, because the current documentation is for a programme which expires in March 2017. Funding for the MLEAA components of the other NSNP programmes are not affected by this perception, as evidenced by the government budget documents in which these other programmes (and not the HSNP) make up the category of 'national safety net' financing.

The politicians consulted in the course of this study displayed broad support for HSNP and the CT sector generally. Those representing constituencies where the programme was operational highlighted a number of operational constraints, but saw benefits in moving from emergency GFDs to cash.

> *Before, people had no fixed budget and didn't have money regularly that they could use to buy food. Instead they would get food in direct exchange for an animal. This was a problem for the person, but also created problems for the shopkeeper. Regular cash transfers really help.* — Senator, northern Kenya

Politicians from areas where the programme is not operational were keen for it to expand, but tended to focus on development partner support and not their own role in advocating for expansion. Discussions also highlighted the fact that politicians are often aware of the criticisms levelled at the NSNP programmes, whether about targeting, distance to payment points or delayed payments. This suggests that politicians may also see CTs as a risk if they generate a high number of complaints.

Two contradictory perspectives emerge: that fiscal constraints mean that HSNP should not consider expanding beyond the current four counties, and that future political buy-in to the programme depends on it expanding beyond its current limits.

4.2 HSNP AND ITS POSITION WITHIN NSNP

4.2.1 Government's ownership and management of HSNP

Government ownership of HSNP is widely seen to have improved during its second phase.

> *Phase 1 was donor-led and implemented. Phase 2 is more 50:50, both in terms of financing and implementation.* — Senior NDMA official

However, there is also a widespread perception that more is needed. In particular, concern was expressed that there had not been enough progress made in terms of NDMA playing a strong role in the day-to-day management of the programme.

A consultancy was commissioned by DFID in 2015[52] to make recommendations on how to improve the governance and institutional arrangements of HSNP. This study highlighted a general consensus that consolidation between HSNP and the other three NSNP programmes should follow an 'under a common umbrella' approach (having a coordinated policy and strategy framework and some common systems), rather than fitting 'under one roof' (managed within a single department or agency of government). The reason for this was HSNP's distinctiveness as a geographically focused safety net, its ability to expand CTs in response to drought and its position within the EDE Framework, which is managed by NDMA.

However, HSNP's current institutional arrangements are dependent on the existence of the PILU, which comprises a DFID-financed consultancy company sitting within the NDMA, and a payment services manager in the form of the FSD. According to the governance and institutional arrangements consultancy 'NDMA has neither the internal expertise nor sufficient staff at the appropriate level to take over responsibility for the HSNP implementation functions.'[53] The consultancy recommended a gradual transition, addressing both NDMA capacity gaps and consolidation with the remaining NSNP programmes. By the end of HSNP 2, the consultancy recommended that HSNP be an integral part of NDMA, with permanent established public service positions, and that specific

[52] Blackshaw and Oduma (2015a) and Blackshaw and Oduma (2015b).

[53] *Ibid*.

operational arrangements be aligned with the other NSNP programmes (targeting, complaints and payment services management). The consultancy foresaw further consolidation with common operational arrangements across the NSNP and single service and payments windows by 2020.

Since the study's completion, there has been some progress regarding harmonised targeting and changes to the complaints management system, but there has been little progress in addressing NDMA capacity gaps, or the need for government-administered payment management mechanisms. This lack of progress is a symptom of the fact that the NDMA has a lack of operational capacity. It may supervise a number of programmes, including HSNP and WFP's CFA and FFA interventions, but implementation is dependent on development partners and/or external consultants. It may also be an indicator of the limitations of government ownership of the programme. Though nominal commitment has been strong, it has not extended to developing and resourcing the systems needed to implement the programme in the long term.

Despite attempts to improve on the management arrangements used in HSNP 1, key weaknesses remain, with different partners responsible for delivering different programme components. Although the PILU was an attempt to resolve this, the continued separate contracting arrangements for the payment mechanism and the social protection rights component (which are contracted directly by DFID and not by the government or the PILU) undermine clear lines of responsibility and accountability.[54]

In addition, some of those interviewed expressed concerns about the ability of government to adequately take on all the roles currently fulfilled by the PILU and questioned the likelihood that the necessary skills and staffing could be recruited within the government system. Instead, it was proposed, there could be a continued role for a contracted-out management unit such as the PILU in the medium to long term, but with the contracting of such an agency and the contract management the responsibility of the relevant department in government.

4.2.2 The NSNP harmonisation and consolidation agenda

As highlighted above, there is an expectation that HSNP will align specific operational arrangements, such as targeting and payment service management, with the other NSNP programmes in the short term; and work towards a single service window for CTs in the long term. However, this harmonisation and consolidation agenda is complicated by the fact that discussions are still in progress regarding the extent and nature of harmonisation and consolidation of the three CT programmes implemented by the MLEAA. While there are strong signals that the leadership ultimately is looking for a single social protection programme (the combined programmes have been referred to by the name *Inua Jammi* since a launch by President Uhuru Kenyatta in 2014), it has been more challenging for the programmes to agree how consolidation should happen. For some, consolidation 'will reduce

[54] For example, over the past nine months HSNP field staff have been collecting corrected household information to support opening of bank accounts or changes to the bank account holders. As the information was collected it was passed on to FSD. However, only recently has FSD passed this information on to Equity Bank. As a consequence, beneficiaries are wondering why the changes they requested months ago have not been effected, but HSNP field staff and PILU have had no control over how that information is transmitted, and how quickly the transmission takes place.

confusion, inefficiencies and fraud.' (Senior official MLEAA). For others, there is a risk that consolidation might limit joined-up service delivery by separating the provision of CTs from the provision of other services focused on the same client group: '[There is] not enough focus on how the cash element intersects with other services that are on offer from the ministry.' (Senior official MLEAA). As a consequence of the challenges in reaching agreement on consolidation, and despite some recent practical steps to improve harmonisation,[55] little is known about the planned nature and extent of consolidation within the MLEAA.[56]

HSNP has shown itself to be a willing partner in discussions on harmonisation and consolidation and the broader NSNP. This willingness has resulted in it leading the piloting of a harmonised targeting protocol in Turkana, as well as sharing lessons learned in a number of common forums. However, HSNP's location within another ministry and system of management provides it with a flexibility which can lead it to move at a different pace and in different directions from its MLEAA counterparts.

One example is HSNP's freedom to adjust the benefit levels of the CT each year in line with inflation. This freedom is created by agreements between DFID and the Government in Kenya, in turn a result of the significant proportion of development partner financing of the programme. The MLEAA programmes have not been able to adjust benefit levels, in large part because they are dependent on Parliament to determine budget levels, and no adjustments for inflation have been built into budget projections. As a consequence, the gap between the benefit provided by HSNP and the benefit provided by the MLEAA programmes is increasing,[57] despite the fact that both sets of programme have significant levels of coverage in the same geographic areas.

4.3 SCALING UP IN RESPONSE TO SHOCKS

4.3.1 HSNP's scalability component

A key feature of HSNP 2 and the ASP has been the inclusion of the ability for HSNP to scale up rapidly in response to shocks. Most of those consulted for this study highlighted this component as one of the key strengths of HSNP. Much of the design work for this component took place in 2013/14, with the first scale-up triggered in April 2015.[58] There are three key design elements of this component which enable a rapid scale-up:

- a system to rapidly trigger a response;
- available financing, or ability to rapidly access financing; and
- arrangements for transferring payments to poor households affected by shocks that can be deployed rapidly.

