



Evaluation of the Hunger Safety Net Programme Phase 2

The legacy of HSNP Phase 2: systems, practices and lessons learned



Oxford Policy Management

THE LEGACY OF HSNP PHASE 2

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Abbreviations

| | |
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| CBT | Community-based targeting |
| CDC | County Drought Coordinator |
| CDRO | County Drought Resilience Officer |
| CRA | Commission for Revenue Allocation |
| CSGs | County steering groups |
| CT-OVC | Cash Transfer for Orphans and Vulnerable Children |
| DFID | UK Department for International Development |
| DLI | Disbursement-linked indicator |
| ECHO | European Civil Protection and Humanitarian Aid Operations |
| FSD | Financial Sector Deepening Trust |
| GoK | Government of Kenya |
| GPS | Global positioning system |
| HSNP | Hunger Safety Net Programme |
| HTM | Harmonised targeting methodology |
| ID | Identification |
| JRIS | Joint Review and Implementation Support |
| KES | Kenyan shillings |
| M&E | Monitoring and evaluation |
| MIS | Management information system |
| MLEAA | Ministry of Labour and East African Affairs |
| MPESA | Mobile Money |
| NDMA | National Drought Management Authority |
| NGO | Non-governmental organisation |
| NRB | National Registration Bureau |
| NSNP | National Safety Net Programme |
| OPM | Oxford Policy Management |
| PCA | Principal component analysis |
| PILU | Programme Implementation and Learning Unit |

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| | |
|---------|--|
| PMT | Proxy means test |
| PO | Programme Officer |
| PWSD-CT | Persons with Severe Disability Cash Transfer |
| SAU | Social Assistance Unit |
| SOPs | Standard operating procedures |
| SPS | Social Protection Secretariat |
| VCI | Vegetation cover index |
| WFP | World Food Programme |

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Executive summary

The Hunger Safety Net Programme (HSNP) is a government-led unconditional cash transfer programme that targets people living in extreme poverty in four counties in northern Kenya. It is currently in its second phase, which runs from 2013 to 2018, reaching 100,000 very poor households with regular cash payments into fully functional bank accounts. The HSNP aimed to register all households in the four counties, establishing the capability to provide 'emergency payments' to the whole population in times of drought.

The HSNP is implemented by the National Drought Management Authority (NDMA). The Programme Implementation and Learning Unit (PILU), engaged by UK Department for International Development (DFID), provides technical assistance within the NDMA. The HSNP is delivered in partnership with the Financial Sector Deepening Trust (FSD) and Equity Bank, which manage and deliver the payments component, respectively, and with Help Age International, which has been managing the programme rights component. The HSNP is one of four programmes in the National Safety Net Programme (NSNP).

As Phase 2 draws to an end, this study highlights the wider legacy of the HSNP and explores what the HSNP is leaving behind—both in Kenya and globally—in terms of knowledge, capacity, systems and lessons learnt. The review is based on a mix of semi-structured interviews with key informants at the local, national, and international levels, visits to two of the four HSNP counties, and a review of relevant documentation. The study aims to incorporate the experiences and perspectives of those external to the HSNP and NDMA, alongside those more directly engaged in the management and implementation of the programme.

SUMMARY OF KEY LEGACY FINDINGS

The legacy study describes several areas where the HSNP has made a significant contribution to establishing effective social protection systems (registration and targeting, enrolment and bank accounts, payments, case management, monitoring, and communications). The HSNP has created a state of the art shock-responsive safety net that has facilitated technical capacity in the sector. Lessons learnt from the implementation of Phase 2 can influence the sector if they are shared effectively.

Phase 2 registration and targeting challenges are well documented and many lessons have been learnt regarding these processes. The HSNP has created a comprehensive database of almost all households in northern Kenya and a high proportion of these now have bank accounts. A process is underway to update the database through the next round of registration, informed by lessons from Phase 2. The legacy study found four areas related to registration and targeting that were of concern to respondents. Firstly, there continues to be some concern regarding the distribution of the caseload between counties using the Commission for Revenue Allocation (CRA) formula. Secondly, the performance of the household welfare score in identifying the poorest is a subject of debate, and indeed studies conducted by this evaluation have shown that the HSNP 2 welfare score and the revised harmonised targeting methodology (HTM) struggle to identify the poorest, due to high rates of, and the uniform nature of, poverty in HSNP counties. Thirdly, in the implementation of the targeting the incorporation of community validation has been shown to improve community acceptance and thus political buy-in and is an important component of the new HTM. Finally, the HSNP registration data have been widely used by others (non-governmental organisations (NGOs) and county governments), especially in their response to the 2017 drought. Whilst this process has highlighted some issues related to gaps in coverage, poor quality or missing data, and challenges related to household ranking, it was still found to be a valuable resource for these organisations and enabled them to respond faster and more efficiently. There remains a need for effective management of HSNP data by the NDMA, with clear directives requiring users to communicate gaps, errors and information about who they have targeted.

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The HSNP's legacy in relation to enrolment and issuing of bank accounts has been significant. The programme has increased access to formal financial services for a great many people, transforming financial inclusion in northern Kenya. It has expanded the population in possession of a valid national ID card. This in turn has increased potential access to financial and other services for a great many people, as well as enabling them to vote. The HSNP has helped pioneer the agent banking model, including the development of 'smart agents' and biometric identification systems, all of which Equity Bank has begun to apply elsewhere in Kenya and beyond. The HSNP has contributed to building the government's capacity to manage payment service providers, to the extent that they are now moving to a multi-provider model allowing beneficiary choice. This should drive prices down and increase the quality of services provided.

The HSNP has set precedents for timely payments and many respondents highlighted that this has had some positive comparator influence on other NSNP cash transfers. However, this timeliness has slipped in recent pay cycles, which threatens to undermine the objectives of the programme. The HSNP has established innovative communications systems that support the payment process and may be adopted by others. The programme has also had some influence on recent decisions to allow recipients of other NSNP cash transfers to retain their transfers even if they are not immediately claimed, by moving those programmes towards full bank accounts (as used by HSNP).

The HSNP has developed a digital and decentralized case management system (CMS) that synchronises daily with the central management information system (MIS). It incorporates a digital feedback loop using a combination of SMS and web-based communication, either direct to beneficiaries or indirectly through Programme Officers (POs) and chiefs, and is expanding the actors who can facilitate recipients or members of the public to lodge updates or complaints. A toll-free line has also been installed. These are all positive systems that enable greater transparency and accountability. The HSNP should continue to communicate learning and make available the parts of their system that could be freely transferred to other programmes.

The information that the HSNP has made publicly available through its website and the MIS has set high standards across the sector. The HSNP dashboard is accessed by a wide range of stakeholders and is well regarded. This high degree of transparency should help drive improvement not only of its own performance but also that of its operating partners (Equity Bank), as well as, potentially, its sister programmes in the NSNP. Current work to integrate monitoring with wider NDMA early warning systems should help improve the quality of data and the capacity of staff.

The HSNP has established an emergency scale-up facility that utilises state of the art satellite vegetation cover index (VCI) data to assess where to trigger its response. The system can respond rapidly and provide high coverage and has been triggered 24 times since the start of Phase 2. This is widely seen as a key success and innovation in the sector and is seen by many to have been instrumental in influencing a general shift from food to cash in emergency response. It has also been credited with contributing to an improved and more efficient response to the current drought. The system is now influencing programme design as other counties and countries look to develop shock-responsive safety nets. However, there remain concerns on the ground. These include the use of VCI as the only trigger; the speed of response, which has slowed during the last year; and the fact that whilst the system was designed to be highly adaptable it is to date mainly used to respond only horizontally (to more people) and to one hazard (drought).

Over Phase 2 the HSNP has made significant progress in its capacity to deliver services, and the quality of these services. Government staff (HSNP and local government administrative staff, such as chiefs) at the sub-county level have benefited from various forms of capacity building. However, at the national level there is still a strong reliance on the technical assistance provided through the PILU.

The HSNP has actively shared lessons and participated in joint activities with the other NSNP programmes. However, this work has been led by the PILU and NDMA staff need to play a more active role if this legacy is to be maintained. The HSNP, through the NDMA, has been less effective in coordinating and sharing its work with the wider development and

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humanitarian sector, but this has recently improved with the NDMA chairing the emerging cash working group and greater use of the Group 2 lists by non-state actors. At the county level too, NDMA-led coordination is improving. The existence and operations of the HSNP are seen to have contributed to the general increase in and support for social protection policies in the country at both national and sub-national levels. To capitalise on this legacy, the HSNP needs to improve its communications to the broader social protection stakeholder groups at both these levels.

SUMMARY OF IMPLICATIONS FOR FUTURE POLICY

If the HSNP seeks to maintain and build on its legacy the following recommendations should be considered:

- There is a need to improve confidence in the quality of targeting and registration systems and data through more regular registration cycles and better management of those cycles, alongside better communication to potential data users. Furthermore, a formal structure for the ownership and management of these data needs to be developed, including a manageable system for updates and maintenance of data that users outside of the NDMA can contribute to.
- To maximise the value of the significant investment made by the HSNP in registration and targeting there is a need to increase the use of the system by others.
- Continued documentation and sharing of the HSNP's experiences is required.
- To secure the HSNP's objectives and maintain its positive legacy on payments the NDMA needs to ensure payments are made on time.
- The HSNP should continue to support the broader NSNP by communicating their learning and making available the parts of their system that can be freely transferred to other NSNP programmes. It should also explore ways to ensure its MIS speaks to others within the NDMA and the NSNP.
- To maximise the positive legacy of inclusion of chiefs the HSNP should continue to evolve and develop its communications platform, alongside monitoring its effectiveness.
- The HSNP should improve communications to the broader social protection stakeholder group.
- To maximise the legacy of the HSNP's emergency scale-up facility, it must communicate more clearly on the parameters of the system and its operational processes.
- Continued investment from supporting partners over the medium term is needed.
- The HSNP should be active in national and county-level coordination.
- Greater use could be made of the learning generated from the HSNP by the NDMA to influence policy, including outputs from the independent monitoring and evaluation (M&E).

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1 Introduction

Oxford Policy Management (OPM) is leading the independent evaluation of Phase 2 of the Government of Kenya's (GoK's) cash transfer programme for northern Kenya, the HSNP, which runs from 2014 to 2018. The evaluation is conducted on behalf of DFID and funded with UK Aid. The evaluation comprises three components, covering: the impact of the HSNP on households and the local economy; its operational performance; and its strategic policy orientation. The evaluation also includes a communications and learning workstream to disseminate the outputs from the various activities carried out under each component.

This report is an output of the operational monitoring workstream. It provides an assessment of the legacy that the HSNP has had in relation to the systems and practices of, and lessons learned by, other actors in the social protection and humanitarian sectors nationally and internationally. It synthesises the findings from interviews with 66 key informants, as well as the learning gained through OPM's operational monitoring and other evaluation activities over the last three years. The study aims to identify where the HSNP's systems, processes, good practices, and lessons have been used by others or influenced the way they design and implement their own programmes. In this way the study also seeks to identify where and how the HSNP can improve its legacy as the programme transitions into Phase 3 in late 2018.

To meet its objective our approach for this study has been to explore the HSNP 2's implementation processes, including: registration and targeting, enrolment and the issuing of bank accounts, payments, case management, monitoring, and communications. We also consider the facility for the emergency scale-up of the programme, looking at both the experiences of the HSNP itself and more broadly the experience of other organisations using the HSNP platform for their own emergency response. Several NGOs and UN agencies were interviewed in this regard. We assess the legacy of the programme in terms of changes in current technical capacity, as well as the capacity of implementing agents to sustain the programme. Finally, we consider the issues of coordination and lesson learning before drawing conclusions and indicating the implications for future policy.

It should be noted that this study discusses various topics that relate to both the operational performance of the HSNP under Phase 2 and the strategic policy agenda of which it is a part. However, these dimensions of the HSNP have been more comprehensively covered by other studies under this evaluation, the findings of which we do not wish to repeat here. Specifically, these studies are: O'Brien, C., Riungu, C. and Scott, M. (2017) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Operational monitoring—Synthesis report', OPM, Oxford, UK; and Sandford, J., Merttens, F., Pearson, R., Riungu, C. and Sabates-Wheeler, R. (2016) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Strategic Policy Review', OPM. Rather than repeat this work, we aim here to focus exclusively on the legacy of the HSNP and leave the drawing of conclusions regarding the operational performance of the HSNP and the wider strategic policy agenda to those other studies¹.

1.1 THE HSNP

The HSNP is a government-led unconditional cash transfer programme that targets people living in extreme poverty in four counties in northern Kenya: Marsabit, Mandera, Turkana, and Wajir. Its objective is to relieve extreme hunger and vulnerability. In its second phase, which runs from 2013 to 2018, it aims to provide 100,000 very poor households with

¹ Findings from all the evaluation workstreams, including the impact evaluation, are available via the HSNP website (www.hsnp.or.ke/index.php/our-work/measurement-evaluation) and also on the OPM website (www.opml.co.uk/projects/evaluation-kenya-hunger-safety-net-programme-hsnp).

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regular cash payments². These 'Group 1' households receive a transfer currently worth Kenya shillings (KES) 2,700 per month (approximately \$27), paid in single instalments every two months (i.e. KES 5,400 each pay cycle)³. Almost every household has been registered with a bank account, into which money is paid directly. The HSNP transfer is targeted to households rather than individuals: each household selects one member with a national identity card to open the bank account and collect the transfer. There is no obligation to collect the money on the first day of payment or to withdraw it all at once.

An innovation in Phase 2 has been that the HSNP has aimed also to register all other households in the four counties—nearly 300,000, known as 'Group 2'—without delivering them a routine transfer. Most of these households have already been given a bank account, and basic data have been collected on their characteristics as part of the process of ranking households' well-being. The reason for this is to enable HSNP to scale up and provide 'emergency payments' to potentially the whole population in times of drought⁴.

The HSNP is implemented by the NDMA. A technical assistance team, the PILU, was engaged by DFID through a competitive process and sits in the NDMA. The PILU manages the HSNP, and reports to the NDMA and a Programme Steering Committee. The HSNP is delivered in partnership with the FSD and Equity Bank, which manage and deliver the payments component, respectively, and with Help Age International, which has been managing the programme rights component.

The HSNP is one of four programmes⁵ making up the NSNP. The other three programmes, managed by the Social Assistance Unit (SAU) within the Ministry of Labour and East African Affairs 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). In addition, the NSNP is in the process of establishing a universal cash transfer to cover all individuals nationally over the age of 70 years⁶. The NSNP is a GoK initiative to support enhancements to the social assistance sector in a coherent and coordinated way. It is supported by the World Bank Programme for Results.

The HSNP 2 Group 1 caseload is jointly funded by DFID and the GoK. The GoK contributes funding as part of its commitments to the Ending Drought Emergencies Medium-Term Plan. During the last financial year (2016/17), the GoK funded 58% of total programme costs and 65%⁷ of the HSNP caseload for Group 1 payments. DFID funds the cost of the remaining Group 1 caseload, the PILU, and the independent M&E. To date, the emergency payments have been funded largely by DFID, to the tune of KES 2,214,027,650. With the European Commission funding an additional KES 638,941,500 in 2017, the total emergency payments made up to January 2018 are worth KES 2,852,969,150.

²The HSNP first phase ran from 2009 to 2013 and supported around 69,000 households with bi-monthly cash transfers.

³ The transfer value is revised annually in July to take inflation into account. It has been adjusted numerous times since the inception of the HSNP from its starting value of KES 2,300 in 2013/14.

⁴ In practice, the HSNP scales up to cover either 50% or 75% of households in each location, depending on the severity of drought. A universal payment was made to every registered household with a functioning bank account in anticipation of El Niño in October 2015. For a detailed description of how the HSNP scale-up facility operates see Section 1.2.4 below.

⁵ There were originally five programmes. The fifth programme – the Urban Food Subsidy Cash Transfer – ceased to function in July 2014.

⁶ The relation between the OPCT and the 70+ cash transfer has not yet been explicitly articulated, though it is *de facto* anticipated that the OPCT will gradually diminish as new entrants join the 70+ cohort and the current OPCT cohort exit the programme when they pass on.

⁷ This is an increase from 17% of programme costs and Group 1 payments in 2013/14 at the start of the programme.

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1.2 OVERVIEW OF HSNP OPERATIONS

1.2.1 Phase 2 roll-out

A set of one-off actions signalled the launch of Phase 2. This took place during the first year. These were:

- 1) **registration**: collecting data on all households in the area, and ranking their well-being;
- 2) **targeting**: selecting recipient households according to their well-being ranking, and notifying them; and
- 3) **enrolment with an active bank account**: including checking the identity of recipients, opening a bank account, activating it, and issuing a bank card.

1.2.2 Ongoing operations

Thereafter the programme settled into the routine of bi-monthly payments for Group 1 recipients. Activities include:

- arranging the bi-monthly payment into the bank accounts;
- paying recipients who can then withdraw the cash from Equity Bank's pay agents;
- case management, including updates to recipients' details and handling complaints and queries;
- programme monitoring, including spot-checks of payment sites and analysis of operational data; and
- communication, including about the payment date and any other necessary updates.

1.2.3 Ad hoc activities

From time to time while Phase 2 has been underway, the PILU has conducted additional tasks on an *ad hoc* basis to continue to improve the programme's effectiveness. This has included, for example, roving 'mass registration' events to help households that had been registered but had not managed to obtain their national identity cards and therefore open bank accounts so that they could receive payments owed to them; and a clean-up of the database in 2016, during which Group 1 households that could not be traced were removed and replaced with the next available Group 2 households from their local area according to the Phase 2 targeting protocol.