[55] The three programmes implemented by the MLEAA undertook a joint recruitment of a new payment service provider in later 2014. Recently, a new harmonised targeting methodology has been devised and is currently being piloted in three counties. This pilot approach incorporates both HSNP (in Turkana) and WFP (in Kilifi).

[56] World Bank (2016b).

[57] The current transfer rate of the HSNP is KES 2,550 per month, while the rate for the MLEAA (nationally and therefore in the four counties) is KES 2,000 per month.

[58] OPM (2016).

The VCI was selected as the key means for triggering a response. VCI status has been linked with NDMA's four drought phases (normal, moderate, severe and extreme), with at least one sub-county in a county needing to be classified as severe or worse for a response to be triggered in that county (though all sub-counties reaching the moderate threshold benefit from some level of response). Although the VCI can be used to analyse the extent of drought according to 200m^2 blocks, the decision was made to use sub-counties as the unit of analysis because they can represent the larger areas over which communities herd livestock.[59]

Views on the use of a single indicator, and the VCI as that indicator in particular, are mixed. Those who are familiar with the approach tend to be the most favourable:

> *I was one of the people who originally resisted VCI; but after seeing it tested I have come around … It seems a good proxy in terms of the other indicators in the Early Warning System and [has the big advantage that] it cannot be manipulated.* — Senior NDMA official

But there are concerns that a single indicator is not sufficient and there are issues regarding how easy it is to understand at county and sub-county level.[60] Various reviews[61] show that there is a close correlation between the VCI and other early warning indicators, but there is widespread misunderstanding of the approach and stakeholders at county level do continue to express concerns as to its accuracy and the fact that it cannot be used to identify crises caused by factors other than droughts.

A key question in the long-run is whether the government is willing to invest its own resources on the basis of such a trigger, or whether – as a couple of stakeholders suggested – investments in improving the speed of the needs assessment mechanism might have a broader and more long-term impact. The government is increasingly using the VCI to identify and advocate for the need for a wide range of responses, but in conjunction with other indicators. What is clear is that experience over the last year has demonstrated the ability of the VCI to trigger a rapid response, with data relating to a particular month being available at the end of that month and, if needed, payments being made 15–16 days later. This compares favourably to the traditional response mechanism in Kenya, where the assessment of the March to May long rains typically takes place in August, with the first food distribution on the basis of this assessment taking place in September or October.

At present there are only two confirmed potential sources of financing for an HSNP scale-up: DFID's financing (initially provided through the ASP but now also the core HSNP project) and the Government of Kenya's policy with the drought insurance scheme African Risk Capacity (ARC). 75% of an ARC pay-out is expected to be channelled through the HSNP emergency payments mechanism, with a pay-out triggered through remote sensing but using

[59] NDMA (2016b).

[60] This came up in interviews conducted in the course of this study, and in more detail in the recent emergency payments process review (Pearson *et al*. 2016a)

[61] Klisch *et al*. (2015) and Luminari (2016)

the Normalised Difference Vegetation Index (NDVI) not the VCI.[62] A third financing source is expected in the form of the government National Drought Management Fund (NDMF).

The establishment of the NDMF has been planned since before the launch of HSNP 2, but is still being finalised. It is expected to be a financing mechanism for a range of drought responses, one of which is a scale-up of the HSNP. We asked European Civil Protection and Humanitarian Aid Operations (ECHO) and USAID, two other key humanitarian donors, whether they would be interested and able to finance an HSNP scale-up. Although both donors were interested in the approach, their internal regulations make financing HSNP difficult: ECHO because their funding is limited to NGOs and the UN; and USAID because of difficulties in financing unconditional CTs. The European Commission is willing to provide funding to the NDMF, but is likely to prioritise non-consumption-smoothing responses. Expanding financing for a scale-up of CTs is key to such an approach being a viable alternative to a traditional emergency consumption-smoothing response:

> *Without this NDMF, everything [that HSNP has implemented in terms of a scalable safety net] is a nice story or experiment.* — Development partner representative

A pre-condition to the programme design was the open registration for HSNP 2, which created a database of most households in northern Kenya that could be ranked, alongside the opening of bank accounts for all registered households – whether or not targeted as core HSNP beneficiaries. Households listed in the HSNP register but not selected for core transfers are commonly known as 'Group 2' households (Group 1 being the core group of routine HSNP payments). HSNP has effectively made use of this register and bank accounts to make rapid payments to beneficiaries on a number of occasions (see Table 7 below). However, as stakeholders point out, the approach is not without challenges. Weaknesses in the targeting for HSNP 2 have implications for the scale-up component (ineffective targeting is repeatedly cited as a key limitation of the core programme and the scale-up component). In addition to the problems with the initial Phase 2 targeting, a number of stakeholders also expressed concern about the frequency with which targeting data are updated.

TABLE 7: EMERGENCY SCALE-UP PAYMENTS

Payment period	Households					Amount paid
	Mandera	Marsabit	Turkana	Wajir	Total	
January 2015		5,379		28,884	34,263	83,944,350
February 2015	7,807	9,450		28,884	46,141	113,045,450
March 2015	29,029	13,486	5,045	42,122	89,682	219,720,900
April 2015	20,470	8,591		9,900	38,961	95,454,450
June 2015		222			222	543,900

[62] Both ARC and IBLI use the NDVI to trigger pay-outs. It shares much of the source data with the VCI and the results of the two datasets are comparable (Klisch *et al*. 2015). HSNP's use of the VCI is because the NDMA has an existing contract with Boku University to provide them with these data. The other key difference between HSNP's use of the VCI and ARC and IBLI's use of the NDVI is that the thresholds at which a response is triggered is different. HSNP responds at a much lower threshold than the other two interventions.

October 2015 (Drought)			4,852		4,852	12,372,600
October 2015 (El Nino 1)	43,133	29,276	64840	49,547	186,796	476,329,800
October 2015 (El Nino 2)	5,215	2,392	7146	6,470	21,223	54,118,650
January 2016				8,023	8,023	20,458,650
February 2016				1,451	1,451	3,700,050
Total						**1,079,688,800**

Source: HSNP programme data

Similarly challenges in the core payment system also apply to emergency payments. Lack of national IDs mean that not all those ranked as in need of emergency payments receive payments, as money is not disbursed to beneficiaries without active bank accounts. Any pre-existing problems in access to Equity Agents and liquidity also apply, and were mentioned by a number of stakeholders in interviews. Furthermore, county-level stakeholders also drew attention to the potential for confusion between core clients and those categorised as Group 2: 'Group 2 households are saying "we have the same cards, why should they get something and we don't?"' (MP for an HSNP operational area). This confusion was also highlighted in the recent Drought Emergency Scale-up Payments Process Review (Pearson *et al*. 2016). This study pointed out the need for clear communication regarding who should expect to receive payments if congestion and confusion at payment points are to be avoided, as people use Equity Agents to find out whether they have been targeted for a scale-up payment.