1.2.4 Emergency payments

During times of drought emergency, HSNP is designed to scale up its transfers to a large proportion of the affected population (up to 75% coverage). The scale-up is activated using a VCI⁸ generated using satellite technology and operated by the NDMA. Emergency payments are triggered when HSNP sub-counties are classified as in severe or extreme drought status by the VCI, or in other cases of emergency, such as El Niño. Group 2 households are then selected from the HSNP's MIS using the existing wealth ranking scores, identifying the Group 2 households with the lowest wealth ranking scores and an active bank account in the drought-affected sub-counties. The number of households to receive an emergency payment is determined by the drought status of each sub-location in the sub-counties that are classified as being in 'severe' or 'extreme' drought, with 50% of the household population being covered in cases of severe drought, and 75% of the household population covered in the case of extreme drought.⁹ The transfer to Group 2 beneficiaries is worth the same as a single monthly HSNP routine payment (i.e. KES 2,700) and is paid each month a given sub-location is deemed to be in severe or extreme drought. The transfer is made directly into

⁸ OPM (2017), 'HSNP Special Theme Report: Emergency Payments - Hunger and Safety Net Programme Phase 2 Evaluations'.

⁹ See HSNP Scalability Guidelines – Guidance for Scaling up HSNP Payments. Produced by PILU within the NDMA, as an annex to the Operations Manual. Updated January 2016.

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beneficiaries' bank accounts in the same way as routine payments to Group 1; although the transfer for Group 2 recipients does not necessarily take place on the same day as for Group 1 recipients. Some of Group 2 have thus received one or more emergency payments, while others have received no payments¹⁰.

When an emergency payment is triggered several actions take place, including production and implementation of the emergency payment cycle payroll and communication of the emergency payment to the recipient population and key stakeholders at county level, largely through networks of chiefs and programme staff.

¹⁰ For information on the perceptions of the impacts and operational experience of the HSNP emergency payments facility see Farhat *et al.* (2017) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Emergency payments deep dive study', OPM, and OPM (2016) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2 – Drought Emergency Scale-up Payments Process Review Final report', OPM.

2 Scope and methodology

Since mid-2015 OPM has monitored the operations of HSNP Phase 2 and given feedback on aspects of programme delivery, ranging from the acquisition of ID cards and the opening of bank accounts, to the liquidity of pay agents, communication channels, and the role of chiefs. The aim has been to provide the PILU with an independent live assessment of how well the HSNP's processes are operating and to highlight areas for action and improvement. To date, the exercise has mostly aimed to capture the experiences of those in the HSNP, staff, pay agents, and recipients, to inform ongoing operational processes. The various findings from this operational monitoring collated and analysed in the Operational Monitoring Synthesis report mentioned in Section 1 above¹¹.

As Phase 2 draws to an end it is valuable to look at the wider legacy of the experience that the HSNP has gained with respect to implementing a cash transfer programme in its particular context, including the specific systems the HSNP has built in relation to its innovative scale-up facility. The business case¹² for HSNP Phase 2 noted that 'gaps in experience and evidence exist at all levels' in Kenya, including in the decentralised country administrations and nationally. It also notes that DFID often uses technical assistance as, 'a practical means for gathering and providing evidence for informing better policy making'.

This study thus aims to explore how the HSNP has helped to fill this evidence gap and to establish and communicate good practice in the different aspects of programme operations. As Phase 2 draws to an end, and as Phase 3 gets underway, this study will look at what the latest phase of the HSNP has left behind—in Kenya and globally—in terms of knowledge, capacity and systems. Note that this report does not cover the HSNP's impact, nor does it constitute an assessment of its operational performance or relevance for the strategic policy agenda of which it is a part. These dimensions are analysed in other reports (see Section 1 above). Rather, the focus here is exclusively on the legacy of the HSNP in terms of the lessons and learning it has produced and the influence it has – or might have had – on the behaviour of other social assistance and humanitarian actors.

2.1 SCOPE OF THIS STUDY

In order to approach the question of the legacy of the HSNP we cover the full range of implementation activities: (i) registration; (ii) targeting (beneficiary selection); (iii) enrolment (including account opening); (iv) payment; (v) case management; (vi) monitoring; (vii) management / coordination; and (viii) the emergency scale-up. For each activity we elicit views on:

- what people have learnt about ways of delivering these programmes;
- whether that knowledge is relevant to other actors, including in the light of staff capacity and financial resources; and
- the extent to which others have applied lessons from the HSNP to their own activities, and why.

Looking at the HSNP as a whole, we identify:

- aspects of the process that have been best received by other actors (e.g. that others are interested in adopting in their own programmes, that people feel are an improvement on previous experience, or that are considered to be particularly suitable for the context);
- aspects considered particularly innovative, and what has been learnt from the HSNP experience by policymakers;

¹¹ The findings from each individual monitoring round are also available on the HSNP website (www.hsnp.or.ke/index.php/our-work/measurement-evaluation).

¹² See business case at <https://devtracker.dfid.gov.uk/projects/GB-1-204258/documents>

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- the extent to which the good practices of the HSNP can be retained as the programme is increasingly absorbed into the government;
- aspects that are perceived to have worked less well, and why; and
- the compatibility of the HSNP's operations with those of other programmes.

We also look at the ways in which the HSNP has been sharing its experience to date, and the prospects for others to learn further from this experience.

2.2 METHODOLOGY

Team

The study was conducted by a team of OPM consultants led by Clare Gardner (an international consultant based in Nairobi), with Caroline Riungu (the national consultant for the HSNP evaluation). Clare O'Brien, as operational evaluation workstream leader, and Fred Merttens, as overall evaluation team leader, provided technical oversight and quality assurance.

Workplan

The method for the review largely involved semi-structured interviews with key informants at the local, national, and international level. These took place in November and December 2017. For a list of the 66 key informants see Annex A. Visits were also made to two of the four HSNP counties: Turkana and Mandera, and key informants from Marsabit and Wajir were interviewed via phone or in Nairobi. Interviews were also conducted with a few representatives from organisations working outside Kenya to understand the value of the lessons from the HSNP for other donors and implementing agencies working on similar initiatives. The interviews were guided by a semi-structured interview guide. Most interviews were conducted face to face, with a minority conducted by Skype or phone.

In addition, the consultants reviewed key programme literature, evaluations, studies, and monitoring reports.

Limitations

Whilst every effort was made to interview a wide range of stakeholders to gain a variety of perspectives on the programme, the number of interviews was limited by time and people's availability. A key limitation in analysing some of the specific programme systems was that most of those beyond the direct programme implementation team (DFID, NDMA, PILU, FSD and Equity Bank) were not familiar with the processes and systems in any depth. Therefore, this did not allow them to interrogate how systems, such as case management, are being implemented, and capacities for maintaining them. The study also had limited direct interviews with individuals outside Kenya but drew on engagement with these stakeholders from previous interviews and discussions.

3 Findings

This section is structured according to the key findings from the research. Section 3.1 explores the HSNP's implementation processes: registration and targeting, enrolment and bank accounts, payments, case management, monitoring, and communications. Section 3.2 explores the emergency scale-up facility and looks at the experiences of the HSNP-led scale-up. Section 3.3 considers the legacy of the programme in terms of changes in technical capacity due to the programme and the capacity of staff to sustain the programme. Section 3.4 looks at coordination and lesson learning. Throughout, the experiences and perspectives of those external to the HSNP and the NDMA are considered alongside those more directly engaged in the management and implementation of the programme.

3.1 PROGRAMME SYSTEMS

Key findings

Registration and data sharing: The registration and targeting for the HSNP 2 has been a huge undertaking and achievement – creating a database of all households in the four northern counties and linking them to financial services. In the 2017 drought these registration data were used by many organisations, saving them time and money in their response. However, there remain issues with the quality of the data and gaps, largely linked to the data's static nature. These issues need to be addressed, alongside the need for clarity on the management of data for all cash transfers.

Financial inclusion: A major legacy of the HSNP 2 has been the opening of bank accounts for all households across northern Kenya, which has transformed financial inclusion. Furthermore, households have been supported to obtain national ID cards, enabling them to vote and access other services. Households receiving regular payments report improved creditworthiness. There is anecdotal evidence of improved financial literacy.

The HSNP has pioneered the agency banking model, which has now spread to other counties and countries. Most households are happy with their agent but there remain cases of misconduct, which is affecting trust in the banking system and therefore use by others.

Building government capacity: The HSNP has helped build the government's capacity to manage payment service providers to the extent that other NSNP programmes are moving to full bank accounts and opening up payments service provision for all transfers to multiple providers to enhance beneficiary choice.

The timeliness of HSNP payments has generally set a positive comparator for the rest of the NSNP. However, this has slipped recently.

Digital innovation: The HSNP has pioneered an innovative communication system, with expansive use of SMS updates. The CMS is decentralised and digitised, including a digital feedback loop and a toll-free line. It is now important to link these systems to the rest of the NSNP. The use of chiefs at the centre of the communication system at the local level enhances sustainability and is increasingly complemented by a system which allows checks and balances.

The HSNP's state of the art MIS allows public access to monitoring information through the online dashboard.

3.1.1 Registration and targeting

The registration and targeting of recipients undertaken across the four HSNP counties for Phase 2 was a huge undertaking; while the challenges of that endeavour have been well documented and many lessons have been learnt¹³,

¹³ See Fitzgibbon, C. (2014) 'HSNP Phase II Registration and Targeting Lessons Learned and Recommendations Final Report', July 2014. For a detailed assessment of the performance of HSNP 2 targeting in this regard see Silva-Leander, S. and Merttens, F. (2016) 'Assessment of Programme Targeting' report, OPM. For concerns associated specifically with the targeting of the emergency

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it should be acknowledged as a significant achievement. The HSNP operates in the poorest, most remote and marginalised parts of the country, which have very meagre access to basic services, communications, and infrastructure. Nevertheless, because of the mass registration exercise, there now exists a comprehensive database for almost all the households in northern Kenya. Moreover, a very high proportion of these households now have bank accounts¹⁴ and are thereby connected to formal financial services. There is also a plan for updating the database via the next round of registration, which has been informed by the well-documented lessons from the first round; this is currently being implemented.

That being said, challenges associated with, and arising because of, the targeting that was undertaken using the registration data have dogged the programme since the start of Phase 2. Misgivings about the targeting by key stakeholders at the county level caused delays to the start of the programme and, initially, led to lack of acceptance of the programme by some county governments. As we expected, the issue of targeting was a key topic of discussion among many key informants, some of whom flagged concerns regarding whether the programme had successfully targeted the poorest¹⁵. These concerns were discussed by those involved in implementing the programme and those who are using (or would consider using) the programmes' registration data.

This topic can be divided into five key areas: first, the distribution of the caseload between counties; second, the performance of the household welfare score in terms of identifying the poor; third, the implementation of the targeting; fourth, future targeting implications; and, finally, the use of registration data by other actors. The targeting approach has been analysed extensively in other reports (see footnote 13). Here we focus on the 'legacy' issues of the lessons agencies have been able to draw from the HSNP's experience, and how the targeting is evolving as a result of this learning.

Distribution of the HSNP caseload between counties

There are conflicting views related to the distribution of the 100,000 Group 1 household target across the four counties. Originally, the Group 1 caseload was to be distributed between the counties solely on the basis of the wealth ranking score calculated by the programme. This resulted in close to 80% of Group 1 recipients being allocated to Turkana, the poorest of the four counties as measured both by the welfare score calculated by the programme and national poverty estimates. The remaining 20% of the caseload was then allocated fairly evenly amongst the other three counties. However, this allocation was strongly contested by the other three counties, so a compromise was agreed. This involved allocating the Group 1 caseload between counties by applying an adjusted version of the CRA formula¹⁶, then using the welfare score to identify Group 1 households within each county. While this significantly affected the performance of the programme in terms of reaching the poorest households overall, it was politically acceptable to the county governments as it resulted in a more even distribution of the caseload between them: Turkana decreased its share of the caseload to around 40%, while the other three counties each took a share close to 20%.¹⁷

transfers see OPM (2016) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2 – Drought Emergency Scale-up Payments Process Review Final report', OPM; and Farhat *et al.* (2017) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Emergency payments deep dive study', OPM. For an analysis of the targeting performance of the NSNP harmonised targeting protocol pilot implemented by the HSNP in Turkana see Merttens *et al.* (2017) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Assessment of the National Safety Net Programme Harmonised Targeting Methodology Pilot in Turkana', OPM.

¹⁴ 99% of the Group 1 household target have active bank accounts and 79% of the Group 2 target have active accounts. These figures are from the HSNP dashboard accessed on 15 January 2018; see www.hsnp.or.ke/index.php/dashboards/at-a-glance.

¹⁵ See the sources on targeting listed in footnote 13.

¹⁶ The CRA formula is a parliamentary-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. For the purposes of allocating the HSNP 2 Group 1 caseload, 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.

¹⁷ For more detail see Silva-Leander, S. and Merttens, F. (2016) 'Assessment of Programme Targeting report', OPM.

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For some respondents, this compromise presented a significant flaw in the process which rendered the allocation between counties inherently unfair. This concern has faded over time, with the focus shifting to targeting within any given county. In this regard, those respondents who were less comfortable with the use of the adjusted CRA formula expressed concerns that the new HTM being adopted by the NSNP does not touch on the county allocations and only looks at the targeting (or re-targeting) of the HSNP and other NSNP programmes within the four counties, based on given county quotas¹⁸. This argument remains relevant in relation to ensuring continued political buy-in from national and local governments – an issue that is perhaps increasingly pertinent as government funding of the programme increases. Should the HSNP expand beyond the current four counties in future phases¹⁹, the advantage of the adjusted CRA is that it provides a rational mechanism for distributing resources that should aid in what would otherwise be purely political negotiations between devolved counties and central government.

¹⁸ Quotas for the other NSNP programmes are derived using small area poverty estimates based on national poverty data.

¹⁹ This issue is discussed in more detail in Sandford, J., Merttens, F., Pearson, R., Riungu, C. and Sabates-Wheeler, R., (2016) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Strategic Policy Review', OPM.

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Box 1 Main findings from the OPM assessments of targeting

Main findings from Phase 1 targeting (source: HSNP Impact Evaluation Survey, 2009)

- HSNP 1 piloted three targeting methodologies: social pension, dependency ratio, and community-based targeting (CBT).
- The results of the targeting analysis show:
 - HSNP targeting is mildly pro-poor on aggregate; HSNP beneficiaries are 13 percentage points more likely to fall in the bottom 51% of the consumption distribution; and
 - CBT is the most pro-poor of the three targeting mechanisms, but dependent on context.

Main findings from Phase 2 targeting (source: HSNP 1 Impact Evaluation 2009–12 and HSNP Phase 2 MIS)

- Phase 2 used a combination of proxy means test (PMT) and community-based wealth ranking.
- Phase 2 implemented a modified CRA formula which strongly influenced the performance of targeting.
- Ultimately the targeting was found to be not much better than random:
 - the ratio of poverty rates for beneficiaries and non-beneficiaries was 1.19, vs 1.13 for random;
 - exclusion errors were 62%, vs 66% for random; and
 - inclusion errors were 68% for both HSNP actual and random.

Learning from Phase 1 and Phase 2 targeting:

- It is acknowledged that HSNP 2 targeting was poorly implemented.
- Targeting performance thus reflects a combination of both design and implementation errors.
- Identifying the poorest households in the context of northern Kenya is very challenging, which raises serious questions about the cost-effectiveness of trying to target the poorest.
- Geographic targeting is the most efficient way to target the poor *en masse*, but pure geographic targeting (i.e. deriving beneficiary quotas based on geographic poverty rates alone) has proved not to be politically feasible.
- CBT has both strengths and weaknesses: it is not especially good at identifying the monetary poor, but is slightly better at identifying the multidimensional poor.

NSNP HTM Turkana pilot

- The HTM Turkana pilot combines household living score and community-based validation.
- The targeting performance was better than random, but only marginally.
- There are still significant inclusion and exclusion errors.
- Turkana is a unique context and it remains to be seen how the tool will perform elsewhere.
- To target the poor and vulnerable, multiple categorical eligibility is not the most relevant characteristic.
- The pilot experiences strongly indicate that there is a need to think about moving to on-demand rolling registration in the long term.

Performance of the HSNP 2 household welfare score

Beyond the distribution of the HSNP Group 1 caseload between counties, there is the issue of the ability of the programme welfare score to accurately identify the poorest households. For Phase 2 the HSNP utilised a complex composite methodology to assign a welfare score to each household. This method combined a community-based wealth ranking score (administered by communities themselves, with facilitation by one of the HSNP's NGO partners for the Phase 2 registration exercise) with a score generated by a PMT formula applied to household data gathered during the registration. These composite scores were then used to rank and assign households between Group 1 and Group 2. This method has been changed for the new HTM, which applies an instrument that is similar to a PMT in practical terms,

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but is based on the slightly different methodology of principal component analysis (PCA)²⁰. However, whether within or between counties, studies by this evaluation have shown that both the HSNP Phase 2 welfare score and the new HTM targeting protocol struggle to identify the poorest households in the HSNP counties due to the high rates of, and uniform nature of, poverty in those areas²¹ (see [Box 1](#)).

Process of implementing HSNP targeting in Phase 2

In terms of the processes used for targeting there has been extensive research into the issues and challenges that were experienced²². Major concerns identified with the targeting processes implemented for the HSNP 2 surround the use of a complicated PMT formula and the lack of community validation. Some of this learning has been used to influence the design of the new HTM, but debate remains about the extent to which these concerns have faded. In many cases there has been an acceptance of the targeting and, especially in drought years, response by other actors has increased (as has the HSNP's own response via emergency payments to Group 2 households), which, by helping to fill the gaps (i.e. provide transfers to households excluded from Group 1), has allayed some of the concern. This expansion of transfers has also served to highlight some of the errors or gaps in targeting as others have utilised the HSNP Group 2 lists.

The experience from the recent HTM pilot exercises conducted by the NSNP in Turkana (led by the HSNP) and Kilifi and Nairobi (led by the Social Protection Secretariat (SPS)) also indicate that the process of programme registration and targeting, as much as the performance in terms of accurately identifying the poorest, is crucial. Allowing space for effective and meaningful engagement of the community in that process – for example in verifying and potentially altering proposed lists of recipients for each programme put forward by the NSNP – leads to much greater acceptance of programme targeting by the community, and thus greater political acceptance by local government agents and politicians²³.

Future rounds of registration

Since 2015 the NDMA has been planning to revise the registration and targeting protocol. However, implementation has been delayed by plans to align the process with the wider NSNP through the HTM, which is seen as a key aspect of harmonising systems across the NSNP under the harmonisation and consolidation agenda. The trade-off is that this has required the HSNP to slow down a process that they might have otherwise completed more quickly—to the frustration of some. This has extended the period in which the results of the 2013 targeting have remained in place.

As piloted in Turkana²⁴, the HTM incorporates a census-based targeting system (that includes the HTM team going house to house rather than working from a central location), which allows for the verification of household

²⁰ The difference between PCA and PMT is that PMT is based on regressing household consumption against household characteristics, whereas PCA works by modelling the relation between household characteristics. For a more detailed discussion of this difference and its implications for policy see Merttens *et al.* (2017) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Assessment of the National Safety Net Programme Harmonised Targeting Methodology Pilot in Turkana', OPM.

²¹ See Silva-Leander, S. and Merttens, F. (2016) 'Assessment of Programme Targeting report', OPM; and Merttens *et al.* (2017) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Assessment of the National Safety Net Programme Harmonised Targeting Methodology Pilot in Turkana', OPM.

²² The main issues identified as problematic in the review of the Phase 2 registration and targeting exercise were: the lack of understanding of the process and methodology among both implementing agents and the general population and other key stakeholders; lack of consistency in the way the protocols and methodology was implemented; technical problems with the software and hardware used to conduct the registration; the absence of quality assurance; and the fact that attention was not given to the political implications of the process and potential results till very late in the process. See Fitzgibbon, C. (2014) 'HSNP Phase II Registration and Targeting Lessons Learned and Recommendations Final Report'.

²³ These views were prevalent amongst the core NSNP stakeholder group, including GoK implementing agencies and donor partners, at the most recent Joint Review and Implementation Support Mission for the sector in November–December 2017.

²⁴ There will likely be differences in the way the HTM is administered in the three pilot sites, owing to differences in the way in which it is interpreted (there is some devil in the detail, which is not specified in the basic HTM design), the capacity of the implementing

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characteristics. It includes a community-based validation process. The HTM employs a quality assurance mechanism (where there was none for the HSNP Phase 2 mass registration exercise) and utilised programme staff (including local enumerators employed by the programme, alongside Programme Officers and managers) to conduct the registration, with oversight and leadership by the PILU. The pilot in Turkana covered three locations – Lodwar, Lomeyan, and Kataboi – and began in 2016, with validation taking place later in 2017.

On the basis of this HTM pilot experience, as well as the experience of Phase 2 registration, a new model for rolling registration has been developed. This involves small field teams working continuously on registering sub-location by sub-location. Bespoke software has been developed for the registration instrument to be implemented using tablet computers or smart phones, which allows for the recording of GPS coordinates as well as for the quality of data to be monitored closely in real time, such that errors can be addressed swiftly while enumerators are still in the field. This model allows for much greater quality assurance and control over the data collection. It is also considered more efficient and sustainable financially.

As with the HTM pilot, the registration exercise is now undertaken by the programme itself, employing its own staff (as opposed to Phase 2 registration, which was undertaken by a consortium of contracted NGOs) and led by the PILU. Using this new model, registration teams are now undertaking data collection for the next phase of the programme across the four counties. Once data are gathered, proposed lists of beneficiaries will be posted, for the community to validate.

The process aims to cover all NSNP cash transfer programmes and thereby improve efficiency for the NSNP, as well as helping to reduce so-called 'double-dipping' (where a household receives transfers from more than one NSNP programme). Whether such double-dipping is inherently problematic is a point of policy debate, but the current government preference is to forbid it and the rules governing the current system reflect this position.

The HSNP and the staff of both the SAU, which manages implementation of the other NSNP cash transfer programmes, and the SPS, have appreciated the process of collaborating in the development of a harmonised tool. These stakeholders say that it has been a government-owned process and that they learned a lot from the first HTM pilot led by the HSNP in Turkana. However, there remain some challenges around the HSNP's desire to move ahead. The HSNP is under pressure to conduct the next round of registration, both from their donor partners and the communities they support. However, the other NSNP programmes are keen to take time to effectively implement their pilots and jointly learn lessons and mobilise the funds needed. In addition, there is some reservation about the potential political fallout from the process of changing the current cohort of SAU programme beneficiaries. A new registration exercise would mean that some current recipients would leave the programme and some new recipients enter²⁵. Thus, while there is currently some momentum around the new round of registration, and while all stakeholders need to be careful this is not lost, it is also important that the process has sufficient ownership by key stakeholders.

Use of the HSNP registration data by other agents

The discussion below largely draws upon interviews with international NGOs and county governments that have utilised HSNP systems (registration data, ranked lists and/ or bank accounts) for their own programming purposes, including cash transfers.

agents, and the different requirements in HSNP areas specifically. The introduction of the 70+ programme is likely to further exacerbate these differences.

²⁵ For example, our assessment of the HTM pilot in Turkana studies showed that around a third of current HSNP beneficiaries would come off the programme as a result of the new registration and targeting. See Merttens *et al.* (2017) Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Assessment of the National Safety Net Programme Harmonised Targeting Methodology Pilot in Turkana, OPM.

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The issues with data quality discussed above notwithstanding, the HSNP registration data are available for public use. Government agencies and NGOs can apply to access the data for their own purposes through a simple formal application process owned and administered by the PILU within the NDMA. The precise nature or full implications of this ownership and management structure are not yet articulated or enshrined in policy, but in practical terms the data are available for use by other actors. In addition, the HSNP publishes a live dashboard on its website, which presents certain aspects of the data, as well as some of the data management processes (such as types of data updates, complaints, and grievances).

This study found that organisations that have used the ranked lists include international and national NGOs, and some county governments. Direct requests to the HSNP for data were made by 17 organisations. However, not all of these organisations used this information to then implement cash transfer activities. Furthermore, there are other organisations that were interviewed that accessed information directly through Equity Bank or at the county level, in addition to these 17. In most cases respondents from these organisations stated that the investment made by the HSNP had reduced the time and cost they have had to spend in identifying households; and that the database contained (most of) the variables they required to identify households to be enrolled into their own programmes. However, the static nature of the data (which were collected four years ago) does mean there are gaps and some errors. This said, the database was still felt to be useful as a starting point for subsequent validation by programmes and/or the community.

In terms of planning response (e.g. to the recent 2016–17 drought), most NGOs engaged at the local level through the respective county steering groups or cash working groups (where they exist) to agree where they would target their activities. The NDMA plays a role in directing NGOs to different sub-counties to ensure a spread of support and to ensure that they work where the need is greatest. These NGOs then took the HSNP's Group 2 lists to their field sites to re-validate them with the community. For many, this was described as a much more efficient and quicker process than targeting from scratch. ECHO (European Civil Protection and Humanitarian Aid Operations), the donor for many of these NGOs, made it a requirement that their partners utilise the HSNP data. Such championing of the system is key to strengthening it and a first step to improving coordination.

Shortcomings observed by some respondents that lessened the suitability of the lists for targeting of other interventions included the following:

- Gaps in coverage – some users found households that were not included in lists. In some cases, such as Marsabit, the county government then registered these households and created a cash transfer programme of their own to support them. In the cases of NGOs, they also added these households to their beneficiary lists where the household was deemed to be in need of support.
- Poor quality or missing data²⁶ – inaccuracies in the registration data were reported by some users, such as names not matching ID cards or listed households not existing.
- The ranking of households was also challenged by many users. This may be due to original errors in the targeting process or changes in households' circumstances which would change their poverty ranking within the community since the time of their original ranking.

All of these issues can be at least partially explained by the age of the data. Given that the data are four years old it is not surprising that there are cases where information is out of date. This highlights the fact that in order to be useful data need to be of good quality and kept as up to date as possible. This implies the need for more regular rounds of registration and good management of the registration cycle and data maintenance system (updates and case

²⁶ Several assessments of the quality of the HSNP registration data have been carried out under various activities of this evaluation and found significant issues. See Silva-Leander, S. and Merttens, F. (2016) 'Assessment of Programme Targeting report', OPM; and Merttens *et al.* (2017) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Assessment of the National Safety Net Programme Harmonised Targeting Methodology Pilot in Turkana', OPM.

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management). This then suggests, that in the long term, there is a need to move to an on-demand system of registration, so that households can update their data annually or *ad hoc*, on demand, as their situations change and they potentially become eligible for extant programmes (such as the 70+ cash transfer, or a child grant if such a programme was to emerge).

Some of those who used the HSNP lists for their drought response programming highlighted that both communities and NGO staff perceive that many Group 2 households are now poorer than Group 1 households. As a result, they question why Group 1 households remain regular transfer recipients. This may not be due to poor targeting but rather may show the impact of regular cash transfers on a household's poverty status. It also points to the need to look at more regular re-targeting processes and to establish clear thresholds, rules, and timeframes for inclusion in the programme.

The management of the data is another aspect that influences the legacy of the investments made by the HSNP. Many of those who reported using the HSNP registration data and finding errors or gaps, sought to address those errors or gaps for their own programming, but largely did not report back on these updates to the NDMA; this appears to be mostly because they had not been asked to, or it had not occurred to them to do so. The system would benefit from clear directives regarding ownership and management of the HSNP data. This needs to be formalised and worked out in detail. Whilst users have a responsibility to support the generation of clean data, clarity is needed on how this information is managed and updated in a systematic manner. There is a need for better use of NDMA programme staff who are based in the field and already responsible for updates, alongside effective use of the online dashboard system. Users currently highlight that they are not clear regarding to whom they should report (e.g. whether at national or county level), and whilst a number have flagged issues at the level of county steering groups (CSGs) they have rarely submitted lists of specific household-related gaps and errors.

Currently, there is no mechanism or incentive for NGOs to feedback information about who they have targeted with interventions using the HSNP registration data. There is therefore no way to assess the 'bigger picture' of support going into the HSNP counties. At the local level, coordination seems to have improved a bit in recent times (NGOs and local governments consistently talked of improved coordination when comparing the current drought to the one in 2010/11). The NDMA has been encouraging partners to work across the county in areas they may not have worked in previously, to try to ensure better targeting of areas in need. However, due to this information not being clearly recorded and shared with a central database, such as the HSNP MIS or the single registry, it is not possible to ascertain the levels of overlap between NGO programmes and the HSNP payments (especially emergency payments). Since the NDMA owns the HSNP MIS it could conceivably make it a formal requirement that NGOs report back details of who they have targeted for their interventions. This would help to ensure the volume of assistance going into these counties is more accurately monitored²⁷.

There were also questions raised about plans and systems for graduation or exit from the programme. The issue of graduation can be considered a legacy issue as it relates to the design of the programme and people's confidence in supporting it, expanding it to other counties, or replicating the model in other contexts. This is especially important in contexts where the differences between Group 1 and 2 beneficiaries were minimal to start with and is compounded by any improvements that Group 1 beneficiaries have experienced due to their participation in the programme²⁸. For many

²⁷ For such a facility to work, the HSNP would have to design an additional module of the MIS, which NGOs could access and complete remotely. It would require basic information about the organisation's intervention(s) to be recorded (such as transfer value, payment modality, duration of support etc.), and then recipient identifier codes to be tagged according to which interventions they had received.

²⁸ For further details on the impact of regular payments see: Otulana, S., Hearle, C., Attah, R., Merttens, F., and Wallin, J. (2016) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Qualitative Research Study – Round 1', OPM, and Taylor, J.E., Thome, K. and Filipski, M. (2016) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Local Economy-Wide Impact Evaluation Report', OPM.

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respondents, these issues (around the selection of beneficiaries and the movement of beneficiaries into and out of the programme) made them question using the programme's ranking or model. While the concepts of 'graduation' and 'exit' from cash transfer programmes are hotly debated worldwide, and often confused, it is reasonable to expect that a programme that is to last for several years and several phases, such as the HSNP, should clarify whether households' eventual exit from the programme is linked to poverty status or simply to them having 'had their turn', and what the implications are for other cash transfer interventions that may not hitherto have been supporting those households. However, this is an incredibly complex policy issue which has ramifications for other programmes that are largely beyond the remit of this study.

Overall, beyond direct programme implementers, there was low awareness of numerous aspects of registration and targeting processes of the HSNP 2. The systems for data management and processing developed over the course of Phase 2 and currently in place are not known or well understood by other actors and stakeholders. The instruments for allocating beneficiary quotas between counties and identifying poor households are often confused in the minds of stakeholders and the technical specifics and details of those instruments are not well understood. Nor are the plans for the next round of registration and targeting – including details of the methodology and protocols to be applied or the timelines for current and future exercises – known or 'owned' by key stakeholders. This lack of knowledge and awareness affects the potential legacy of the HSNP.

Implications for policy:

- The HSNP has generated a great deal of learning around its targeting and registration processes and is correcting shortcomings in the process, laying strong foundations for the future phases of the programme.
- To maximise the value of the significant investment made by the HSNP in its registration and targeting system and data, there is a need to increase the use of those systems and data by other actors. For this to happen two issues need to be addressed:
 - Confidence in the quality of those systems and data needs to be improved. This can be achieved by more regular registration cycles and improved management of those cycles, alongside better communication to potential data users about the data generation, processing, management, and maintenance systems in place (how data updates work, more information published through the online dashboard, etc.).
 - A formal structure for the ownership and management of this data by GoK needs to be elaborated and specified in detail. This also needs to include a manageable system for updates to, and maintenance of, data that users outside of the NDMA can contribute to.

3.1.2 Enrolment and bank accounts

Access to formal financial services

A major legacy of the programme has been the opening of bank accounts for all households across northern Kenya. This has transformed the rate of financial inclusion within the population. All HSNP households were pre-assigned an inactive Equity Bank account. To start receiving cash they had to complete three steps. First, the bank had to complete an application form with the household ('account opening'). Next, the recipient received a debit card ('card distribution'). Third, the bank verified the authenticity of the applicant's national ID card to comply with normal bank 'know your customer' regulations, and uploaded a digital fingerprint and photograph ('activation').

In November 2015, as a precursor to the HSNP's January 2016 'mop-up' operations that aimed to reach 100% opening and activation of accounts for Group 1 recipients, OPM conducted a review of progress towards the achievement of this goal. At that date Equity Bank had opened accounts for some 96,000 of the HSNP's 100,000 target recipients, of whom 84,000 had activated their accounts and been paid. Of the remainder, the primary difficulty was obtaining a national ID

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card: about 11,000 households had no ID card and 3,000 did not have a validated ID card²⁹. As at January 2018, only 0.4% (446) of Group 1 beneficiaries still did not have an ID card³⁰.

The distribution of cards was largely successful, especially during the mass registration exercises. Low rates of distribution of cards were reportedly concentrated in certain areas. The challenges relating to distribution were: a lack of information on Equity Bank's scheduling of visits; low turnout by recipient households, who might have competing priorities on the scheduled day; logistical errors whereby cards taken for distribution belonged to another area; and some poor treatment of HSNP recipients in bank branches, which risked putting off others from going to collect their cards.

One legacy of the programme is improved creditworthiness of recipients³¹. However, this creditworthiness is potentially fragile as it is closely tied to the receipt of the transfer itself, implying that if a household ceases to be a recipient it may cease to have easier access to credit.

Agent banking model

The HSNP has also played a key role in developing the agent banking model in Kenya. Four years ago, there were no bank agents outside the county towns. Now Equity Bank reports having approximately 450 agents operating across the four counties. OPM's monitoring figures highlight that the figure of active agents ranges between 322 and 449 (see Figure 1).

The programme requires of Equity Bank that 80% of recipients are within 20 km of an active agent. It has not been possible to measure compliance with this stipulation accurately, owing to the absence of real-time information as to which agents are operating³². However, this does not significantly alter the huge improvements to access to formal financial services achieved through the development of the HSNP pay agent model. What is more, HSNP has plans to publish information about the number of active agents operating at any given time on a live basis via its dashboard, using its own monitoring, data once its new programme monitoring framework is up and running (see Section 3.1.5 below). One intended effect of this will be to apply pressure on Equity Bank, as the payments service provider, to live up to its service standards agreement. This is an innovation that could potentially benefit the other NSNP programmes, especially if, or as, payment services are harmonised and consolidated across the NSNP.

²⁹By early 2018, 100,555 of the 101,805 Group 1 households target had activated their accounts (99%) – HSNP dashboard, accessed on 16 January 2018. See www.hsnp.or.ke/index.php/dashboards/at-a-glance

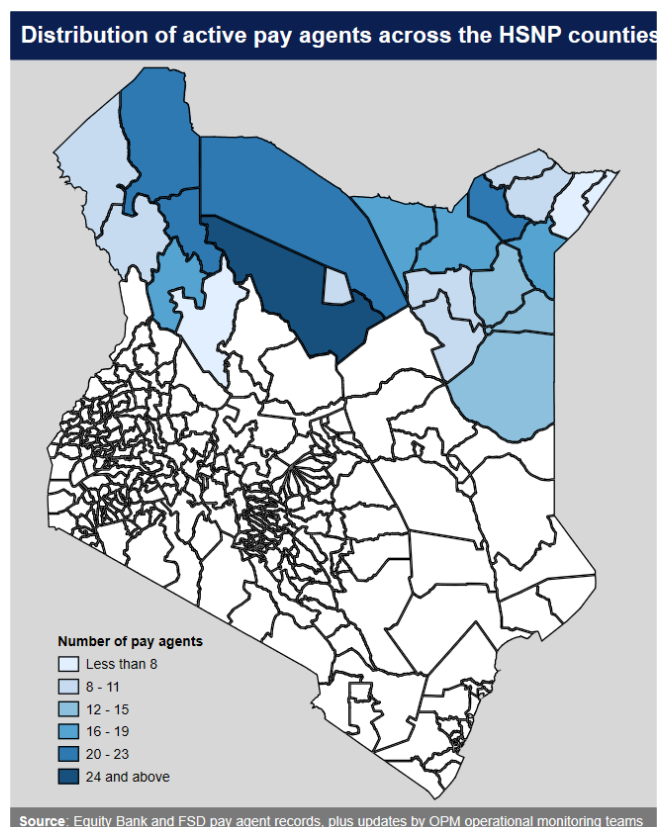
³⁰ HSNP dashboard, accessed on 15 January 2018 see www.hsnp.or.ke/index.php/dashboards/at-a-glance

³¹ Merttens, F., Binci, M., Haynes, A., Laufer, H., and Scott, M. (2017) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Quantitative Household Impact Evaluation Technical Report', OPM.