A number of stakeholders also expressed concerns about the costs of setting up and implementing this component, which affects how replicable it is in other parts of Kenya. The registration approach used by HSNP was highly expensive as it sought to register all households resident in the four northern counties and to collect data suitable for the application of a PMT. Similarly, opening bank accounts for all households in these four counties has significantly increased the cost of the payment mechanism. Furthermore, when a sub-county VCI reading triggers a response, the allocation is equivalent to either 50% or 75% of the households registered in the HSNP MIS (less the routine beneficiaries). These represent quite large blocks of the population, with significant budget implications for each time a response is triggered.

4.3.2 Other models being tested for scalable transfers

Livestock insurance

IBLI has been running in Marsabit since 2009. The government has since used this as a model to develop their own livestock insurance programme – Kenya Livestock Insurance Programme (KLIP). Both schemes target a sub-section of the HSNP Group 2, with the view that a livestock insurance pay-out is most appropriately targeted to those with livestock, who are unlikely to be the poorest.[63] The potential overlap between the IBLI and KLIP insurance products and emergency scale-up payments provided by HSNP is an intentional design feature, with HSNP supporting

[63] Ideally there should be no overlap between the insurance product and HSNP core beneficiaries, but in reality there is some because of the targeting issues within HSNP.

consumption and IBLI/KLIP supporting the protection and rebuilding of assets. Whereas HSNP pays out monthly during a shock, IBLI and KLIP can only pay out twice a year and after the shock. IBLI has now expanded to Isiolo and Wajir, while KLIP is currently functioning in Wajir and Turkana. Next year, KLIP will expand to Marsabit and Mandera, with an ambition to expand to 14 ASAL counties.[64]

Mobile scratch-card

In December 2015, WFP undertook a simulation exercise to test a new package of tools for delivering cash quickly in emergencies. One of the key tools being tested was a simple mobile scratch-card. This looks and works like a normal mobile airtime card, but functions as a means for rapidly dispersing cash to targeted households. Recipients just scratch the card, enter the appropriate code and the system adds the value shown on the card to their M-Pesa account.[65] A number of stakeholders highlighted this approach as a potential alternative to HSNP's account-based approach because scratch-cards can be handed out to households who lack identity cards, a key constraint faced by HSNP. Around 25% of the households registered in the HSNP MIS lacked a member with an identity card according to the data collected.[66] While the number of people lacking identity cards in other counties is not known, anecdotal evidence suggests that it is a persistent issue. However, this benefit (a household does not need to be able to present an identity card to receive a transfer) is also a potential weakness. One of the key objectives of NSNP has been to introduce two-factor authentication into payment systems, which this approach potentially side-steps. This introduction of two-factor authentication across the four programmes making up NSNP has also led to the need for identity numbers for at least one member of the household to be collected (and going forward there will be sustained effort to collect identity numbers for all adult household members), which in turn is assisting the programmes to use the Single Registry to assess whether one household is collecting a transfer from more than one programme.

4.4 COORDINATION AND LINKAGES TO DELIVER RESILIENCE BUILDING AND GRADUATION

There is a clear consensus among the stakeholders that CTs by themselves are not sufficient to deliver sustainable poverty reduction for poor households, whether in northern Kenya or the country as a whole. Instead, there is a need for poor and vulnerable populations to have access to a range of complementary interventions, whether core government services, such as health and education, livelihood-enhancing activities supported by government agencies or NGOs, or access to an enabling environment, such as financial services.

> *The safety nets are a stand-alone arrangement. Whereas this kind of initiative requires a multi-sectoral approach. MLEAA puts money in people's pockets, but they don't have the capacity to exit them. So such programmes have to be part of a broader agenda that ALL ministries are involved in. But for now nobody*

[64] Recent work by ILRI researchers models the poverty outcomes of integrating social protection initiatives – specifically, insurance for the vulnerable non-poor and assistance for the poor and vulnerable. These map onto IBLI/KLIP insurance and HSNP. Findings suggest that insurance transfers are more efficient than CTs. Further work will investigate the complementarity of the two models in regard to achieving outcomes for the poor and vulnerable.

[65] WFP (2015).

[66] Sandford (2014).

knows what anyone else is doing. So there is an absence of this broad agenda that everyone buys into. — Senior Treasury representative

Some stakeholders refer to a 'graduation model', while others talk of linkages and improved coordination with complementary programmes across sectors. While the aim of both is to build resilient households that are able, in the longer term, to support themselves, the language and distinction is important as regards how HSNP continues to evolve. Graduation model programmes, such as those pursued in Bangladesh, Ethiopia and Rwanda, are designed such that the CT element is just one part of a bigger set of provisions around livelihoods—provisions that the programmes are responsible for. A coordination/linkage agenda is more about establishing links across existing programmes and sectors such that synergies are established that allow the programmes to achieve better results together than if they had been implemented separately. This is increasingly referred to as a coherence agenda, where coherence is 'a systematic promotion of complementary and consistent policies and programmes across sectors, thereby creating synergies to combat rural poverty and food insecurity more effectively'.[67] It is as much about ensuring that potentially conflicting interactions between policies and programmes are avoided and/or minimised as it is about actively exploiting complementarities and synergies between agriculture and social protection schemes.[68]

4.4.1 Complementary interventions

A range of complementary interventions were suggested as being necessary to complement HSNP and the other CT programmes making up NSNP. These included health insurance and access to health services, the need for children in poor households to attend school, and improved access to livelihood support, whether in terms of technical advice or credit.

Many of the interventions suggested already exist in some form. There are numerous development partner-financed and/or NGO-run programmes, such as DFID's ASP, USAID's Resilience and Economic Growth in the Arid Lands programme (REGAL), and the EU's Supporting Horn of Africa Resilience (SHARE) in Kenya and Kenya Rural Development Programme (KRDP). Each of these large programmes has a number of NGO implementers working on specific sub-sectors and/or in specific areas. There are core national government services in terms of the universal free primary education, and core county government services in terms of primary health care and agricultural extension. There are also more targeted county-run (or national government-run) interventions in terms of school bursaries and different funds to support household income-generating schemes. In our interviews with representatives from five counties, all mentioned planned or ongoing programmes to provide micro-finance to 'vulnerable' people. Examples include: Marsabit's County Entrepreneur Fund, managed by the Department of Trade, focusing on women and youth; Turkana's Youth and Women Empowerment Fund, which provides first grants and then loans to finance projects by youth and women groups; and Samburu's plans to support the financial empowerment of disabled people through livelihood support or start-up capital.

[67] Slater *et al*., (2015b).

[68] Gavrilovic *et al*., (draft).

Although many interventions do exist, less is known about the extent of coverage and what level of overlap there is with HSNP or other NSNP CT programmes.[69] A number or programmes aim to cover the same target group but while some NGOs do highlight probably overlap ('the majority, maybe 80% of our VSLA members are also HSNP beneficiaries' (NGO Mandera)), others suggest that overlap would have been higher if the targeting of HSNP had been better. At present, much overlap is accidental rather than intentional. As highlighted in Section 2.3.2, the intention had been for ASP and HSNP to complement each other. However, the reality of the challenges faced in getting both programmes operational meant that little attention was paid to ensuring that this complementarity was implemented. This is an illustration of how challenging effective coordination can be, despite the best of intentions. Coordination can be a challenge within a single organisation, let alone across multiple organisations, government departments and levels of government.