³² A review by OPM in mid-2016 of the pay agents reached during independent monitoring concluded that around two-thirds to three-quarters of pay agents were likely to be active at any one time; the remainder had either never begun offering services, had stopped temporarily (e.g. owing to equipment failures), or had ceased their participation.

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Figure 1 Concentration of pay agents across HSNP counties³³



More progress is needed to ensure reliable access in some of the more remote areas of HSNP counties. This acknowledged, it is largely due to pioneering work through the HSNP that the agent banking system has now expanded beyond HSNP counties across the country under the *Inua Jamii* programme (the umbrella term for the NSNP programmes). Equity Bank has also extended the payment model to five refugee camps in Rwanda since April 2016, and is developing it in South Sudan for the payment of teachers. It is also involved in discussions regarding using the model for a programme in northern Uganda.

One criticism of the payment mechanism used for the HSNP 2 is that it has not given choice to recipients, nor exposed the payments service provider to competition, which could have improved performance. However, those who are involved in the programme and familiar with the context feel that it was necessary to focus on one provider to get the programme up and running, and to allow the subsidies needed to encourage a bank to expand their services in these remote and marginalised areas where the HSNP is implemented.

Another rebuttal of this criticism is that it has taken the government time to build its capacity to effectively manage payment service providers, and consequently they were not quite ready to institute a competitive market for these services in the social assistance sector during the main course of the HSNP 2 period. However, the HSNP recognises (and this was also voiced by numerous interviewees) that, in the long run, there needs to be more competition amongst

³³ The conservative estimate is that, out of a total 548 agents, around 322 (59%) are active at any given time. The upper bound estimate is 449 active agents. The pay agent data are a combination of several sources: an original list from Equity Bank, ongoing updates provided by the operational monitoring teams, plus a more recent list of active agents shared by FSD in July 2017. To calculate the lower bound estimate, we considered all agents in the July 2017 list that had made a payment in the previous month, but disregarded those who were labelled as 'active' but who were not recorded as having made any payments in the last period. The upper bound estimate includes all agents labelled as 'active' in the July 2017 list, (even if this differs from previous reports by our monitoring teams).

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providers and more choice for recipients, to improve the beneficiary experience of programme payments and the service that Equity Bank offers. Phase 3 of the HSNP is therefore exploring options for providing this competition and choice.

The other programmes in the NSNP are also moving towards a multiple provider model. A new procurement process for payment services for the SAU-managed cash transfers is now underway, in which it is hoped that multiple payment services providers will be involved³⁴. The general perspective identified from the interviews in this study is that the expansion of financial services in the north through the network of Equity Bank agents has not crowded out alternatives but in fact has achieved the opposite, increasing the flow of money in the system³⁵ and creating more opportunities for businesses and financial service providers to operate. However, there are obvious limits and in the more remote parts of these counties it will continue to be a challenge to attract alternative providers.

It would be useful if greater analysis were carried out of the cost, reach, and performance of the range of providers that currently exist. At present, decisions to use one provider or model over another seem to be based on preconceptions from having worked in other regions of the country, and on hearsay³⁶. Overall, it is positive to see growth in the number of providers and agents, and that encouraging the use of different channels promotes learning and encourages competition. All NSNP programmes are heading towards beneficiary choice.

An indirect benefit raised by some respondents was improvements in financial literacy³⁷ due to the HSNP. Whilst there have not been deliberate efforts in this regard it is reported to be happening organically as people more actively participate in a cash economy (through greater purchasing power, more use of credit and potentially micro businesses and savings). OPM evaluation outputs highlight that there is evidence that some recipients have used the transfers to start petty enterprises, or invest in extant economic enterprises. Whilst this is not by itself evidence of improved financial literacy, respondents observed that these activities are improving financial literacy, and even where they fail recipients are learning how cash works. This could be an interesting area for further research.

Smart agents and biometric identification system

To speed up the account opening process Equity Bank piloted a system of 'smart agents'. These smart agents were given training and smart phones to enable them to use this technology to activate beneficiary bank accounts directly once they had obtained their IDs, avoiding the need for recipients to travel long distances to Equity Bank branches. This initiative was appreciated but few smart agents were actually established. In some counties the few there were then stopped functioning, forcing recipients to revert to visiting a branch (this was specifically referred to by respondents in Wajir). Overall, the distribution of smart agents is said to have focused largely on areas near to towns, whereas their added value would be greatest in more remote areas. The legacy of this pilot development of the agency banking model is that the experience it has gained is of use for further improving the model and exporting it to other contexts.

Biometric identification using biometric point of sale technology, where clients are identified by use of their fingerprints, was chosen over personal identification numbers (PINs) for the HSNP. This was also the case for Phase 1. This decision was taken to ensure greater security in recipients' access to their accounts, so others in the household could not utilise

³⁴ World Bank (2017) 'Aide Memoire Kenya Joint Review and Implementation Support Mission for Kenya National Safety Net Program for Results (Credit 5287 and 5981), Cash Transfer for Orphans and Vulnerable Children Program (TF 097272) November 27 – December 1, 2017'.

³⁵ See Taylor, J. E., Thome, K., and Filipski, M. (2016) 'Evaluating Local General Equilibrium Impacts of Kenya's Hunger Safety Net Programme Phase 2', OPM; and Otulana, S., Hearle, C., Attah, R., Merttens, F., and Wallin, J. (2016) Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Qualitative Research Study - Round 1, OPM.

³⁶ A study was commissioned by FSD on this in 2015, see Pulver, C. (2015) 'Strategic Assessment of Future Options for HSNP Programme Delivery beyond 2017'. Respondents felt that the context has changed in the intervening two years and this analysis needs to be updated to remain valid.

³⁷ Financial literacy is defined as the ability to use knowledge and skills to manage financial resources effectively.

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the card and to avoid issues around illiteracy and people forgetting PINs. Overall, respondents reported that the biometric system has improved since Phase 1 and there are lower failure rates. This is attributed to improvements in equipment and to a change from using thumbs (Phase 1) to the ring finger (Phase 2). Having learnt, in part, from its experience with the HSNP, Equity Bank is expanding its use of biometrics for customers more broadly, increasing reliance on this over IDs and further developing the technology. Nevertheless, there continue to be some challenges associated with the use of biometrics, especially amongst older recipients. Where biometric identification fails, recipients must travel long distances to try to correct the problems at branches. There are some reports that requests for PINs are not being delivered upon. Equity Bank states that it needs to ensure due diligence that PIN requests are not the result of coercion, but where recipients do choose to use PINs they need to be facilitated.

Agent behaviour

Behaviour by some bank agents that constitutes, or might be perceived to constitute, misconduct is a risk (as with any method of payment delivery) that is acknowledged by some recipients, observers of the programme, and partners using the Equity Bank accounts for their own cash transfer programming. In practice, during our two years of monitoring, some 95% of the more than 1,700 recipients whom our research team has spoken to said that they trusted their pay agent and that he or she was fair and polite. However, this is a *perceived* risk that is relevant to the legacy of the programme as it affects people's (including recipients', the government's, development partners', and other agents') choice of whether to use the HSNP bank accounts in future or not.

Examples of irregular practice that some might perceive as constituting misconduct have included some agents taking a commission from the recipient when processing a withdrawal, or requiring the use of part of the transfer to purchase items from the agent's shop. Sometimes, this is an organised and transparent process agreed between agents and recipients to facilitate the smooth functioning of the payment system, as highlighted in OPM's monitoring – this is particularly common in Wajir and Mandera. Charges typically range between KES 100 and KES 200 per recipient. In some cases, these figures are agreed in advance through consultation between the agent, recipients, and chief. In these cases, recipients say they feel these contributions to the retention of the pay agent outweigh the inconveniences and additional costs they would face if they had to travel elsewhere to receive their payment. Equity Bank adjusted the commission structure during Phase 2 to try to cover increased transport costs incurred by agents located far from branches, but it is not clear whether this has made any difference to the cost for the recipients.

For NGOs who have been using the platform in recent months these agent practices have put some off using the Equity Bank accounts and instead, where available, they have opted for other payment methods. However, there remain many places where there are no alternatives and NGOs have used the Equity accounts and tried to advocate for Equity Bank to address issues of agent misconduct through adding alternative agents or removing agents. To ensure confidence in the system and continued use of the accounts, Equity Bank should manage these issues carefully and be seen to investigate and react effectively to reports of misconduct. Many of these challenges are not specific to Equity agents and relate to all payment delivery methods, so in lieu of alternatives other cash transfer actors will continue to use the system.

There is evidence that the other cash transfer programmes of the NSNP have learnt from and been influenced by the HSNP in terms of their move to fully functioning bank accounts for their social protection programmes. These programmes have benefited from HSNP learning around the development of agency banking. They also report learning how to deal with practices such as agents charging a commission, or swiping cards and saying they will pay the customer later: this has influenced their promotion of complaints mechanisms and efforts to raise the awareness of recipients. This has happened in two ways: firstly, there is greater public knowledge regarding what is acceptable practice; and, secondly, cash transfer recipients are more able to submit complaints. As more agents are encouraged to enter agency banking, and as the process is opened up to competition amongst payment service providers, allowing beneficiary choice, it should have a positive impact on operating practices overall.

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Use of HSNP-issued accounts by other actors

The recent drought crisis³⁸ has seen HSNP-issued bank accounts being increasingly used by others – mainly NGOs but also some county governments – as a relatively quick way to get cash to drought-affected households. This is a huge innovation and some users of the system have said it has saved them significant amounts of time and money, allowing them to respond rapidly through accounts that have already been set up. Most of those who have used the accounts say that they would use them again or have already used them several times. However, there are some organisations that have had a negative experience and do not plan to use the accounts again; they cited agent misconduct, distance that recipients had to travel to reach agents, problems with liquidity, cards not being activated, and costs of the system as the reasons for not using it. These organisations are largely opting for Safaricom’s Mobile Money (MPESA) instead, with a few using cash vendors where no other provider exists. Those using MPESA say they do so because it is cheaper, more convenient for recipients, and, from their perspective, has greater reach. The latter point is debatable, with heat maps showing poor coverage of some parts of the four HSNP counties by MPESA agents, and many partners reporting low levels of network and agent penetration, and lack of ownership of phones and SIM cards amongst the population.

The choice of payment mechanism appears to have been arrived at in several ways. Some organisations made a purposeful choice to work through the HSNP system, from target lists through to Equity Bank accounts. Others had preconceptions about the reach of bank accounts or were put off using them by the cost of the platform compared to the alternatives. Others were already using MPESA in their programmes and believed it to be more accessible and preferable to recipients, as well as being cheaper for the NGOs to use. A few NGOs gave their recipients a choice in how they wanted to receive their cash. Some were advised through CSGs (including by some county governments) that Equity Bank accounts should not be used. This seems to be linked to cases of agent malpractice and reach.

Development partners who used Equity Bank had mixed experiences. Some found that despite being told accounts were active when they transferred money access rates were low³⁹ and on follow-up they found some recipients did not have active cards. Whilst this was not the norm, such instances added extra costs for implementers, who were forced to conduct field exercises to clear up the issue, as well as causing delays in recipients receiving their money.

Respondents highlighted that the HSNP use of full bank accounts had influenced the other NSNP programmes in this regard. These programmes are now transitioning to fully functioning bank accounts, which will give their recipients the benefits of these, including the facility to save.

The HSNP bank cards were designed with an e-wallet function to enable the programming of conditional cash. To date, this function has only been used by two NGOs: Oxfam for water and Concern for livestock services. Oxfam see big possibilities for this capability but recognise it is not being used to its maximum potential. Generally, the move to cash is about beneficiary autonomy as to what they do with the support they receive, which goes against the idea of linking it to specific purchases, and this may partially explain why others have not been using this function. Another reason is perhaps because of the challenges around setting up the function. However, the main reason is that most simply did not know the system existed –or at least not in any detail until the NDMA held well-attended explanatory meetings for development partners in Nairobi in 2017. This again highlights the need for the NDMA to raise awareness about the basic parameters of the system and how other actors can make use of it. The government could further develop the use of the e-wallet function through HSNP 3-linked to plans for a cash-plus agenda. The e-wallet function has been taken by Equity Bank to other programmes and is being used, for example, in accounts for students, where money can be

³⁸ In 2016 the October-November-December rains failed. Counties in the northwest and southeast regions were particularly badly hit. The southeast also suffered from poor March-April-May rains. On 10th February 2017, the GoK declared a national drought emergency, with 23 of 47 counties affected.

³⁹ One NGO respondent who worked directly with Equity Bank to transfer to a number of Group 2 beneficiaries in Turkana found out after transferring the money that about 50% of beneficiaries were not able to access it.

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allocated to e-wallets for fees, study materials, accommodation etc. Used effectively, the function within HSNP counties could, for example, help the counties move away from expensive water trucking during drought if there were consolidated programming across sectors.

National identity cards

For a recipient to access HSNP 2 payments they must be able to open a bank account. To do this they require a national identity (ID) card. Overall, the impact of the HSNP in encouraging both recipients and non-recipients (through witnessing the benefits of access to banking and other services) to obtain ID cards in HSNP counties has been massive. ID cards are now required by the GoK to access most services, so expansion in access to the cards opens up opportunities for households to access further potential benefits beyond the HSNP. ID cards also enable holders to vote, which was said to increase self-esteem and dignity, and potentially increases the importance of these communities to politicians. In September 2016 OPM conducted a study on ID card issuance, recognising that this has been a major challenge for the programme and a very time-consuming process. PILU staff stated that when the programme started it was estimated that 23% of Group 1 households did not have a single adult with an ID. This proportion has now been reduced to 0.4% (446) of Group 1 households without an adult with an ID⁴⁰. The HSNP and the NDMA have been instrumental in this achievement⁴¹.

The NDMA supported and funded mass registration campaigns with the National Registration Bureau (NRB). During the last of these, in 2016, the NRB managed to produce 6,726 ID cards in HSNP counties due to this campaign alone, and tens of thousands more through the regular application process. The border nature of HSNP counties increases the scrutiny of applications, especially in Mandera and Wajir, where some chiefs cite cases of recipients waiting up to six months to receive their cards, and sometimes not getting them at all. There were several cases where recipients applied multiple times, hoping this would speed up their applications, though in reality it flagged concerns and slowed the process down. The PILU cites the process of working with the NRB as challenging, slow and expensive, but over time worthwhile in terms of improving ID ownership in their target population.

Implications for policy:

- The HSNP's legacy in relation to enrolment for, and issuing of, bank accounts has been significant. It has increased access to formal financial services for a great many people, as well as increasing the proportion of the population in possession of a valid national ID card. This in turn has increased potential access to financial and other services for a great many people and enabled them to vote.
- The HSNP has helped pioneer the agent banking model, including the development of 'smart agents' and biometric identification systems, all of which Equity Bank has begun to apply elsewhere in Kenya and beyond.
- The experience of HSNP has *de facto* built the government's experience of, and capacity to manage, payment service providers, to the extent that the next round of procurement for those services is seeking to adopt a multi-provider model, which should drive prices down and increase the quality of services provided.
- To maximise these positive aspects of the HSNP legacy going forward, the HSNP should continue to document its experiences and share these with the rest of the NSNP and other stakeholders (which it is doing), as well as continuing to publish data on payments services delivery via its dashboard. For this latter point, it will need to ensure its plans for regular internal programme monitoring are implemented.

⁴⁰ See HSNP dashboard, accessed on 15 January 2018, www.hsnp.or.ke/index.php/dashboards/at-a-glance

⁴¹ It should be noted that, in 2017 especially, the desire of politicians to register potential voters is also a contributing factor.

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3.1.3 Payments

Integration with government systems

Once Phase 2 was up and running, after a slight delay, the HSNP succeeded in delivering payments on time for numerous pay cycles. This helped increase the confidence of all stakeholders in the system – in particular that of the recipients. This regularity was beneficial both for recipients and for the programme in enabling it to achieve its core objectives. From the perspective of the payments system, regular payment dates also enabled the bank and pay agents to prepare for their own needs in regard to delivering payments, such as ensuring adequate liquidity, which in many cases is a significant challenge given the context that they are working in—the payment services manager highlighted instances of having to charter planes to fly cash to some locations to enable recipients to be paid, illustrating the extremity of the context in which HSNP operates. However, especially over the last year, as the HSNP payments system has begun to be more integrated into previously existing government systems, the payment date has become increasingly unpredictable⁴². This is also linked to the fact that the proportion of Group 1 payments resourced by the government has increased. Previously, DFID resources could be frontloaded to cover any delays in government disbursements. As government now funds over half of Group 1 transfers this is more of a challenge. In addition, there have also been times when payrolls have been delayed by the NDMA themselves, in order to include new enrolees. Nevertheless, the overall timeliness of the HSNP has been much better than that of the other NSNP cash transfers.

The overall timeliness of the government's payments to recipients of cash transfer programmes other than the HSNP is improving in line with political commitment to social protection. Respondents at least partially attributed this commitment to the HSNP. Timeliness has been encouraged by World Bank disbursement-linked indicators that reward payment on time and the government met their DLI target for timeliness of payments in May 2017. However, the 14-day window that the DLI allows before it defines a payment as late still gives room for unpredictable payment dates and creates challenges for recipients who depend on these payments, and for Equity Bank and its agents in ensuring liquidity. Furthermore, the DLI only measures the payment moving from the government to the payment service provider, and not its movement to the beneficiary, and there are often delays in the latter part of this chain. Whilst most of those interviewed expect an inevitable slip in timeliness as the programme is increasingly resourced and managed by government, others highlighted that this should not be assumed and that the HSNP has established systems that are now in place which can be used to ensure payments are made on time. There are scheduled payment dates and sufficient time between payments to allow for this issue to be managed effectively if there is political will.