The UN agencies have been exploring options for layering and sequencing interventions outside of the HSNP operational areas.[70] WFP is working with FAO and the International Fund for Agricultural Development (IFAD) to look at possible ways of sequencing interventions for current cash for work clients, as part of a move to consider graduation. Households supported by WFP CFA will also receive technical advice and access to financial services, allowing them to reduce their dependence on the CFA component. Even after they exit CFA they will continue to receive support from the FAO and IFAD components to ensure that any livelihood improvements are sustained.[71] UNICEF is also exploring ways of complementing the CT-OVC programme with nutrition, health and HIV/AIDS interventions in three separate counties. The exact design of these interventions is currently being defined.

4.4.2 Coordination mechanisms

A key challenge for coherence, and ultimately for the household resilience agenda, identified by a number of stakeholders, is how interventions can be coordinated in a meaningful way for beneficiaries.

> *Cash transfers on their own create dependency. The government needs to look at this [combining complementary interventions with CTs] in a joined-up way, because all ministries are looking at vulnerability in their own way.* — Treasury representative

The Social Protection Council, supported by the Social Protection Secretariat, was expected to be the main coordinating mechanism at national level. The delay in passing a Social Protection Bill has prevented the formation of the council and as a consequence the secretariat has limited authority with which to encourage or enforce coordination. The programmes that make up NSNP do have functioning coordination mechanisms, although those that operate at the technical level are more active (the infrequency with which the NSNP steering committee and

[69] The recent evaluation of the ASP found that NGOs reported overlap between their beneficiaries and the HSNP to be between 20% and 40% (Pearson *et al*. 2016b). How that translates into the percentage of HSNP beneficiaries covered by the ASP cannot be determined.

[70] Multiple interventions that converge on similar households can be provided either simultaneously through layering or sequentially through sequencing of support.

[71] FAO (2015).

management committees meet is a frequent cause of complaint).[72] HSNP participates in these mechanisms, but also has its own steering committee (to which the secretariat is invited). There is optimism that a new bill is planned and will provide the necessary platform: 'Once the bill sets up the Social Protection Council then the secretariat should have authority to lead coordination efforts.' (Senior representative MLEAA).

Coordination below the national level is more challenging. Constituency Social Assistance Committees (CSACs) have been formed in all 290 constituencies (which usually coincide with sub-counties) to support the MLEAA CTs. CSGs have been established in all the ASALs, but while these are expected to have a broad development remit, their existence is linked to the NDMA, which is expected to act as secretary. As a consequence, there are few – if any – forums in which people can discuss how interventions can best complement each other and be coordinated. 'The coordinating committee for some of this work is via the CSG meeting but, for example, the CT-OVC and the pensions programme are not part of this group.' (County-based NDMA staff). This lack of a forum means that there have been limited discussions about how HSNP and MLEAA programmes should interact at county level, or how they might fit with any of the county government plans to launch their own CTs. There also appears to be a reluctance for county and national staff to work together:

> *The national entities – the NDMA, the state department of social services – have a tendency to run away from county government initiatives, seeing them as politically motivated.* — County representative

Given that many of the potential complementary interventions are devolved functions, it is key that any coordination mechanism that is established exists or is duplicated at the county level.

The Single Registry was frequently singled out by both county and national stakeholders as a key mechanism to facilitate coordination. It is already being used during targeting to confirm that a household is not already receiving a CT prior to being newly targeted and enrolled, but the ambition is to expand its usage. There is a hope that other agencies (government or non-government) will use the existing data to identify poor and vulnerable households already benefiting from CTs who could also benefit from other interventions, but also a plan to widen its scope to include other interventions. For this to happen effectively there is a need to decentralise access. This is already being piloted.[73]

There are risks associated with expanding the Single Registry. There are limits to how many data can effectively be maintained without their collection and updating being too cumbersome. International evidence also shows that registries that are built for monitoring that do not have corresponding functional MISs are poorly updated and frequently contain incomplete and inaccurate information.[74]

[72] World Bank (2016b).

[73] Chirchir (2016).

[74] Chirchir and Sanyu (2014).

4.4.3 Use of HSNP infrastructure by other partners

The establishment of the HSNP systems, particularly with regard to the registry of all households in the four counties and the opening of bank accounts for all these households, came at a significant cost. For this reason, HSNP and its financing partners have always been keen for other actors to make use of these systems.

To date, use has been limited. With regard to the registry, this limited use is related to the significant concerns about the quality of the targeting. There are some concerns about the payment system, but the main reason it has not been used yet is because of delays earlier in the programme in getting bank accounts opened, and therefore sufficient coverage of the population. As a consequence, in Marsabit, both Concern Worldwide in 2014 and the county government at present made/make use of alternative systems. For example, the county government perceived the process of using the current MIS as 'too hard' and opted to use a community targeting approach instead and to make payments through ward administrators. As more and more households have active bank accounts (whether core Group 1 beneficiaries or Group 2), there is increasing interest in making use of this infrastructure. The MIS indicates the geographic location of beneficiaries and the payment infrastructure provides a secure, cost effective mechanism for making payments (in cash or redeemable against limited goods or services). For example, Concern Worldwide plan to use the 'e-wallet' functionality of HSNP's Equity card to provide households with emergency access to agrivet services. Oxfam is planning a similar approach but focused on using the e-wallet to give people access to 'water ATMs'.[75]

[75] A voucher for water is loaded onto the card, which can then be swiped at a 'water ATM' and 20 litres of water disbursed.

5 Implications for the future of HSNP

HSNP 2 was originally intended to close in March 2017. There are now plans to extend it by a year so its completion coincides with the end of the current phase of NSNP. Recent budget negotiations by the NDMA (discussed in Section 4.1.4) have demonstrated the need to begin planning for beyond March 2018 as soon as possible. This is both critical so as to ensure adequate forecasting in the Government of Kenya budgeting process, but also to avoid any disruptions in transfers between programme phases, as was experienced between Phases 1 and 2.

This section focuses on four key issues, which have emerged from Chapter Four, and which the NDMA, DFID and the wider social protection community should consider as they move forward in thinking in regard to both HSNP and the broader NSNP. It considers how HSNP could engage with ongoing directions of change regarding consolidation and harmonisation within the CT sector; some of the key options regarding programme scale and scope; how HSNP can build on its experience of scaling up in response to shocks; and how HSNP might best engage in the complementary programming agenda. In presenting options, this report both considers views expressed by stakeholders and other ideas which emerged in the course of conducting this study.

5.1 CONSOLIDATION AND HARMONISATION

As highlighted in Section 4.2.2 above, government leadership is looking to consolidate the CT programmes managed by the MLEAA into a single social protection programme. Exactly what this will look like is not currently known as internal government discussions are still underway. However, the assumption is that the three categorical eligibility requirements would remain (old age, orphan and vulnerable children, person with severe disability) and that the services currently provided by two departments (targeting, payroll preparation, and complaints and case management) would be merged into a single service window.

HSNP is located in the MDP and managed by the NDMA because of its geographic focus and its position within the EDE Framework, via its ability to expand CTs in response to drought. Its location in a separate ministry to the rest of the NSNP programmes provides HSNP with a degree of choice about the extent to which it fits in with the MLEAA consolidation agenda. However, its separation also means that it lacks the financing protection of being within the National Safety Net line in the annual Government of Kenya budget.

One option is to continue on the path outlined in the governance and institutional arrangements consultancy, which is to harmonise specific operational systems between HSNP and the MLEAA programmes by the end of this phase of the programme (such as targeting and payment service management), and work towards a single service window for CTs in the long-term.