Budgeting for social protection payments comes under the category of development rather than recurrent funding. This was reported by some respondents as helping to ensure more timely payments. However, we found the opposite to be the case in our study of fiscal space for social protection in Kenya⁴³. Despite such inconsistencies in perceptions, however, the Ministry of Labour and East African Affairs has demonstrated strong commitment to improving the timeliness of payments and it will be very positive if this continues. Some respondents credited the HSNP with providing a better-performing comparator that donors can leverage so as to apply pressure on the implementers of other NSNP programmes. A financial management action plan that embodies the efforts to boost the performance of the SAU programmes in this regard is being implemented. For the HSNP to maximise its positive legacy here it needs to get back to making regular payments on time – perhaps through use of the strategies laid out in the fiscal space study⁴⁴.

⁴² According to DLI standards, only the July 2016 payment was late by more than the required 14 days.

⁴³ See Álvarez, L. G. and Van Nieuwenhuyzen, H. (2016) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Study on fiscal space for social protection in Kenya', OPM.

⁴⁴ Álvarez, L. G. and Van Nieuwenhuyzen, H. (2016) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Study on fiscal space for social protection in Kenya', OPM.

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There were some suggestions from implementers that the increased creditworthiness of recipients⁴⁵ allows them to take goods on credit when a payment is delayed, which in part can cover for delays. Whilst this improved access to credit is an important benefit of the programme (mentioned in Section 3.1.2 above), it should not be relied upon to cover for delayed payments. Indeed, the issue of timeliness of payments is a threat to this positive legacy as, if payments start to be routinely delayed, it may affect shopkeepers' or other lenders' willingness to grant credit to HSNP recipients.

Communications for payments

Communication systems have been developed which allow SMS alerts to be sent to programme managers and officers, as well as chiefs, so that recipients can be informed of payment dates. This helps to prevent some recipients travelling to payment agents before payments have been made. However, there are always some who do not receive the warnings and expend time and incur costs travelling to pay points when payments have not yet been made. It is also not viable to substitute improved communications for a lack of timely payments. The HSNP has advocated for their communication systems to be adopted by the other NSNP cash transfer programmes. However, there has been some reluctance to do this. The SAU programmes state that the size of their programmes make this a challenge, but they do appreciate the innovations of the system and may adopt aspects of it in the long term. A more comprehensive discussion of the HSNP's communications platform is presented in Section 3.1.6 below.

Another area where the GoK's delivery of its other cash transfer programmes has been influenced by the HSNP relates to a beneficiary's right to retain social assistance transfers that are not claimed within a certain period. This is in part a policy issue related to entitlement, but it also relates to whether recipients' transfers go to full bank accounts or not. Currently, rules on this differ between the HSNP and other programmes in the NSNP. Transfers given to HSNP programme recipients remain in their account regardless of whether a recipient withdraws funds or not. In contrast, in the CT-OVC programme, for example, the payment window is three weeks, after which time the money is taken back by the government if it has not been claimed by the recipient. In parts of Kenya (particularly HSNP operational areas) transport and communication networks are poor and recipients often lead a nomadic lifestyle, making it a challenge to always let recipients know of payment dates where they are not regular. There are also challenges in being able to access payments in a timely manner even if recipients are informed where agents may be located a considerable distance from recipients. However, this is starting to change as the government moves the other NSNP programme recipients to fully functioning bank accounts: the government has agreed that money will only be taken back if there is no activity in an account for a year. This was seen by respondents as a change that has been influenced by the HSNP.

Finally, part of the HSNP's legacy relates to the fact that it has a different cash transfer value to the other social protection programmes within the NSNP. The HSNP pays slightly more than the other programmes, having taken the policy decision to adjust the transfer value annually to account for inflation. Respondents highlighted that this had caused some frustration among programme recipients of the other NSNP programmes. The programme implementers also find it difficult to emulate these increases due to budget constraints and policy decisions to focus on increases in the number of beneficiaries before increases in transfer values.

Implications for policy:

- HSNP had, until recently, established a good reputation for making payments on time. This was beneficial both for the achievement of the objectives of the programme as well as for the functioning of the payments system. It also provided a positive example for the other NSNP programmes to aspire to. To maintain this positive legacy around

⁴⁵ The mixed method impact evaluation conducted as part of this evaluation provides ample robust evidence that the HSNP has improved access to credit for recipients. See Merttens, F., Binci, M., Haynes, A., Laufer, H., and Scott, M. (2017) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Quantitative Household Impact Evaluation Technical Report', OPM; and Otulana, S., Hearle, C., Attah, R., Merttens, F., and Wallin, J. (2016) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Qualitative Research Study – Round 1', OPM.

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payments HSNP needs to get back to a situation where payments are being made on time without fail. This can be achieved through maintaining adherence to the Treasury's financial processing and reporting rules, as well as through the implementation of a strict payments processing protocol that individual government agents are not able to subvert.

- The communications process around the payments could also be formalised as part of the payments processing protocol, and efforts could continue to be made to obtain and retain recipients' telephone contact details, so that recipients can be directly included in communications campaigns as far as possible. This is especially relevant as access to and ownership of SIM cards increases alongside mobile phone coverage.

3.1.4 Case management

A revised, more cost-effective CMS, encompassing tools to collect complaints and updates, was introduced relatively late in Phase 2. This new system is a decentralised, digitised MIS platform where programme complaints and updates can be channelled and resolved. The system aims to be responsive to the feedback needs of HSNP households and to reduce the need for *ad hoc* field-based mass data collection exercises.

The MIS is set up to channel complaints and updates from the sub-county level to the national level for approval. The system collects information on updates (changes in personal details, such as name, ID, account number, phone number, address etc., or deaths) and complaints about programme or banking operations. The cases can be registered in paper forms by chiefs, assistant chiefs, HSNP programme managers and officers, County Drought Coordinators (CDCs) or beneficiary welfare committees⁴⁶. The HSNP is expanding the system by training teachers and nurses to complete the forms so these community representatives can also complete forms at community centres, such as schools, health centres, NGO offices, and other government offices. The system also allows for the submission of forms through mobile phones (via SMS) and public web interface (making complaints and updates through the HSNP website).

Complaint and update forms are passed to programme officers, who check they are correctly completed then enter them into the HSNP MIS at the sub-county level. These entries are then processed by the programme managers and CDCs at the county level, followed by a final approval by the case management officer in Nairobi, who effects the changes. For issues to do with bank cards, the case management officer escalates these to Equity Bank. The system is synchronised with the central MIS database every night. Programme managers have weekly meetings with the bank to discuss cases. The CMS tracks the resolution of cases, with the maximum time for resolution set at 30 working days from when the information is entered into the system. Recipients receive feedback through SMS or web-based communications to programme officers, which is then passed on directly to the recipient or through chiefs or public *barazas*.

Key informants that were familiar with the CMS interviewed as part of this study were generally impressed by the system and the fact that it has been tweaked and improved over time. The following improvements in the system over the course of Phase 2 were mentioned by respondents:

- where recipients did not have IDs, a provision was introduced to change the recipient to a household member with an ID;
- use of chiefs to channel complaints and updates;

⁴⁶ Initially the HSNP 2 used rights committees established by Help Age International to manage complaints. However, as part of the process of harmonisation across the NSNP beneficiary welfare committees were established instead as structures that mirror those found for the NSNP in other regions of Kenya. For detailed discussion of the rights and beneficiary welfare committees see O'Brien, C., Riungu, C. and Scott, M. (2017) Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Operational monitoring—Synthesis report, OPM, Oxford.

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- merging complaints and updates into a single form;
- providing smart phones to chiefs for reporting cases and taking pictures of IDs;
- development of guidelines on the system;
- development of a feature to show the current status of cases in the MIS; and
- the facility to provide feedback on case progress to recipients via SMS.

The HSNP CMS still attracts some criticism. Most stakeholders, although happy with the system overall, complain that the resolution of cases takes a very long time. The main reason for this is the challenge with data synchronisation between the PILU, the FSD, and Equity Bank. Even with the new guidelines the process is slow and cases often take longer than the agreed 30 days to resolve. Meanwhile, some cases remain unresolved because there is a lack of policy guidance to direct action. This issue was highlighted as a particular frustration by county administrations, who see cases stuck without resolution.

The use of chiefs and assistant chiefs to collect and escalate cases at the grassroots level has generally been accepted positively. This is the easiest channel through which the NDMA can receive complaints and updates in paper form from all locations. Chiefs are largely happy to take on this role (as reported in the operational monitoring report of March 2016 and confirmed again in interviews for this study). However, challenges were also highlighted with regard to overreliance on chiefs. For example, if a complaint is to be made about a chief, there needs to be an alternative route a recipient can take to lodge that complaint. The programme is taking this on board and is creating other channels through which community members can make complaints, such as through beneficiary welfare committees, schools, and clinics. They are currently training personnel of these institutions to fill in and submit complaint forms.

The use of the HSNP Group 2 lists by NGOs for drought response and the emerging cash working group (see Section 3.4.3) has highlighted the multiple complaints systems that are in operation related to other cash transfers, with most NGOs having their own systems. Within the NDMA, EC-funded programmes have a separate complaints system that is implemented by Transparency International and is now being absorbed by counties. A complaints line also exists for the NSNP, though it is largely regarded as not functioning. The HSNP recently established a toll-free hotline. This can be a valuable addition to the CMS, but its effectiveness will depend on the scale of mobile phone coverage and access, and the ability of the system to refer complaints effectively and to speed up the resolution time. Whilst there is value in communities having multiple avenues for complaints, it is important that they are aware of these, and that systems speak to one another and are as efficient as possible.

Implications for policy:

- The HSNP has developed a decentralised, digitised CMS that synchronises daily with the central MIS. It incorporates a digital feedback loop using a combination of SMS and web-based communication, either direct to beneficiaries or indirectly through POs and chiefs. The number of agents that can facilitate recipients or members of the public to lodge updates or complaints about the programme has been expanded to include Programme Managers (PMs) and POs, chiefs, and beneficiary welfare committees, and plans are afoot to widen this further to nurses and teachers – and even some NGOs. A toll-free hotline has also been installed.
- To maximise the positive legacy of this CMS the HSNP should continue to support the broader NSNP by communicating their learning and making available to other NSNP programmes the parts of their system that can be freely transferred across to the other programmes (which they are doing). It should also explore ways to reduce duplication by ensuring its MIS speaks to the MISs of other programme within the NDMA (such as that used by the EC programmes), the NSNP (which it already does via the single registry), and the system run by Transparency International that is currently being absorbed into county structures. It should also explore linking its own toll-free number to that used by the NSNP. Some consideration should also be given to how these systems can respond to

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information generated through NGOs' own complaint systems where they generate issues related to the HSNP/NSNP.

3.1.5 Monitoring

It was planned that the PILU would monitor the functioning of its own programme through routine visits by county and sub-county staff to different locations, attending pay points during the early days of the pay cycle, and reporting back their findings regarding programme operations to the County Technical Coordination Group. A monitoring specialist in Nairobi was intended to provide oversight across the HSNP counties. They and other national-level staff were also expected to make regular monitoring visits to the field. An internal monitoring framework⁴⁷ cites a set of indicators to be measured, covering a range of outputs, such as the number of households enrolled and with active bank accounts, the timeliness of payments, the number of complaints and updates resolved, and the extent to which households are making use of their accounts. The monitoring findings should be reported in meetings to the National Technical Coordination Group and Steering Committee, and via the HSNP dashboard on its website. In addition to these planned activities, an independent evaluation team led by OPM has monitored programme operations continuously from July 2015 to January 2018.

In practice, not all the planned internal monitoring activities described in the preceding paragraph have taken place. In part this is due to the fact that the PILU monitoring specialist post was not filled for over a year—the post was filled only in August 2017⁴⁸. In the interim period other staff aimed to absorb monitoring functions into their roles. However, the PILU recognises that staff time at county and sub-county level has been skewed towards getting the programme to reach its intended target group – such as opening and activation of accounts, obtaining IDs for beneficiaries, resolving complaints and updates etc. This, combined with the lack of a national-level monitoring specialist to coordinate the work, inevitably reduced time for monitoring and left a gap. However, the programme's advanced MIS was used to share key performance indicators of the programme widely. Through this, the public have been able to see the 'at a glance' data, and authorised users can see more detail. The HSNP staff at a county and sub-county level have increased their skills and knowledge both through training that HSNP has conducted and their ongoing involvement in the programme. This has also been reported to include CDCs and other NDMA staff. More recent training has been conducted (2017) of NDMA early warning monitors, to increase their understanding of the generation of quality data. This leaves a positive legacy of improved capacity for NDMA in these counties.

Since the new monitoring specialist has been in post, the PILU has been developing a new monitoring framework. This includes three levels of M&E: monthly operational monitoring, impact monitoring through the NDMA early warning system, and external evaluation. The first and second of these will be managed by the PILU monitoring specialist, working closely with HSNP field staff and other NDMA monitoring personnel. This operational monitoring will replace the operational monitoring previously conducted by OPM. Its purpose is to inform HSNP operations, ensure payments are reaching beneficiaries, identify any problems or issues affecting beneficiaries' awareness of payments, and enable the programme to take corrective action. The PILU will facilitate post-payment operational monitoring activities after every regular payroll. This monitoring will be undertaken by HSNP programme officers during and after payment collection, overseen by PILU/NDMA team members in Nairobi. Tools to be administered during operational monitoring include:

- 1) beneficiary household questionnaire (administered to randomly sampled beneficiaries);
- 2) pay agent questionnaire (administered to pay agents within the sampled sub-location);

⁴⁷ See HSNP Internal Monitoring Framework December 2014 and HSNP 2 Operations Manual March 2015.

⁴⁸ This was due to a deliberate decision to hire a geographic information system (GIS) specialist and CMS officer instead.

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- 3) key informant interview guide (administered to chiefs, beneficiary welfare committee representatives); and
- 4) quality assurance checklists (administered by PILU Nairobi staff, programme managers, and CDCs).

The new system draws on monitoring tools used by the independent evaluation and makes greater use of the NDMA's own monitoring systems, tapping into the large amounts of data already being gathered by early warning monitors⁴⁹. The data produced by this new monitoring framework are intended to be published live every pay cycle on the HSNP dashboard, in various formats. These are hoped to include interactive maps reporting active and inactive pay agents, alongside various programme performance metrics, such as average distance to pay point, average queuing time at the pay point, number of complaints received and such like, disaggregated at various levels (pay agent, sub-location, sub-county, county). From these data it should be possible to produce automated reports summarising programme performance at any given moment, as well as to analyse trends over time.

Respondents outside of the HSNP commented on the information that the HSNP has made publicly available through its website and the MIS, which has set high standards across the sector. The HSNP dashboard is accessed by a wide range of stakeholders and is well regarded. The HSNP is operating with a high degree of transparency, which should help drive improvement, not only of its own performance but also that of its operating partners (Equity Bank), as well as, potentially, its sister programmes in the NSNP⁵⁰. Overall, the operational monitoring conducted by OPM during Phase 2 is now being absorbed and adapted into the PILU's/NDMA's own systems. Most respondents highlighted that, acknowledging these positive developments in the programme's own monitoring capacity, there remains value in keeping an evaluation component separate as the programme moves to a third phase, in order to ensure independence.

Implications for policy:

- The HSNP has developed a new monitoring framework which aims to produce representative statistics estimating numerous metrics measuring programme operational performance each month. These data will be published live each pay cycle on the HSNP dashboard in various interactive forms, as well as enabling automated reporting of programme performance and analysis of trends in that performance over time. In addition, integration with the wider NDMA early warning data collection system is increasing the quality and capacity of staff and systems to improve monitoring data overall.
- For the positive aspects of this legacy to be maximised the HSNP should continue to communicate its experiences of implementing its monitoring activities to the NSNP and wider stakeholder groups, and where possible make available its knowledge and the parts of its system that can be freely transferred across to the other programmes.

3.1.6 Communications with programme recipients

During Phase 2 the HSNP developed a communication strategy to mobilise and sensitise communities on the process of targeting and disbursing cash transfers. A revised field communication strategy⁵¹ was updated in 2015, when it was proposed to make increasing use of the network of chiefs and assistant chiefs to communicate programme information, including through *barazas*. Chiefs were selected in recognition of the fact that the HSNP (and the NSNP) is a government programme (in particular, a national programme, as opposed to a county programme), and chiefs form part of the national government structure. This decision was also taken with sustainability in mind. A core function of chiefs is to support the administration of government programmes and to facilitate the public to benefit from and engage with

⁴⁹ See Fitzgibbon, C. with the PILU, NDMA (2017) 'HSNP: Improving Impact Monitoring within the NDMA'.

⁵⁰ These latter monitor their own operational performance primarily through the Programme Implementation and Beneficiary Satisfaction survey (a three-round survey currently collecting data for its second round). However, The SAU programmes also have an MIS system developed by the same team that developed the HSNP MIS and National Single Registry, so it is conceivably possible that they may also publish a public dashboard.

⁵¹ NDMA (2014) 'HSNP 2 Communications Strategy and Plan 2014–2017'.

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those programmes. The HSNP has invested in strengthening the role and capacity of the chiefs and assistant chiefs through training and providing them with phones to communicate programme information (see also Section 3.1.4 above).

It is clear that in terms of sustainability the use of the chiefs for communication is the most logical avenue for the programme. While some key informants expressed caution about exclusive reliance on chiefs, as, inevitably, they vary in capacity and commitment to their communities—and some have stakes in local shops and as Equity Bank agents, which risks conflict of interest—others highlighted instances where chiefs were very committed to the programme and their communities and went beyond the call of duty in chasing cases for follow-up after submitting forms. Some county-level respondents to this study reported that chiefs in their areas have much more motivation and improved capacity thanks to the capacity building conducted by the HSNP and the status they have been given because of their formal participation in the programme. This increased confidence and knowledge of chiefs is a legacy of the programme and in some cases has been demonstrated in increased commitment to other areas of programming.