A second option would be to consider splitting the two HSNP caseloads: the core caseload (often referred to as Group 1 beneficiaries) and those supported through the drought scale-up component (drawn from the wider population, often referred to as Group 2). This option would involve the core caseload coming under the management of the MLEAA as part of a single social protection programme, and the drought scale-up component remaining with the NDMA. This would mean HSNP becoming a fourth, purely poverty-targeted, sub-project within the proposed consolidated MLEAA single CT. The geographic extent of this fourth sub-project would need to be defined (as further discussed in Section 5.2), a means for establishing geographic quotas set and some of the challenges in managing poverty targeting addressed. However, a geographic focus of a poverty-targeted element would be justifiable on the basis of it being the link between a national social protection agenda and a special development plan for the ASALs, and based on the fact that many households falling into the bottom poverty quintile cannot be captured by programmes that only select from households meeting categorical eligibility criteria.

Under this option, the drought scale-up component would continue to be managed and financed by the NDMA, but disbursement of transfers to beneficiaries would make use of the core caseload operational infrastructure and systems.

Stakeholders who proposed this second option felt it would support the expected efficiency gains through consolidation. However, others expressed concerns. Firstly, that splitting the caseloads could lose buy-in to the programme from the Pastoral Parliamentary Group. Secondly, that there is little appetite for a solely poverty-focused intervention in the long-run. And thirdly, that MLEAA administrative capacity in the northern counties is very weak, whereas the NDMA's capacity is comparatively stronger.

A third option (compatible with both options 1 and 2 above) would be to use HSNP as a means of ensuring (or continuing to ensure) additional capacity and resources to meet needs in the food insecure and marginalised north of the Kenya in the following ways:

- Supplementing coverage: At present HSNP enables a 'supplement in coverage' in the four counties where it operates, with the result that a higher proportion of poor and vulnerable households are covered by CTs. This option would see this supplement in coverage continue, or even be extended beyond the four counties where HSNP operates. This supplement in coverage would provide resources for an additional number of households comprised of those who are ineligible for the MLEAA categorical programmes. This supplement in coverage could be provided through either option 1 or 2 above.
- Topping-up of benefit levels across the four NSNP programmes: As highlighted in Section 4.2.2, additional resources could also be used to supplement the transfer rates across the four programmes to ensure that transfers in these food insecure areas retain adequate purchasing power and ensuring alignment across all the programmes making up the NSNP.[76]
- Enhanced capacity: Finally, HSNP could be a source of financing to supplement capacity in key areas such as targeting, payment service provider management, coordination of any complementary interventions and

[76] It should be noted that national government stakeholders consistently referred to the need to expand coverage before raising benefit levels. However, the current lack of parity between the benefit levels is a problem and there is likely to be little appetite to reduce HSNP benefit levels (and significant justification for higher benefit levels in northern counties where the cost of basic needs is higher).

beneficiary case management. All of these technical areas are more challenging to deliver in northern counties, but there could be additional benefits in HSNP offering additional capacity. If HSNP continues to register, and establish a means of paying, all households (or at least those who wish to be registered) in the counties in which they work, this registration and payment system can be easily extended at little extra cost. HSNP-led targeting can be used to identify beneficiaries for all four programmes (as is being tested in the current harmonised targeting pilot) and the means of paying any household in HSNP operational districts can be used to pay benefits by any CT programme to their selected beneficiaries.

This last focus on enhanced capacity opens up a fourth option, which would provide an alternative approach to option 2 above. Instead of core HSNP beneficiaries transitioning to an MLEAA-managed programme, the service window supporting beneficiaries of the CT-OVC, OPCT and PWSD-CT could be managed by the NDMA in HSNP operational areas. The MLEAA would maintain oversight of these programmes, but frontline operations (targeting, case management and the payment mechanism) would be supported and managed by the NDMA in districts where they tend to have greater operational capacity than the MLEAA. One must acknowledge here the reason that the NDMA have higher capacity than the MLEAA, which is obviously due to DFID support. Over the medium to long term it would be expected that government structures would take over the implementation unit, thus opening up the question as to whether they will have the resources to sustain it.

5.2 COVERAGE

There are five key questions regarding coverage that the design of any follow-on programme to HSNP 2 needs to address:

- What should be the geographic spread of any future programme?
- What should be the depth of coverage of any future programme (what proportion of the population/poor households within its chosen geographic spread should any future programme aim to support)?
- How should the existence of other interventions (whether other components of NSNP, or other safety net interventions) influence the answers to the above questions?
- What are the cost implications of different options?
- What are the implications for how the costs can be financed?

As highlighted in Section 2, poverty rates and food insecurity (as defined by the number of households regularly in need of food assistance) are geographically variable in Kenya (

Figure 1 and Figure 2). Currently, the MLEAA programmes operate throughout Kenya, with eligibility defined by categorical vulnerability and coverage rates informed by poverty. HSNP, on the other hand, is focused geographically on the four counties where poverty rates and food assistance requirements are highest, while eligibility is defined by the poverty status of the household. In addition, and quite apart from NSNP, WFP's FFA and CFA interventions operate in counties with high food needs throughout the ASALs.

Given this social protection programming context, HSNP has three possible options moving forward:

1 **Maintain the current geographic focus with existing (or possibly decreased[77]) depth of coverage.** This option is the lowest cost, but may be the least likely to garner political support, with many MPs representing neighbouring districts feeling the constituencies they represent are unfairly excluded. It may also limit the possibility of supporting any expansion of HSNP's component which enables the scaling up of CTs in response to drought, reducing its ability to become a mainstream means of providing emergency response (this is discussed further in Section 5.3 below).

2 **Expand coverage to other ASAL counties on the basis of the need for additional CT support for households without a categorical vulnerability.** This could be part of an effort to phase out unconditional emergency food assistance in these counties if it were linked to an expansion of the emergency drought scale-up mechanism. It would thereby present an approach to addressing severe poverty (in the absence of a categorical vulnerability) that is coherent with NSNP.

Depending on the degree of geographical expansion, this option is likely to significantly increase the budget requirements because it is likely to result in both a net expansion of HSNP coverage and operational costs. This said, it may be possible to meet some or even all of these increased financing needs from current Government of Kenya budget provisions for food assistance. Budget increases are more likely to be supported for a programme with a wider geographic spread. However, it will be critical to assess government commitment to the levels of budget increase implied. A Fiscal Space Study is currently underway (one component of the overall HSNP evaluation) and should provide information on the fiscal space for any expansion, and the likely budgetary limits to its extent.

One potential (or partial) solution to the question of expanded coverage of HSNP across other ASAL counties would be contributions to HSNP financing from county budgets. Such a solution poses a number of challenges and considerations that would need to be explored, but it is possible that a memorandum of understanding could be agreed between the Government of Kenya and the county governments whereby some portion of the CRA would be retained to finance a minimal share of coverage for HSNP. Over the short- to medium-term, a tripartite financing agreement would be implemented, with the Government of Kenya and the county governments each funding some base caseload, with DFID filling the gap. The counties could then be given some freedom to increase coverage in their constituencies by contributing additional financing. Such an arrangement would ensure that county governments could not influence HSNP targeting (beyond level of coverage), while at the same time ensuring buy-in to and ownership of the programme, which would in turn aid programme implementation and coordination with complementary programming (see Section 5.4 below).

3 **Work with the NDMA and the other programmes providing long-term consumption-smoothing support (particularly WFP's FFA and CFA programmes) to identify a consistent approach to safety net support across the areas supported through the EDE Framework.** This approach could offer similar levels of geographic expansion to those described under Option 2 above, but would allow more existing sources of financing

[77] A review of overall levels of coverage proposed in the paragraphs below might result in HSNP decreasing its caseload in the light of the fact that MLEAA caseloads have significantly increased in recent years.

to contribute to achieving this coverage. It would also be an opportunity to negotiate greater government responsibility and accountability for the FFA and CFA programmes.

However, there are considerable differences in the design and implementation of the two programmes: HSNP is an unconditional programme implemented with support from an implementation and learning unit; WFP's programme is a food or cash for work intervention whose field-level implementation is heavily supported by NGOs. While there is political appetite to expand conditional programming, there are likely to be serious operational constraints. These are discussed further in Sections 4.1.2 above and 5.4 below.

Whichever approach is adopted, a review of levels of coverage should be considered, with future depth of coverage clearly based on available poverty (or food insecurity) data. Table 8 below highlights key data which could be considered: households affected by food poverty according to the KIHBS or households regularly identified as needing food assistance by annual needs assessments. Should any of the above options be chosen, it will also be important to take into consideration households that could already be supported by the categorical MLEAA programmes and WFP's FFA and CFA interventions. It should be noted that the current evaluation, of which this strategic review is a part, incorporates a facility to carry out just this type of simulation work, which is intended to answer precisely these questions at a future point in the evaluation period.

TABLE 8: DATA WHICH COULD BE USED TO INFORM FUTURE LEVELS OF COVERAGE BY HSNP

	# counties	Hardcore poor[78]		Estimates of those needing food assistance	
		%	# HHs	# people	# HHs
Four counties where HSNP operates	4	65.1%	256,552	499,366	99,873
Other arid lands	4	28.0%	62,940	263,570	52,714
Food insecure semi-arid lands	6	26.2%	235,012	505,901	101,180
Other semi-arid lands plus Machakos[79]	10	12.8%	198,077	196,917	39,383

Source: KIHBS 2005/06, VAM Unit Data (2012) and bi-annual needs assessments (2013–2014) [80]

Finally, challenges in targeting and in the establishment of payment systems for HSNP 2 suggest that any geographical scale-up of HSNP should make use of a phased approach, introducing new counties one or two at a

[78] This is based on the 2005/06 KIHBS. If food poverty was to support the setting of the future HSNP caseload, more up-to-date data should be used. These will shortly be available from the KIHBS currently in the field.

[79] Recent government document excludes Machakos as a semi-arid county, but Machakos is an occasional food aid recipient.

[80] This report defines the food-insecure semi-arid lands as those counties which have been identified as needing food assistance for an average of more than 40,000 beneficiaries over the last four years (so excluding the 2011 crisis).

time. This could then be aligned with re-targeting of the remaining MLEAA programmes and the introduction of any new payment service provision mechanism.[81]

5.3 SCALING UP IN RESPONSE TO SHOCKS

In addition to the issues presented in Section 5.2, the emergency scale-up component also raises questions over the future geographic coverage of the programme, with the same three options available:

1) Maintain the current geographic focus.
2) Expand coverage to other ASAL counties on the basis of the need for additional CT support for households without a categorical vulnerability.
3) Work with the NDMA and the other programmes providing consumption-smoothing support (particularly WFP's FFA and CFA programmes) to identify a consistent approach to safety net support across the areas supported through the EDE Framework.

The current geographic scope of the emergency scale-up component limits its costs and thereby makes it affordable, with those costs presently being met by DFID alone. However, HSNP's approach to scaling up in response to drought cannot become a mainstream emergency response mechanism while it is confined to only four of the 16 counties where food needs are regularly identified.

Any geographic expansion of this approach will only be possible if the means for financing scaled-up responses are identified. To date, any scale up by the HSNP in response to drought has been fully financed by DFID (either through the ASP or HSNP). This financing has been reliable and quick to trigger to date, but it may not be so reliably available in the medium to long term. As highlighted in Section 4.3.1, the government is in the process of establishing an NDMF, but further work is needed to determine how this fund will work in practice. This work will include identifying who will provide funding for the NDMF (the government is currently the only confirmed financer) and what portion of the financing available in this fund would be to support scalable safety nets. Furthermore, it will take time to test and build confidence in the reliability and responsiveness of the fund.

Development partners play a key role in financing emergency interventions and will likely continue to do so in the future. However, at present two of the key actors involved in emergency response, USAID and ECHO, are not able to provide financing for HSNP's approach to scaling up in response to drought (see Section 4.3.1 for further details). Options for enabling investments by other development partners to supplement a government response should be considered. This might involve working with these (and other relevant development partners) to assess whether there are changes they can make to their systems to allow financing of HSNP's approach, or whether minor adjustments to HSNP's modality could open up the option of funding from these partners. Alternatively, it may be possible to develop common protocols of response between the Government of Kenya (including the HSNP

[81] This study does not present any options regarding payment service provision. We understand that another assignment has been contracted to look at future options for payment service providers and this other study will be better placed to make recommendations.

scale-up component) and development partners who have specific limits to how they finance interventions (such as the need to finance through NGOs or the UN) and what they finance (e.g. food assistance) so that they present a common approach. This could include the use of a common set of triggers for a response, a common set of targeting tools, and the use of existing payment service mechanisms (for CTs). The PSNP in Ethiopia provided a similar type of flexibility to allow USAID financing of NGOs and the option of both food and cash as a mode of transfer under a single safety net programme.

Many counties also include budget provisions for emergency response. Distrust in HSNP's targeting, along with a need for the counties to be acknowledged for any emergency or cash payments they provide, means that they are currently unwilling to channel this funding through HSNP. Future design should explore the options for improving county trust in HSNP's systems and procedures, and to identify ways of ensuring that any information about any financing counties do provide can be clearly communicated to communities. WFP has successfully negotiated this way of working with other counties – for example, in Samburu, where the county provides funding for GFD (acknowledging that their plan to withdraw from GFD by 2017 will bring this collaboration to an end).

In order for a wider set of stakeholders to invest in scalable safety nets, and to see them as a viable response, there will need to be further consensus building regarding key aspects of the design. Stakeholders consulted for this study recognised the trade-offs between achieving a rapid response and the level of precision in this response. Although there was consensus regarding the importance of a rapid response, views differed on whether reliance on the VCI as the sole trigger was acceptable, or whether it would be more appropriate to work on speeding up the needs assessment process. HSNP's demonstration that it can rapidly respond, along with growing confidence in the VCI (and expected further enhancements to how it is analysed), is convincing some stakeholders. However, understanding of the approach is much weaker at county level and contributes to frequently expressed concerns. Negotiating Government of Kenya financing for this component and/or funding from other development partners will be a key test of trust in the system and will help to identify any need for compromise. Furthermore, if this approach is to largely replace emergency food aid, triggers will need to be developed to respond to a broader range of shocks.