To communicate with its network of chiefs (and other stakeholders) the HSNP developed SMS and social media platforms. These tools for programme communication are innovative in the social protection sphere. The other NSNP programmes are keen to adopt similar tools in the future.

Implications for policy:

- By formally incorporating chiefs into its operational processes the HSNP has developed a strong and sustainable mechanism to support programme delivery and the engagement of local communities. To maximise this positive legacy, it needs to continue to communicate with the chief network, alongside other stakeholders at the county and sub-county level, and ensure the impartiality and effectiveness of these systems are monitored. In this regard it should continue to explore options and opportunities to evolve and develop its communications platform, as it has been doing throughout Phase 2.

3.2 THE HSNP'S EMERGENCY SCALE-UP FACILITY

Key findings

The HSNP 2's emergency scale-up facility is a highly innovative system that has implications for the rest of Kenya and other countries. It has enabled faster response to drought and established systems that can be used by others to respond more rapidly and cheaply to emergencies. It is credited with contributing to a general shift from food to cash in emergency response in Kenya.

The system could be improved through better understanding of who will receive payments, when, and why. There remain questions around the use of VCI data to trigger payments. Whilst combining the VCI with other methods would have a number of disadvantages (e.g. slow down the response, increase costs), there is room to research how other measures correlate with the VCI.

The HSNP is designed to be versatile in its emergency response but this capability has largely not been exploited. There is a need for further discussion on parameters and guidelines for horizontal (to more people) versus vertical (value of cash transfers) scale-up, and improved coordination at national and county level across different cash transfer programmes. To maximise the positive legacy of the HSNP, its learning must influence the development of shock-responsive safety net systems in other counties of Kenya.

The emergency scale-up platform of the HSNP was highlighted as a key success and innovation of the programme and something that is ground-breaking across the sector, both within Kenya and globally:

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'Emergency payments have worked well. From November 2016 a lot of money has been paid to beneficiaries in Wajir. Stakeholders at the county level agree that this is a very good intervention. This money has made a very big difference—malnutrition rates were minimal this drought round—a lot of credit being given to cash transfers, especially HSNP. Payment overall has been triggered and paid on time. Cash transfers are considered the best form of intervention, giving beneficiaries the choice of what to do with the money.' (County Drought Coordinator, Wajir).

The HSNP is also generally considered to have been instrumental in encouraging the shift from food to cash in drought response in Kenya. The nascent national cash working group found that, overall, the drought response has seen strong government leadership and had been timelier, covered a wider geographic area, and reached more people than some previous responses⁵². This cannot be directly attributed to the HSNP, but respondents to this study felt that the timely response of the HSNP, combined with the increased leadership role of the NDMA (and the HSNP's role in this), had positively contributed to these improvements.

3.2.1 Emergency payments disbursement and coverage

Emergency payments have been triggered 24 times since the start of Phase 2, with the first emergency payment made in April 2015. In total, the system had paid out KES 2,852,969,150 up to January 2018 to Group 2 households. The smallest payment went to just 222 households and the largest reached 208,019 households⁵³. The most prolonged period of emergency payments has been for the drought that started late 2016 and was declared a national emergency by both the Kenya government and the UN in February 2017. Payments were made in every month in 2017⁵⁴. While data show that this drought is worse than the one experienced in 2011, the government and partners' report a reduced negative impact on people's lives, attributing this in part to the HSNP's rapid response through its emergency scale-up facility, which started scaling up three months before the government declared the drought a national disaster. By way of illustration,

Figure 2 shows the size and geographical spread of HSNP emergency payments between November 2016 and May 2017. Further emergency payments were made between June and December 2017.

In addition, the government continues to progress with the setting up of the National Drought Emergency Fund, which is intended to improve financial sustainability for drought response. To date DFID have funded KES 2,214,027,650 of emergency payments to Group 2 households, between the first payment in April 2015 and January 2018, with the European Union contributing an additional KES 638,941,500 in 2017. In the long term it is expected that the National Drought Emergency Fund will be used to at least partly resource the scale-up.

Respondents were largely positive about the capability of the HSNP to scale up (and down) rapidly in response to shocks such as drought. Several other reports have reviewed the perceptions, benefits, and challenges of the emergency scale-up process in detail⁵⁵. Broadly speaking, the major benefit of the design is the coverage of the population with a mechanism for receiving rapid emergency assistance, since nearly every household in the HSNP counties now has an active bank account. Furthermore, the ability of the HSNP and other programmes to make use of this mechanism

⁵² CaLP (2017), 'The use of CTP in Kenya: Reflecting on the 2016/17 drought response. Report from an inter-agency reflection workshop June 2017'.

⁵³ Figures as reported by the PILU Finance Manager at 18 January 2018.

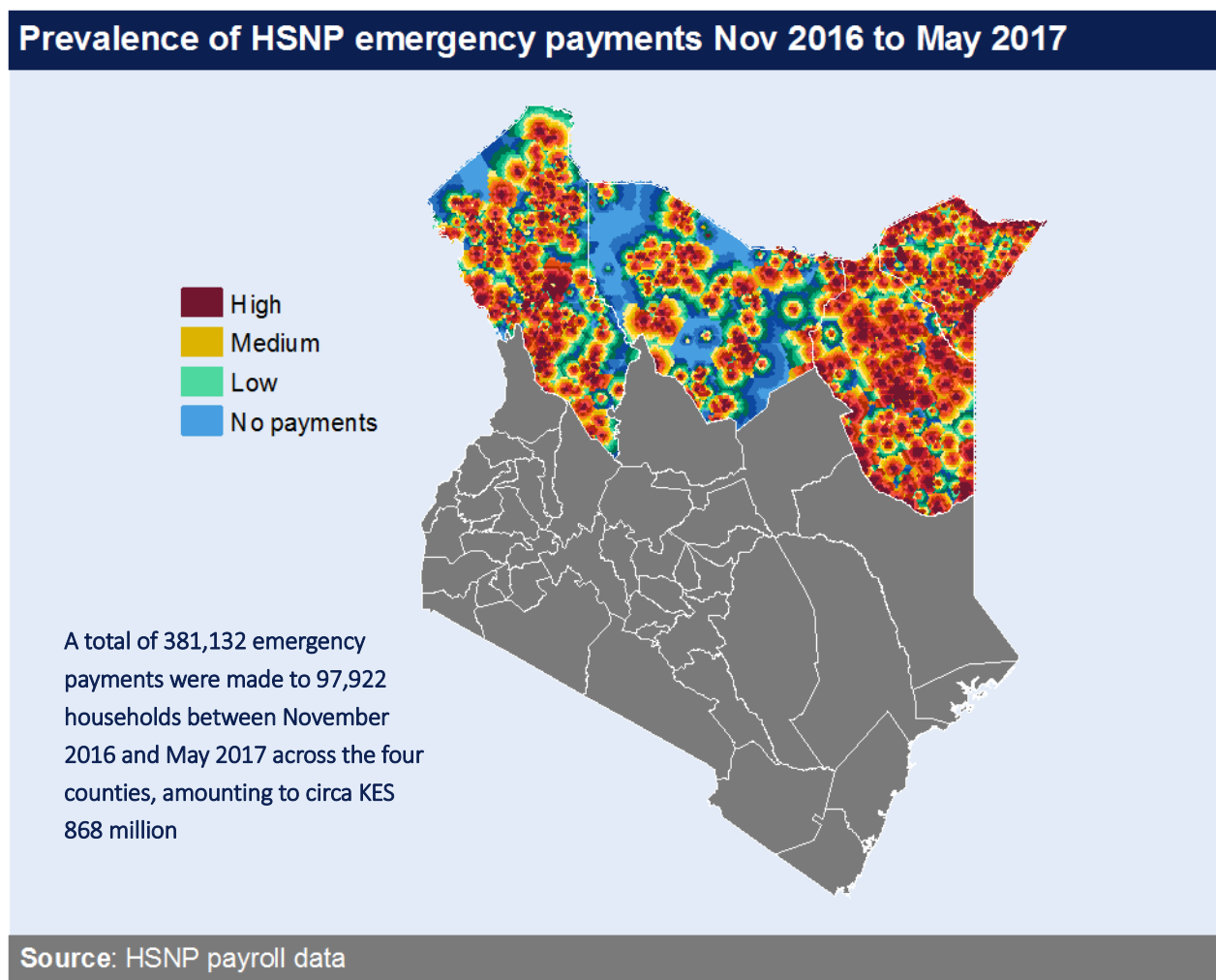
⁵⁴ With the exception of June, though two payments were made in July 2017.

⁵⁵ See OPM (2016) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2 – Drought Emergency Scale-up Payments Process Review Final report'; OPM (2017), 'HSNP Special Theme Report: Emergency Payments – Hunger and Safety Net Programme Phase 2 Evaluation'; and Farhat *et al.* (2017) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Emergency payments deep dive study', OPM.

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speedily and without the need to physically disburse cash or other resources (i.e. by depositing money directly into households' bank accounts) is a unique characteristic of the HSNP's design. Although the cost of registration may be considered high⁵⁶, the value for money of the system increases the more other actors use it, and it involves minimal overheads. It is also linked to government systems embedded within the NDMA (e.g. the VCI and early warning systems).

Figure 2 Number and geographical distribution of emergency payments disbursed between November 2016 and May 2017



3.2.2 The emergency payments trigger mechanism

Alongside these positive aspects there are areas for improvement to ensure the effectiveness of the system. Respondents highlighted the uncertainty among Group 2 households as to who will be entitled to receive emergency payments at any given time and when. This leads many to visit pay agents unnecessarily, clogging up pay points as agents must check the balance of many households, only some of whom have received a payment. A lack of understanding as to why some Group 2 households receive payments, while others do not, causes confusion and frustration, and is compounded by continual misunderstanding of (or objections to) the use of the VCI trigger, among

⁵⁶ Detailed information about the cost of HSNP 2, including disaggregation by programme activity, such as the mass registration exercise, is provided in Bahri, S. and O'Brien, C. (2016) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: HSNP Phase 2 Cost-Efficiency Analysis', OPM.

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key informants as well as households. Some respondents continue to question the reliability of the VCI in genuinely indicating the drought needs of a specific area and feel that it should be complemented by more traditional early warning indicators, such as livestock health and nutrition surveys.

Respondents also highlighted that the system's speed of response has got over time. This was attributed to several factors. Firstly, the ongoing nature of the 2016/17 drought, which has seen the system triggering payments on a monthly basis, is claimed by some respondents to have reduced the sense of urgency around getting out emergency payments. Secondly, the addition of EC funding has meant that the rules of the game have changed due to the donor requiring reconciled accounts before releasing subsequent payments. Thirdly, delays have also been reported in the time it is taking Equity Bank and FSD to act on payroll information.

The HSNP team recognise that the VCI is not a perfect measure but there is no other remote indicator that can be gathered and assessed so quickly. NDMA and county staff are more familiar with a humanitarian system that conducts bi-annual needs assessments (for the short and long rains). Since these are the systems that are better known and understood there is greater trust of information that is gathered directly on the ground through 'rapid' assessments. Many respondents in this study called for the system to be amended to combine the VCI data with the assessment of nutrition and/ or other indicators and tools for the multidimensional assessment of shocks. However, the trade-off is that these 'rapid' assessments take much more time to collect, analyse, and assess, and have the potential to result in demands that exceed available resources. They are also more costly and prone to human error.

An area for possible further research here is the degree to which the VCI correlates with the other measures incorporated in the rapid assessments. If it could be shown just how far the VCI functions as a good proxy for these other welfare measures this could help build trust in the system.

For other cash transfer programme implementers, a lack of awareness of when and where the system has paid out to recipients is contributing to a lack of trust in the system. Whilst data on emergency transfers are publicly available on the HSNP website and dashboard, it may engender more support if these data were further disseminated by the NDMA at county level – through the CSOs, for example. In localities that are consistently vulnerable to drought and thereby trigger scale-up payments over consecutive months, interviewees discussed the scope for adapting the system to allow for more predictable dry season payments to greater numbers of Group 2 households⁵⁷. Such a system would also benefit from the significant value of predictability in payments.

3.2.3 Value and coordination of the emergency transfers

The expansion of payments to Group 2 households represents what is known as the 'horizontal' expansion of the system: scaling up the programme to additional households beyond the regular or routine beneficiaries⁵⁸. Several respondents felt that the 'hunger' aspect of the HSNP implies that the emergency scale-up facility should scale the transfer value as well (known as vertical scale up), according to the cost of procuring basic food needs.

Currently, the policy triggers one-off payments to recipients registered as residing in drought-afflicted areas each month during which their location is classified as being in drought, at the value of the regular Group 1 monthly payment (KES 2,700). It does not allow for 'vertical' expansion, which would entail providing increased value of transfers (either to regular Group 1 recipients and/or Group 2 recipients). Many in the humanitarian sphere argue that this policy is insufficient in the context of drought, or other shock, in which the value of the transfer should be linked to the cost of

⁵⁷ This issue is discussed in more detail in OPM's emergency payments study (Farhat *et al.* (2017) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Emergency payments deep dive study', OPM.)

⁵⁸ OPM (2015) 'Shock-Responsive Social Protection Systems: A Research Programme for DFID. Working Paper 1: Conceptualising Shock-Responsive Social Protection'. OPM, Oxford UK.

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some minimal food basket, especially when it may be delivered on a one-off basis without any predictability of further transfers in coming months. The Kenya cash working group is picking up momentum and transfer values have been a hot topic of debate in the forum. Respondents highlighted that NGOs are mostly aligning their transfer values with the HSNP but there are some organisations that are giving much more and many feel the HSNP transfer value is insufficient to meet a household's needs during the current drought. There is thus a need for discussion about transfer values with this broad stakeholder group, with consideration of if/how horizontal and vertical expansion plans can be combined in agreed circumstances. Alongside discussion on transfer values, there are questions around the appropriate duration of emergency transfers which should link to the objective of those. Some donors and NGOs interviewed highlighted questions about the limited duration of HSNP Group 2 transfers in this regard.

Some respondents also felt that there was a need for better coordination of the HSNP-triggered response with that of other drought response interventions, including other cash transfer providers. At present, a HSNP scalable transfer happens without consideration of other assistance that may be ongoing, such as that provided by various NGOs to Group 2 households.

In response to these criticisms it should be noted that the emergency scale-up facility can expand both horizontally and vertically⁵⁹, being targeted in multiple directions—geographically, towards particular demographic groups etc. (issues with data quality discussed above notwithstanding)—and is capable of responding to many types of shock. The HSNP itself already made a single 'no regrets' emergency payment to the entirety of Group 2 in anticipation of El Niño in October 2015. The fact that it is not currently doing this is thus a policy issue, but the system as built is highly adaptable to multiple policy options.

Vis-à-vis the issue of coordination, it should be recognised that the HSNP is a government programme and thus the onus should be on NGOs to coordinate their responses with it, rather than the other way around. However, the NDMA needs to be more proactive in demanding that users report back on how and where they have used the HSNP data and the extent of any cash transfers. Acknowledging the issues around the quality of the HSNP data discussed in Section 3.1.1 above, the HSNP system is built such that NGOs can apply and utilise the HSNP registration data in order to coordinate their responses around the extant lists of Group 1 and Group 2 recipients. It is incumbent on the HSNP to ensure these data are as good quality as possible, are made available via an appropriate formal application process, and that users of the data are supported with the information they need regarding the programme's basic parameters and operational processes, such that they can effectively coordinate their interventions.

In addition, other cash transfer actors have raised the need for standard operating procedures (SOPs) to guide work in this sector and there is some hope and expectation that the HSNP, through the NDMA, will lead the way in delivering these.

There is interest in expanding the capacity to make scalable payments to other parts of Kenya beyond the four HSNP counties. The experiences of the HSNP will provide essential learning for this process. There was some sense amongst respondents that it was a lost opportunity that the *Chakula kwa Jamii* (NDMA/World Food Programme (WFP) drought response programme in other Kenyan counties) was not used as a platform to do this, but, realistically, foundations need to be established prior to a shock (e.g. the recent drought), not during one. Opportunities such as this should be taken to broaden the use of the HSNP system in order to maximise its positive legacy.

⁵⁹ It can also be 'piggy-backed' by other programmes seeking to utilise its infrastructure, or, potentially, for 'refocusing' HSNP's own resources, according to the conceptualisation of different types of shock-responsive social protections systems outline by OPM in OPM (2015) 'Shock-Responsive Social Protection Systems: A Research Programme for DFID. Working Paper 1: Conceptualising Shock-Responsive Social Protection', OPM, Oxford, UK.

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The successes of the HSNP emergency scale-up facility have led to other countries being keen to learn from the HSNP experience. The Tanzanian government, for example, is exploring the development of a similar style shock-responsive programme, using the HSNP as their reference point. Broadly, respondents highlighted that there is a great deal of interest in the HSNP internationally, though it was hard to pinpoint tangible examples of where other countries/programmes had implemented learning from the HSNP.

Implications for policy:

- The HSNP's emergency scale-up facility is a highly innovative system that is seen as having been instrumental both to the government's response to the most recent extreme drought crisis, as well as to the shift from food to cash interventions in response to drought. It is a highly adaptable system, capable of serving a variety of policy options. It can expand both horizontally and vertically (as well as being amenable to other types of expansion; see footnote 59 above), target resources in multiple directions, and respond to different types of shock. However, to date it is not being used to its full potential. The value for money of the relatively high cost of mass registration that the system relies upon increases the more actors that use it and it involves minimal overhead costs. It is integrated with other government systems, such as the VCI and early warning system. For these reasons the HSNP emergency scale-up facility is now influencing programme design in other countries.
- To maximise this positive legacy, the HSNP needs to improve communication to different stakeholders about the parameters of the system and its operational processes. It needs to invest in securing more understanding, and thus buy-in, of the role and viability of the VCI if it is to continue to be the trigger for scale-up. Discussions around scaling to a more consistent group of beneficiaries (that are pre-agreed) for a more consistent period of time need to be further explored. The HSNP must also continue to invest in improving and maintaining the quality of the registration data that underpin scale-up, and ensure emergency payments are consistently made in rapid time. Finally, the HSNP should engage in a broader policy debate to determine the policy options that the emergency scale-up facility might serve and consider developing SOPs that other actors could take a lead from.