Finally, any potential geographic expansion of the scalability component highlights the significant costs in setting up the infrastructure necessary to deliver it. Current estimates for re-targeting in the four HSNP counties stand at £6 million. A key factor in this cost is the fact that all households are registered to enable scaling up in response to shock. Similarly, costs are incurred in setting up bank accounts, regardless of whether they are ever used for an emergency payment. However, the pre-existence of a ranked list of households and an existing payment architecture have been key to achieving rapid payments. Although WFP's M-Pesa scratch-card does provide an alternate model of how to make payments, it is an approach that potentially side-steps two-factor authentication – a key objective of NSNP. Further work is needed to assess the relative costs of the basic infrastructure for HSNP's approach to scale-up and the costs associated with these aspects of an emergency response. This will help to determine the cost-effectiveness of HSNP's approach, but may also help to identify ways of reducing costs.

5.4 COMPLEMENTARY INTERVENTIONS

Section 4.4 highlighted the widespread view that HSNP, and the other CT programmes which make up NSNP, should complement CTs with other interventions in order to achieve meaningful changes for the wellbeing of households and their communities. However, as Section 4.4 also highlights, HSNP is operating in an environment where a number of interventions do co-exist with HSNP, but tend to be implemented in isolation. There are two main options for how HSNP could consider introducing complementary programming in the future:

1. **HSNP could include a component to deliver livelihood-enhancing interventions.** Such an approach would enable one administrative structure to ensure effective targeting of interventions to CT beneficiaries and could include design features to help the two sets of interventions to support each other (for example, the use of bank accounts to deliver a range of inputs).

   This approach would mean that the programme would have to incorporate additional components into its already challenging design. Issues like capacity, stretched resources and programme monitoring are already a challenge, and the NDMA does not have the capacity, at present, to implement a complex range of interventions at county and sub-county level. Furthermore, even if such capacity were to be developed, it may make more sense to make these investments in the sections of government that have the authority and responsibility to deliver these interventions in the long-run (largely county governments).

2. **HSNP could establish systems to coordinate with existing providers of livelihood support through the county.** According to the Kenyan constitution, much of the complementary support that could be provided is a devolved function and, therefore, already the responsibility of the county governments. However, current levels of service provision may be inadequate in quality and coverage, and overlap with HSNP is not guaranteed. One way of operationalising a coordination between HSNP and these other providers of livelihood support would be to establish a memorandum of understanding between the NDMA and county governments.

   The NDMA's contribution would be the continued functioning (or if there is geographic expansion – introduction) of poverty-targeted CTs; and the establishment of, or support to, mechanisms to ensure coordination between CTs and complementary interventions. The CSG might be an appropriate structure to support this coordination, although its focus to date has usually been limited to more emergency-focused interventions. The fact that it already comprises national and county governments and has a role in coordinating NGO-supported interventions indicates that it is an option that is worthy of consideration.

   The county governments' contributions would be an agreed level of investment in complementary interventions and assurance that they are targeted to the same target group. County governments should also play a key role in providing a framework (through the CIDPs) in which interventions financed by development partners (such as ASP, REGAL, SHARE and KRDP), and/or implemented through NGOs, are encouraged to be coordinated and complementary. The Special Study on the ASP undertaken as part of the evaluation of HSNP 2 makes a number of recommendations on how to improve county coordination, build on strengthened CIDP planning processes and enhance pro-poor investments, which are relevant here.[82]

This approach would not be without challenges. Coordination between any two departments of government is difficult, even within the same ministry. Coordination between national and county governments is likely to be even more challenging and it will be difficult to guarantee delivery according to design. If HSNP also offered technical inputs to support the quality of the interventions, and perhaps even provided some co-financing, this would provide the programme with more leverage with the county governments, as well as addressing quality and coverage issues. This is also where any county contributions to HSNP financing would help to secure ownership and incentivise coordination (see Section 5.2 above). If the ASP was a further source of technical support, this would also facilitate coordination of the two programmes within DFID.

Some stakeholders questioned the political acceptability of continuing to give unconditional transfers to households who were 'just' poor. WFP provides cash or food transfers to a similar target group to HSNP (the productive poor), but does so with the condition that beneficiaries participate in community works projects. A number of stakeholders suggested that HSNP also consider conditions or co-responsibilities, and that unconditional CTs be limited to the most vulnerable: elderly disabled, households caring for orphans. Different stakeholders proposed differing sets of co-responsibilities, such as follows:

- Cash for work – Activities such as construction of dams and earth pans to improve water for irrigation and livestock can help mitigate drought in the longer term, and therefore improve the ability of families to respond to shocks. Other community enhancement activities can be identified, such as improvement of waste disposal and environmental sanitation, road construction projects, clearing of prosopis (which can also be used for the production of charcoal) etc.
- Education – Encouraging households with school-aged children to take their children to school, and monitoring attendance.
- 'Graduation' – Participation in livelihood-enhancing interventions (such as membership of savings groups or commitment to participate in livelihood-enhancing interventions), combined with a time limit after which households can no longer benefit from CTs.

These conditions could be in the form of soft conditions (generally encouraging beneficiaries to comply with the stipulated regulations) or hard conditions, whereby benefits are withheld if they fail to comply with the conditions. Soft conditions create less of an administrative burden, as rigorous and timely monitoring is not necessary, but

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82 These include proposing an update in the terms of reference of the CSG to explicitly include a poverty reduction agenda; laying the groundwork for evolving the relations between NGOs and county governments; and agreeing with government that DFID (and other development partner) allocations via the NGOs appear in the sector budgeted workplans (this already happens with UN agency investments).

must be appropriate to the clientele (for example, education conditions may not be appropriate for a programme targeting the elderly).

Although politically appealing, conditional transfers typically add significant costs to a programme, particularly if they involve public or community works, and as a consequence either add considerable expense to a programme or reduce the number of beneficiaries that can be supported. Furthermore, public works programmes, and other hard conditions, can put substantial strain on limited capacity, or fail to function at the scale or with the reliability intended because of weak capacity.

5.5 CONCLUSION

HSNP 1 tested whether and how recurrent emergency food assistance provided to populations who were suffering from chronic poverty could be replaced by a predictable CT. HSNP 2 built on this experience and consolidated the role of CTs in northern Kenya, as well as the NDMA's responsibility for delivering HSNP. It sought to extend the role of CTs to addressing households affected by droughts and other shocks, building on learning which suggests that rapid responses to crises are able to 'save livelihoods' as well as lives.

What happens next depends on the answer to the question of whether HSNP should be considered a project, of fixed duration and supporting just four counties, or a core component of the Government of Kenya's long-term social protection programming. If it is to be the latter, HSNP needs to clearly identify (and make the case for ongoing support for) its target group, and develop a plan for geographic coverage based on this. Such an approach could result in an expansion beyond the present four counties, enabling wider implementation of scalable safety nets. Such an approach should also take into consideration other actors, particularly WFP's FFA and CFA programmes.

The Government of Kenya recognises the need for special strategies for, and additional investments in, the ASALs, particularly the northern counties. This need is highlighted in the EDE Common Programme Framework and the Vision 2030 Development Strategy for Northern Kenya.[83] The HSNP provides a mechanism for operationalising a special strategy and additional investments in line with the government's social protection agenda. It does so through the investment in, and design specifications of, CTs for very poor households in ASAL counties; and through its efforts to support a continuum of response between long-term CTs and the ability to rapidly scale up using systems developed by a long-term programme.

HSNP has also played an important role as a source of technical innovation for the broader NSNP. This role is widely appreciated and has contributed to improvements in implementation by the other programmes making up NSNP. As such, HSNP could be in an important position to support the broader NSNP to test and implement approaches to complementary programming, which is currently emerging as a priority area for government.

[83] MDP (2014) and Ministry of State for Planning, National Development, and Vision 2030 (2011).

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Annex A Full list of stakeholders consulted

TABLE A1: NATIONAL-LEVEL STAKEHOLDERS

Name	Position	Organisation
James Odour	Chief Executive	NDMA
Sunya Orre	Technical Coordinator	NDMA
Ruth Gathii	Resource Mobilisation	NDMA
Ric Goodman	Team Leader	PILU, NDMA
Luigi Luminari	Technical Adviser ASAL Drought Management	KRDP
Judy Ndung'u		Department of Children's Services
Daniel Musembi		Department of Children's Services
Josephine Muriuki		Department of Social Development
Winnie Mwasiaji	Coordinator	Social Protection Secretariat
Henry Riungu		National Treasury
Wiinnie Mwalima	Department of External Resources	National Treasury
Polly Maingi	Representing Accountant General	National Treasury
Liz Drake	Section Head Social Protection, Emergencies & Resilience	DFID
Anthony Njage	Senior Programme Officer	DFID
Massimo Larossa	Regional Food Assistance & Global Social Protection Adviser	ECHO
Mary Mertens	Office of Food for Peace	USAID
Jennifer Maurer	Resilience Coordinator	USAID
Matthew Lovick	Chief of Party REGAL-IR	USAID
Cornelia Tesliuc	Senior Social Protection Specialist	World Bank
Ousmane Niang	Chief Social Policy	UNICEF
Patrick Lavand'Homme	Chief of Emergency and Field Operations	UNICEF
Cheryl Harrison	Head of Innovations	WFP
David Kanau	Programme Officer	WFP
Paul Turnbull	Deputy Country Director	WFP
Andy Fox	Programme Director	Concern
George Kamu	Programme Manager	HelpAge International
Susan Mungai	Programme Officer	HelpAge International
Paul Omondi	Learning and Information	HelpAge International
Charles	Learning and Information	HelpAge International
Prafulla Mishra	Regional Director	HelpAge International

Leila Chepkemboi		Red Cross
Justina Mwangangi		Welthungerhilfe
Shadrack Mutiso		Welthungerhilfe
Munenobu Ikegami	IBLI	ILRI
Polly Erikson	IBLI	ILRI
Catherine Fitzgibbon	Consultant	

TABLE A2: POLITICIANS

Name	Position	Organisation
Gordana Hargura	Senator	Marsabit
Joyce Emanikor	Woman MP	Turkana
Christophe Nakuleu	MP	Turkana North
James Lomenen	MP	Turkana South
Daniel Nanok	MP	Turkana West
	Governor, Tana River	Tana River
Hassan Dukicha	MP	Galole Constituency, Tana River
Ibrahim Sane	MP	Garsen Constituency, Tana River

TABLE A3: COUNTY-LEVEL STAKEHOLDERS

Name	Position	Organization
Hussein Mohamed Alio	Drought Coordinator	NDMA, Mandera
Abdinoor D Abdillahi	FFA Coordinator	NDMA, Mandera
Mohammed A Issack	CD Resilience Officer	NDMA, Mandera
Abdan I. Issack	County Coordinator Social Development	MLEAA, Mandera
Rashid Khalilf		ACTED, Mandera
Abdia Hussein	FSL Assistant	Norwegian Refugee Council, Mandera
Ali Issak Mohamed	FSL Coordinator	Save the Children, Mandera
Mohamed Abdi	Member of County Assembly (Budget Committee)	County Assembly, Mandera
Adan M. Abdi	Member of County Assembly	County Assembly, Mandera
Abdilkadir Hassan	Speaker, County Assembly	County Assembly, Mandera
Matthew Lotome	Speaker of the House	County Assembly, Marsabit
Daud Tamasot	Member of County Assembly	County Assembly, Marsabit
Yattani Wario	Member of County Assembly	County Assembly, Marsabit
Golicha Galgalo	Member of County Assembly	County Assembly, Marsabit
Lokho Abiduba	Member of County Assembly	County Assembly, Marsabit

Galgali Olio	Member of County Assembly	County Assembly, Marsabit
Sadia Araru	Member of County Assembly	County Assembly, Marsabit
Halkano Halo	Member of County Assembly	County Assembly, Marsabit
Golicha Huqa	Member of County Assembly	County Assembly, Marsabit
Jitewa Issa	Member of County Assembly, Chair of Culture and Social Services Committee	County Assembly, Marsabit
Mahamud Kochale	Member of County Assembly	County Assembly, Marsabit
Sheikh Abdul	Chief Officer, County Department of Culture and Social Services	County Government, Marsabit
Evelyn Nadio	Programme Officer	NDMA, Turkana
Michael Ewoi	Member of County Assembly	County Assembly, Turkana
Charles Lokioto	County Executive Secretary	County Government, Turkana
Victor Lakaram	Planning Officer, Treasury	County Government, Turkana
Joseph Lolepo	Ward Chairman	County Government, Turkana
Joseph Ekiru	Sub-County Social Development Officer	MLEAA, Turkana
Anthony Kiprop	Sub-County Social Development Officer	MLEAA, Turkana
Lucy Ekuwam	Constituency Social Assistance Committee Member	CSAC, Turkana
Rosemary Bahati	Constituency Social Assistance Committee Member	CSAC, Turkana
Yunis Gedi	HSNP Project Officer	NDMA, Wajir
Omar Dulle	Regional Pastoral Livelihood Resilience Project	World Bank, Wajir
Mohammed Mursal	Project Coordinator	Oxfam, Wajir
Aden Amed	Ward Administrator	County Government, Wajir
Abdi Wahab Sheikh Osman	Ward Administrator	County Government, Wajir
Issa Osman Mohamed	Ward Administrator	County Government, Wajir
Adan Bare Dahir	Ward Administrator	County Government, Wajir
Abdullahi Adow Bulale	Ward Administrator	County Government, Wajir
Hassan Amed Sheikh	Ward Administrator	County Government, Wajir
Salah Mallim Isaak	Ward Administrator	County Government, Wajir
Hussein Maalim Aden	Ward Administrator	County Government, Wajir
Mohamed Farah	Director Water Services	County Government, Wajir
Adan Mohamed	Disaster Management and Humanitarian Coordination	County Government, Wajir
Roney Yussuf	Chief Officer Livestock and Fisheries	County Government, Wajir
Rukia Ahmed	CEC-ICT and Trade Development	County Government, Wajir

Abass Maalim	Chief Office – Decentralised Units	County Government, Wajir
Alex Leseketeti	County Drought Coordinator	NDMA, Samburu
Koros	Sub-County Social Development Officer	MLEAA, Samburu
Kabuagi	County Coordinator Children's Services	MLEAA, Samburu
Joseph Mwangi	County Coordinator Children's Services	MLEAA, Samburu
		RAMATI, Samburu
Stephen Siringa Letinina	County Secretary	County Government, Samburu
Jonathon Leisen	County Treasury	County Government, Samburu
Stafano Davoli	Gender and Social Affairs	County Government, Samburu
Mohamed Birik	County Commissioner	Samburu