3.3 TECHNICAL CAPACITY

Key findings

The capacity of the NDMA to implement the HSNP has increased substantially at sub-national level during Phase 2. However, there remain gaps in capacity at the national level, where effective implementation of the programme remains reliant on external technical assistance. Key areas where technical assistance is still required include IT, MIS, management, coordination, and communications.

Government ownership of the HSNP has increased significantly during the second phase of the programme and this is exemplified through the increased resourcing of the programme and, more broadly, government commitment to social protection. Government funding of the HSNP has increased from paying for 17% of regular cash transfers at the start of the programme to paying for 65% by the 2016/17 financial year.

Whilst heightened awareness of, political commitment to, and funding of, social protection is very much apparent in Kenya there remains a need for the NDMA, as part of the NSNP, to take on a greater policy engagement role and to utilise the extensive learning that the HSNP has generated for this purpose.

HSNP 2 is implemented through the NDMA, with several implementing partners delivering discrete components. In accordance with DFID's Partnership Principles, DFID is not funding the GoK. Funding for HSNP 2 goes directly to implementing partners. The PILU is embedded in the NDMA and is responsible for managing and monitoring the HSNP, as well as for procuring any necessary long- and short-term technical assistance. The operations of the PILU are supported by Development Alternatives Incorporated, which is contracted by DFID. The payments service provider,

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Equity Bank, is contracted via FSD Kenya, which has a memorandum of understanding and an accountable grant agreement with DFID to manage the payment service provider. Separate implementing partners have managed the independent rights and grievances mechanism and its monitoring (Help Age), and the independent M&E for the programme (OPM).

This section explores perspectives on the legacy of the programme in terms of the capacity of personnel at different levels and within different components of the programme to deliver the HSNP effectively over the long term. It includes consideration of how any improvements can be sustained, given that the programme is currently implemented at a national level by technical staff not employed by the government. The section is divided into three parts: firstly, it looks at the government's capacity to manage the HSNP; secondly, it looks at the government's resourcing of the HSNP; and, finally, it looks at government capacity to engage in the policy debate around the HSNP.

3.3.1 Government capacity to manage and implement the HSNP

The original business case for the HSNP 2 planned to transfer the programme to government leadership and management within three years. Phase 2 has shown that this process of transferring the programme to government and building the relevant capacity within the NDMA takes time. The programme is still reliant on the PILU at the national level.

Whilst there is ownership of the programme by the NDMA, the NDMA also recognises that the PILU has high levels of capacity and is delivering the programme effectively, so there appears to be no great rush to take over direct management. Currently, all staff members in PILU are funded by DFID and managed independently of the NDMA. The NDMA's leadership of the programme is an area where the programme has consistently scored poorly in DFID annual reviews: it has received good scoring on government resourcing of the programme over the last couple of years, but falls short in respect of the government's leadership and management of the HSNP.

The PILU includes, among others, the following roles; team leader; operations manager; programme coordinator; financial manager; communications, monitoring, and MIS specialists; plus a number of support staff. Respondents felt that, at least in the short term, the NDMA lacks the ability to fully take over all of these current PILU functions effectively and that the quality of programme service delivery would severely diminish if it was wholly handed over to the NDMA without technical assistance at the end of Phase 2. Whilst there is a lot of talk about the specialist MIS and IT functions within the PILU, which are undoubtedly not available elsewhere in the NDMA, there are also important capacities in management, coordination, and communications (for example) that are also key roles if the quality of programme delivery is to be maintained. Whilst the NDMA has identified some staff to shadow the PILU team, these staff have their own full-time jobs and so struggle to find time to do this effectively – and so inevitably end up not doing it. If they were to take over PILU functions, it is also unclear who would then carry out their current roles within the NDMA if they shifted to the HSNP. If such technical assistance is to leave a sound legacy in terms of capacity, the NDMA would need to recruit specific staff for the HSNP who can shadow, and ultimately replace, the PILU. Over the last year respondents did note that there have been more deliberate efforts to more meaningfully shadow the PILU, with NDMA staff accompanying PILU staff to key meetings, for example, and PILU staff also mention that certain functions, such as operation of the CMS, could be managed by the NDMA. The monitoring of the HSNP is also increasingly becoming absorbed into the NDMA's own systems.

At the county level, all HSNP staff were transferred to the government payroll in October 2016. Programme officers are now line managed by the programme managers, and programme managers by the CDCs. However, the PILU Operations Manager continues to have oversight and plays a key role in providing technical assistance to these staff on issues of design, planning, and implementation of their day to day activities. Staff at the county level have received a lot of

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training and guidance over the course of HSNP 2 and are an essential resource for future delivery of the programme. This capacity building has not just benefited HSNP staff but has also included elements of the local and national administration, such as the network of location and sub-location chiefs. Other county-level personnel, such as CDCs, have also benefited from capacity building support.

HSNP staff are still on short-term contracts and there is a danger that well trained staff may move on due to lack of job security, which would result in a loss of capacity for the programme. Each county has an HSNP Programme Manager and four Programme Officers, who are meant to be based at the sub-county level and work closely with the chiefs and other local government stakeholders, such as CDCs. Moreover, some functions of the HSNP, such as 'rolling' registration (discussed in Section 3.1.1 above) and the new programme monitoring framework (Section 3.1.5), are envisaged as continuous activities that would therefore benefit from greater job security for those implementing these roles.

To ensure effective institutionalisation of the programme within central government, alongside adequate personnel capacity at the county-level, there is a need for sufficient resourcing to enable personnel to fulfil their roles effectively. These resources include vehicles, computers, phones, and regular costs such as fuel and communications. There is a need for a clearer assessment of the capacity gap on what is needed for government to fully take over the HSNP. This should link to the management and implementation plans for Phase 3, ensuring that there is agreement on the end goal and that the plans to get there are realistic and achievable. It is clear that the three-year timeframe for Phase 2 handover was not linked to an implementation plan to achieve it. Donor respondents highlighted that many similar donor-resourced programmes worldwide have ongoing technical assistance implanted so it is not a given that the technical assistance in this programme should be so short term.

3.3.2 Government financing of the HSNP caseload

Strong progress has been made in government resourcing of the programme. Respondents highlighted that raising the profile of social protection and the HSNP has clearly contributed to this. This has resulted in increased budgets being allocated to social protection, with the GoK now funding 65% of Group 1 transfers (and 58% of programme costs) as at the 2016/17 financial year, from a starting position of 17% at the beginning of Phase 2. This is a significant achievement and there is a commitment by the government to reach 74,000 households by 2020 as part of the Kenya NSNP Programme for Results (P4R).

3.3.3 Government capacity to engage in the policy debate

The HSNP straddles two important policy sectors: social protection and humanitarian response (particularly vis-à-vis drought, but potentially, with its emergency scale-up facility, other types of shock as well). The NDMA, as the government institution that implements the HSNP, is required to engage in the various policy debates that encompass and connect these two sectors. While the NDMA has the authority to convene policy debate around these sectors, during Phase 2 the actual technical lead on this engagement has been provided by the team leader of the PILU. This engagement is crucial to ensure that the actions and activities of the HSNP are coordinated and in line with the broader policy objectives across the two sectors, and that the NDMA can drive reform in a rational and coherent way vis-à-vis setting those objectives. In the longer term, someone within NDMA will need to fill this role.

Political support for social protection has increased in recent years and has enabled the government to increase its funding to the sector. Many key informants highlighted that the HSNP had played a key part in this process within government. The programme has generated a fair amount of evidence and learning around the value of social protection and is unique among the NSNP programmes as being the only programme to date that has not been categorically targeted. However, some respondents felt the HSNP could make more use of its learning outputs to engage

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more deeply in the policy arena to maximise its legacy. The support and interest in social protection is also felt at the sub-national level in HSNP counties. Some counties have developed their own social protection programmes to enable them to use county resources for cash transfer programmes. Many respondents to this research see this as a key opportunity to exploit in future, with increasing county budgets a potential source for increased investment in social protection through the HSNP platform⁶⁰.

Implications for policy:

- The HSNP has made huge strides in terms of its capacity to deliver services, and the quality of services delivered, over Phase 2. In comparison both to Phase 1 and other programmes in the sector, it shows considerable strengths across many facets of programme delivery. This is reflected in a strong and capable PILU. In addition, government staff at the sub-county level have benefited from various forms of capacity building, and this extends beyond direct HSNP staff to other local government administrative staff, such as chiefs.
- For this legacy to be maintained and built upon there is a need for continued investment from supporting partners over the medium term. There is little genuine indication that the NDMA is capable or willing to take over this role in the short term. The achievement of programme objectives heavily depends on the quality of service delivery, which means that crucial functions must be filled by appropriately qualified personnel. This may require a capacity assessment to fully understand the NDMA's current and future capacity needed to take over programme delivery. A scenario in which DFID transfers full ownership of the HSNP to government could be made a goal of HSNP Phase 3, but for this to happen there needs to be a credible agreement with government that is embodied and exemplified in viable and concrete plans for appropriate resourcing of the management unit alongside sub-national implementing staff. Without this, the significant gains and benefits procured by all the investment into the HSNP to date, by DFID, GoK, and other development partners (AusAid, EU), will be at significant risk. Phase 3 should continue the aim of transitioning the HSNP to government, whilst DFID should support other parts of the social protection sector⁶¹ so that the gains made by the HSNP can be successfully leveraged by the sector as a whole.
- Greater use could also be made of the learning generated from the HSNP to engage in policy influencing. This is a role the NDMA, in partnership with the wider NSNP, should take on board. Now is the moment to consolidate the gains produced by the investments made to date and to help secure a firm and lasting foundation for social protection investments in and by Kenya.

⁶⁰ This issue is discussed in more detail in Álvarez, L. G. and Van Nieuwenhuyzen, H. (2016) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Study on fiscal space for social protection in Kenya', OPM, and Sandford, J., Merttens, F., Pearson, R., Riungu, C. and Sabates-Wheeler, R. (2016) 'Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Strategic Policy Review', OPM.

⁶¹ DFID is already committed to embedding some technical assistance to support SAU and SPS.

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3.4 COORDINATION AND LESSON LEARNING

Key findings

Many lessons have been learnt from the coordination and management structures of the programme during Phase 2. This is relevant to the legacy of the programme as structures have at times caused frustration and affected the quality, pace, and ease of programme implementation. It is important that shortcomings are addressed as management and implementation arrangements are designed for Phase 3.

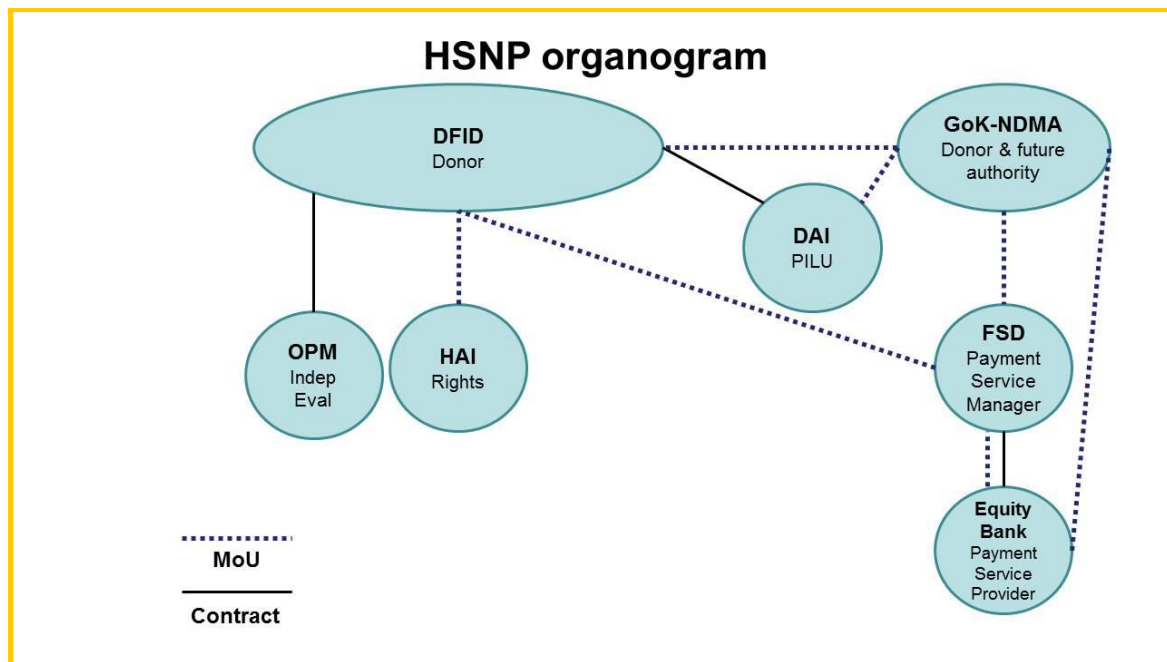
The HSNP has actively shared lessons and offered advice on policy and practices based on its own learning, thus improving coordination with the other programmes under the NSNP. The bi-annual Joint Review and Implementation Support (JRIS) Mission for the Kenya NSNP has been the key forum for this.

HSNP coordination and communication with the wider development community (including NGOs and UN agencies) has been weaker, with many of these partners lacking awareness of the details of the programme, such as its scale (including the extent of registration) and operational modalities. However, this has improved recently with the advent of the national cash working group and with extensive use of HSNP registration data by NGOs for drought response.

The legacy of the HSNP coordination and lesson learning is important on several levels. Firstly, there are perspectives on coordination within the implementing structures of the programme that are relevant to the design of structures for Phase 3 (i.e. to ensure that weaknesses are addressed, improvements made, and successes built upon). Secondly, there are lessons from how the HSNP has coordinated with external actors, which differs at the national and county levels. Again, these lessons should inform how the programme operates in the future. Finally, this section presents findings around the HSNP's coordination with external stakeholders.

3.4.1 Coordination between implementing partners

Figure 3 HSNP organogram



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The implementing structure of the HSNP during Phase 2 is an important issue to consider in looking at the legacy of the programme as there is a great deal of learning from how it has worked (or not worked) that should be considered as structures are designed for the future of the programme. Figure 3 presents the different implementing partners involved in delivering the HSNP 2, and the relationships between them.

There have been challenges in communication and coordination between different implementing partners during the life of the programme. In particular, communication between the NDMA, the payments services manager, and the payments services provider has been problematic. This stems from the convoluted line of accountability between the NDMA, DFID, and the payments service manager, and also from the lack of payment specialist capacity within the NDMA. Regular meetings have been used to try to improve communication and to speed up the resolution of outstanding issues. A memorandum of understanding was developed between the payment service provider and NDMA, which has improved coordination marginally during the last year. However, significant problems with this arrangement remain and will ultimately only be solved when the NDMA directly manages the payment service provider's contract. As this is not possible while DFID supports part of the HSNP caseload, due to DFID's Partnership Principles, this issue is unlikely to be resolved in the short to medium term. In each county, the HSNP has a technical working group which brings together HSNP and Equity Bank staff on a weekly basis to discuss cases and that aims to resolve issues where possible or escalate them up the accountability chain if required.

The relationship between the NDMA and the PILU has largely been good, with the PILU *de facto* accountable and responding to the NDMA. The NDMA feels that it has benefited from some of the specialist expertise that the PILU have brought to the programme. The fact that the PILU is formally contracted to and accountable to DFID, rather than the NDMA, has created some marginal frustration within the NDMA over one or two particular issues. However, in these cases a resolution has been coordinated and agreed by DFID.

There have also been some challenges in the relationship between the PILU and the rights partner (Help Age International) – again largely linked to the reporting relationship and lines of accountability described above. This has a bearing on the legacy of the programme as it is vital to get the implementing structures clear and efficient to ensure the programme can be delivered to appropriate standards.

3.4.2 Coordination with the wider NSNP

As a part of the NSNP, coordination between the HSNP and the wider programme is key to ensuring effective lesson learning across programmes. The main mechanism for coordination between the social protection programmes implemented by the SAU and the PILU are the bi-annual JRIS Mission for the Kenya NSNP P4R. The SAU and SPS describe this as the key forum where they share details of each other's programmes and learn about the experiences and innovations of the HSNP. It is through the JRIS that formal agreements are also secured on actions and processes to be undertaken jointly, such as the HTM. Specific working groups are established periodically to meet on given issues and/or make progress on particular activities.

The JRIS is initiated by the World Bank, although the SPS, both nominally and in practice, plays a key role in organising the event, as well as contributing content alongside SAU and HSNP, and other donor and development partners (primarily DFID, the UN Children's Fund (UNICEF), and WFP). This situation reflects the significant investments in the sector made by the World Bank through its P4R. Ultimately, the goal ought to be that SPS leads the development of the sector and thus has the authority and capacity to convene the primary forum for the NSNP core stakeholder group. However, at this point the NSNP as a whole, and SPS, SAU and HSNP individually, require continued donor support and investment for this purpose over the medium to long term. The *de facto* demand to convene such a forum continues to come from the World Bank.

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From numerous previous JRIS meetings, and because of the World Bank-led harmonisation and consolidation agenda, several working groups have been created to make progress on various aspects of this agenda. These include working groups on targeting, M&E, scalability, and communications. DFID and the NSNP have highlighted that these were very useful forums. Unfortunately, respondents confirmed that these have fallen largely into abeyance and have not (or have barely) been convening over the last year or so. Both stakeholders deem this a significant loss as they were felt to be useful forums for coordination and sharing of lessons. The SPS highlighted that there are plans to re-establish more regular mechanisms for coordination to address this issue. Such forums are key to ensure lesson learning across programmes and a positive legacy of the HSNP.

3.4.3 Coordination with external stakeholders

Despite the role the HSNP appears to have played in increasing the level of interest in and support for social protection policies in the country, the feedback from some key informants was that HSNP has not been communicating very effectively with other development partners outside the programme during Phase 2. Development partners, such as NGOs and some UN agencies, felt ill informed about the details of the HSNP, such as the scale of the programme, its operational modalities, and the potential to use it as a platform for their own interventions. Most development partners interviewed, for example, were not aware of the HTM. Nor had many, until they attended some outreach events organised by the HSNP in 2017, been aware that every household in the four counties should be registered with the HSNP and have bank cards, even if they do not receive regular payments. It is felt that the HSNP, through the PILU/NDMA, could make more regular efforts to attend coordination meetings to share information about the programme, and its key learnings, and to encourage others to utilise the HSNP platform for their own purposes. This work is needed at both the national and county levels⁶².

At the county level, CSG forums exist in each of the counties and in some counties cash working groups also exist. The NDMA attends these, and convenes them in some counties, but does not always use them to share details of its own programmes, including the HSNP. In many cases it may not be HSNP staff that attend the forum but other NDMA staff. The CSGs were also seen as good forums for the HSNP to share outputs from the evaluation component to build awareness about the achievements and lessons from the programme, and social protection more generally.

Coordination at the county level appears to be stronger and more efficient than at the national level, although each county does differ in its coordination efforts. Turkana, for example, has an active cash working group, alongside a CSG, and has actively directed development partners to ensure a spread of actors across the county, under the leadership of NDMA, and especially to areas most in need. Many NGOs highlighted that the CSG had directed them to work in new sub-counties. The forums have fostered good working practices and sharing of learning among actors. It is felt that HSNP staff could be more active in these forums and use them to share updates on the HSNP and to champion the programme. Wajir also has a cash transfer working group, where all agencies dealing with cash transfers, including county government, meet and coordinate their targeting, harmonise the rates of NGO transfers and discuss challenges.

A cash working group has been established at the national level, chaired by the CEO of the NDMA, with secretarial support from the Red Cross. This is seen by key informants as a very positive development and long overdue. The group has identified several issues that need analysis and agreement, and there is scope for the NDMA to really develop its leadership role through this forum. The group is in its initial stages, agreeing terms of reference, clarifying whether the scope will cover humanitarian programming only or social protection programming as well, and whether the focus should be on policy or also operational details. These questions have not yet been resolved. At the recent JRIS the SPS

⁶² It should be noted that the HSNP has developed a concept note for an awareness workshop across the counties but this has not yet been implemented.

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and SAU were also encouraged to attend the forum. It needs to be worked out whether it is SPS/SAU or the NDMA that takes the leadership role. There is currently momentum on these issues and it is important that it is grasped by the government in order to fill some of the gaps that exist in the sector and to demand better coordination and use of central systems, such as the single registry, to coordinate social protection and other programming.

It is incumbent on NGOs to try, as best they can, to coordinate their interventions with government programmes, and likewise government needs to make information, systems, and processes available to enable them to do that, as well as to regulate their activities appropriately. In this regard, the NDMA, and indeed SPS, have a duty to involve themselves and preferably play leading (i.e. coordinating) roles in structures such as cash working groups, as this is what they are mandated to do as government.

Implications for policy:

- The HSNP has been active in coordinating with the other programmes of the NSNP in sharing lessons and offering the SAU-implemented programmes policies, practices, and systems that it has piloted and put into practice. It has participated actively and often led on joint activities within the NSNP, such as the HTM. However, this work has been led by the PILU and NDMA staff need to play a more active role in this regard.
- The HSNP, through the NDMA, has been less effective in coordinating and sharing its work with the wider development and humanitarian sector. This has recently improved, with the NDMA chairing the emerging cash working group and with the sharing of the scope of the HSNP for drought response, including extensive use of the Group 2 lists by non-state actors. This is a positive development and should be further encouraged. At the county level, too, coordination is improving and the NDMA is playing a key role in this. However, it is less clear how active the HSNP itself is in coordination at this level.
- There is a need for greater clarity on the different roles and responsibilities for coordination between the HSNP/NDMA and the SAU and SPS.
- *De facto*, the existence and operations of the HSNP are seen to have contributed to the general increase in, and support for, social protection policies in the country at both national and sub-national levels. In order to capitalise on this legacy, the HSNP needs to improve its communications to the broader social protection stakeholder group at both these levels. This can be done through more systematic participation and leadership of the various social protection working/coordination groups, and through improved broader communication to all stakeholders about the basic parameters of the programme, its operational processes, and the opportunities for other actors to utilise the various systems and platforms it has developed.

4 Conclusions

4.1 SUMMARY OF THE LEGACY OF THE HSNP

This study has aimed to assess the legacy of the HSNP 2 in terms of systems, practices, and lessons learnt by other actors in the social protection and humanitarian sectors. It synthesises findings from 66 interviews and learning from OPM's operational M&E studies and it looks at the policy implications of these findings as the programme moves to its next phase. The study focuses on the implementation processes of targeting, enrolment, bank accounts, payments, case management, monitoring, and communications. It also explores the HSNP's facility to make emergency payments and the use of its platform by others for emergency response. It looks at the technical capacity of implementing agents to sustain the programme, and coordination and lesson learning.

The programme has registered every household in four of the poorest, most marginalised and drought-prone counties in Kenya, covering a significant proportion of the country. Not only have households been registered, with their basic data and poverty ranking made available at the touch of a button, but they can also be accessed through bank accounts. Development partners have been able to use both the household lists, and in some cases bank accounts, to respond to the recent national drought crisis. Whilst there are clearly documented challenges with the targeting system and data used, it is positive that a new registration and targeting process is being rolled out that clearly builds on the learning from Phase 2. It is beneficial that the process also aims to join up with the other safety net programmes and improve efficiencies and increase government ownership.

The HSNP's legacy in relation to enrolment and issuing of bank accounts has been significant. It has increased access to formal financial services for a great many people, as well as improving the proportion of the population in possession of a valid national ID card. This in turn has increased potential access to financial and other services. The HSNP has helped pioneer the agent banking model, including the development of 'smart agents' and biometric identification systems, all of which Equity Bank has begun to apply elsewhere in Kenya and beyond.

The HSNP has enabled the GoK to build the government's experience of, and capacity to manage, payment service providers, to the extent that the next round of procurement for those services is seeking to adopt a multi-provider model, which should drive prices down and increase the quality of services provided.

The HSNP has (until recently) established a good reputation for making payments on time. This was beneficial both for the achievement of the aims and objectives of the programme as well as for the functioning of the payments system. It has also provided a positive example in this regard for the other NSNP programmes to aim towards.

The HSNP has developed a decentralised, digitised CMS that synchronises daily with the central MIS. It incorporates a digital feedback loop using a combination of SMS and web-based communication, either direct to beneficiaries or indirectly through POs and chiefs. The HSNP is also expanding the actors that can lodge complaints and updates, and has established a toll-free line to improve customer service.

The development of HSNP's new monitoring framework aims to produce representative statistics which will be published live each pay cycle on the HSNP dashboard in various interactive forms, as well as enabling automated reporting of programme performance and analysis of trends in that performance over time.

By formally incorporating chiefs into its operational processes the HSNP has developed a sustainable mechanism to support programme delivery and engagement of local communities.

The HSNP's emergency scale-up facility is a highly innovative system that is seen as having been instrumental both to the government's response to the most recent extreme drought crisis in the country, and to the shift from food to cash

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interventions in response to drought. It is a highly adaptable system, capable of serving a variety of policy options. It can expand both horizontally and vertically (as well as being amenable to other types of expansion), target resources geographically and towards particular demographic groups, etc., and is capable of responding to different types of shock. However, whilst this capacity to expand transfers vertically is there, it has not yet been utilised. The value for money of the relatively high cost of mass registration that the system relies upon increases the more actors that use it, and it involves minimal overhead costs. The system is integrated with other government systems, such as the VCI and early warning. For these reasons the HSNP emergency scale-up facility is now influencing programme design in other countries.

The HSNP has made huge strides in terms of its capacity to deliver services, and the quality of the services delivered, over Phase 2. In comparison both to Phase 1 and to other programmes in the sector, it shows considerable strengths across many facets of programme delivery. This is reflected in a strong and capable implementation and learning unit. In addition, government staff at the county and sub-county level have benefited from various forms of capacity building, and this extends not only to HSNP staff but beyond to other local government administrative staff, such as chiefs.

The HSNP has been active in coordination with the other programmes of the NSNP in sharing lessons and offering the SAU-implemented programmes policies, practices, and systems that it has piloted and put into practice. It has participated actively, and has often led on, joint activities within the NSNP, such as the HTM. Similarly, the NDMA has played an important role in terms of cross-government coordination and financing. However, the technical and policy development aspects have largely been led by the PILU team and NDMA staff need to play a more active and direct role in these areas. The HSNP, through the NDMA, has been less effective in coordinating and sharing its work with the wider development and humanitarian sector. This has recently improved, with the NDMA chairing the emerging cash working group and with the sharing of the scope of the HSNP for drought response, including extensive use of the Group 2 lists by non-state actors. This is a positive development and should be further developed. At the county level, coordination is improving and the NDMA is playing a key role in this.

4.2 IMPLICATIONS FOR FUTURE POLICY

If the HSNP is to maintain and build on its legacy the following recommendations should be considered:

- Confidence in the quality of targeting and registration systems and data can be improved through more regular registration cycles and better management of those cycles, alongside better communication to potential data users about the data generation, processing, management, and maintenance systems in place. The GoK also needs to develop a formal structure for the ownership and management of these data, including a manageable system for updates and maintenance of data that users outside of the NDMA can contribute to.
- To maximise the value of the significant investment made by the HSNP in its registration and targeting system (and data), there is a need to increase the use of that system by other actors (including the NSNP in its adoption and roll-out of the HTM).
- The HSNP should continue to document and share its experiences with the rest of the NSNP, and other stakeholders, as well as publish data on payment delivery via its dashboard.
- To maintain the HSNP's positive legacy on payments the NDMA needs to ensure payments get back to being made on time. This can be achieved through maintaining adherence to the Treasury's financial processing and reporting rules, as well as through the implementation of a strict payments processing protocol that government agents are not able to subvert. The communications process around the payments could also be formalised as part of the payments processing protocol, and efforts could continue to be made to obtain and retain recipient telephone contact details, such that recipients can be directly included in communications campaigns as far as possible.

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- The HSNP needs to continue to support the broader NSNP by communicating its learning and making available to other NSNP programmes the parts of its system that can be freely transferred across to the other programmes. It should also explore ways to reduce duplication by ensuring its MIS speaks to other programme MISs within the NDMA and the NSNP. It should also explore linking its own toll-free number to that used by the NSNP.
- To maximise the positive legacy of the inclusion of chiefs as a key part of its operational structure, the HSNP needs to continue to communicate with the chief network, alongside other stakeholders at the county and sub-county level. In this regard it should continue to explore options and opportunities to evolve and develop its communications platform, as it has been doing throughout Phase 2, and monitor its effectiveness.
- *De facto*, the existence and operations of the HSNP are seen to have contributed to the general increase in and support for social protection policies in the country at both national and sub-national levels. To capitalise on this legacy, the HSNP needs to improve its communications to the broader social protection stakeholder group at both these levels. This can be done through more systematic participation and leadership of the various social protection working/coordination groups, and through improved communication to all stakeholders about the basic parameters of the programme, its operational processes, and the opportunities for other actors to utilise the various systems and platforms it has developed.
- To maximise the legacy of the HSNP's emergency scale-up facility, it must ensure it improves communication to different stakeholders about the parameters of the system and its operational processes. In particular, it needs to invest in securing more understanding, and thus buy-in, of the role and viability of the VCI by the system. It must also continue to invest in improving and maintaining the quality of the registration data that underpin it. The HSNP should engage in a broader debate to determine the policy options that the emergency scale-up facility might serve, and consider developing SOPs that other actors can take a lead from.
- There is a need for continued investment from supporting partners over the medium term. There is little indication that the NDMA is able or willing to take on and resource the role currently played by PILU to sufficient capacity in the short term. The achievement of programme objectives heavily depends on the quality of service delivery, which means that crucial functions must be filled by appropriately qualified personnel. This may require a capacity assessment to fully understand the NDMA's current capacity and the future capacity needed to take over programme delivery. A scenario in which DFID transfers full ownership of the HSNP to government could be made a goal of HSNP Phase 3, but for this to happen there needs to be a credible agreement with government that is embodied and exemplified in viable and concrete plans for appropriate resourcing of the management unit, alongside sub-national implementing staff. Without this, the significant gains and benefits procured by all the investment into the HSNP to date, by DFID, GoK, and other development partners (AusAid, EU), will be at significant risk. Phase 3 should continue the aim of transitioning the HSNP to government, and at the same time DFID should support other parts of the social protection sector⁶³ so that the gains made by the HSNP can be successfully leveraged by the sector as a whole.
- The HSNP needs to ensure it is active in national and county-level coordination, and through these forums should champion the HSNP as its core delivery system in the four northern counties to ensure the programme fulfils its potential. There is a need for greater clarity on the different roles and responsibilities in external coordination between the HSNP/NDMA and the SPS.
- Greater use could be made of the learning generated from the HSNP to engage in policy influencing, including outputs from the independent M&E. This is a role the NDMA, in partnership with the wider NSNP, should take on. Now is the moment to consolidate the gains produced by the investments made to date and to help secure a firm and lasting foundation for social protection investments in and by Kenya.

⁶³ DFID is already committed to embedding some technical assistance to support SAU and SPS.

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Annex A List of interviewees

TABLE 1 LIST OF INTERVIEWEES

| NAME | POSITION AND ORGANISATION | LOCATION |
|-----------------------|--|-------------------------|
| Nina Hissen | DFID | Nairobi |
| Anthony Njage | DFID | DRC, previously Nairobi |
| Josephine Gitonga | DFID | Kenya |
| Chris Porter | DFID | Global |
| Ric Goodman | PILU at NDMA | UK-based |
| Naseer Khan | PILU at NDMA | Nairobi |
| Carrie Ndoka | PILU at NDMA | Nairobi |
| Peter Thirikwa | PILU at NDMA | Nairobi |
| Nathan | PILU at NDMA | Nairobi |
| Sunya Orre | NDMA | Nairobi |
| Luigi Luminari | NDMA | Nairobi |
| Nelson Mutanda | NDMA | Nairobi |
| Abdirahman Bule | HSNP Wajir | Wajir |
| Jonah Samana | HSNP Marsabit | Marsabit |
| Nicholas MacBotongore | Deputy Head, Social Assistance Unit | Nairobi |
| Philip Didi | M&E Specialist, Social Assistance Unit | Nairobi |
| John Gachigi | Deputy Head, Social Protection Secretariat | Nairobi |
| Cecilia Mbaka | Head, Social Protection Secretariat | Nairobi |
| Victor Malu | FSD | Nairobi |
| Plounne Oyunge | FSD | Nairobi |
| Boniface Ichwaa | Equity Bank | Nairobi |
| Jonah Samana | HSNP | Marsabit |
| Abdirahman Bule | HSNP | Wajir |
| Karen Peachey | CALP | Nairobi |
| Henry Narangui | Save the Children | Nairobi |
| Nigel Tricks | Regional Manager, Oxfam | Nairobi |
| Sumananjali Mohanty | Country Director, Oxfam | Nairobi |
| Simon Addison | Country Director, Trocaire | Nairobi |
| Angela Gathumbi | Trocaire | Nairobi |
| Amina Ahmed | Trocaire | Nairobi |
| Jennifer Nyanjui | WFP | Nairobi |
| Felix Okech | WFP | Nairobi |
| Maria Bernadez | ECHO | Nairobi |
| Jean-Marc Joineau | ECHO | Nairobi |
| Alain Castermans | EC | Nairobi |
| Richard Chirchir | MIS Consultant to NSNP | Nairobi |
| Leila Chepkemboi | Kenya Red Cross | Nairobi |
| Dr Leina | Concern Worldwide | Nairobi |

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| NAME | POSITION AND ORGANISATION | LOCATION |
|----------------------|--|-----------------|
| Elias Kamau | World Relief | Nairobi |
| Nancy Nasirumbui | World Relief | Nairobi |
| Ousmane Niang | UNICEF | Nairobi |
| Yves Dublin | UNICEF | Nairobi |
| Emma Mistiaen | World Bank | Nairobi |
| Kevin Mugenya | World Vision | Nairobi |
| Daniel Mutemi | Assistant County Commissioner, National government | Turkana Central |
| Evelyn Nadio | HSNP PM, NDMA | Turkana |
| Samuel Napitau | HSNP PO, NDMA | Turkana |
| Isaack Hapicha | County Drought Resilience Officer (CDRO), NDMA | Mandera |
| John Lokopu | PO Cash Transfers, Oxfam | Turkana |
| James Longole | Area Response Coordinator, Save the Children | Turkana |
| Mike Thuo | County Manager, Kenya Red Cross | Turkana |
| Rukia Abubakar | Cash Transfer Project Officer, Kenya Red Cross | Turkana |
| Mohammed Abdinasir | HSNP PM, NDMA | Mandera |
| Moses Nawoton | Deputy Director for Disaster Management, County government | Turkana |
| Muktar Mohamed | Head of Office, NRC | Mandera |
| Adan Kerow | Social Worker, OPCT/PWSD | Mandera |
| Rashid Mohammed | Social Worker, OPCT, PWSD | Mandera |
| Patrick Lorogoi | Napetet Chief, National government | Turkana |
| Pius Eiton | HSNP Agent Supervisor, Equity Bank | Turkana |
| Susan Momanyi | Social Policy Specialist, UNICEF | Nairobi |
| Vincent Nyaberi | Social Development officer, OPCT/PWSD | Turkana |
| Adan Mohammed | Snr Assistant Chief Garbaqoley, National government | Mandera |
| Charity Kosgei | Sub-county Children's Officer, CT-OVC | Turkana South |
| Ahmed Farah | CDC, NDMA | Wajir |
| Abdinasir Abdirahman | HSNP PO, NDMA | Mandera |
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