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REVIEW OF FOOD FOR PEACE MARKET-BASED EMERGENCY FOOD ASSISTANCE PROGRAMS

Kenya Case Study Report

REPORT BY TANGO INTERNATIONAL

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ACRONYMS

APS	Annual Program Statement
ASAL	Arid and Semi-Arid Lands
CCT	Conditional Cash Transfer
CFA	Cash for Assets
CSI	Coping Strategy Index
EFSP	Emergency Food Security Program
FFA	Food for Assets
FFP	Food for Peace
FGD	Focus Group Discussion
FCI	Food Consumption Index
DDS	Dietary Diversity Score
GAO	Government Accountability Office
GD	General Distribution
GoK	Government of Kenya
IRC	International Rescue Committee
KRC	Kenya Red Cross
KI	Key Informant
KII	Key Informant Interview
LRP	Local and Regional Purchase (of food)
LWF	Lutheran World Federation
MBEP	Market Based Emergency Program(s)
NDMA	National Disaster Management Agency
NGO	Non-Government Organization
NSNP	National Safety Net Programme
OCHA	Office of the Coordinator of Humanitarian Affairs
OFDA	Office of Foreign Disaster Assistance
PRRO	Protracted Relief and Recovery Operation
PREG	Partnership for Resilience and Economic Growth
RT	Review Team
SPR	Standard Project Report
TANGO	Technical Assistance to Non-Governmental Organizations, International
UCT	Unconditional Cash Transfer
UNDP	United Nations Development Program
UNICEF	United Nations Children's Fund
U.S.	United States
USAID	United States Agency for International Development
VAM	Vulnerability Assessment Mapping
VSLA	Village Savings and Loan Associations
WFP	World Food Programme

HIGHLIGHTS FROM KENYA: SUMMARY OF FINDINGS

Kenya represents a country focused on building resilience through greater partnerships between USAID-Food for Peace (FFP) programs, other USAID-funded programs and local and national government.

DESIGN: FFP MBEP in Kenya is a good example of connecting emergency and development programming and of government participation at national and county levels. It shows adaptations to varied conditions and the use of a range of modalities in response to recurrent drought and the influx of refugees due to regional conflict and drought. FFP implementing partners (IPs) are successfully reaching vulnerable Kenyan communities through a productive safety net and resilience-building asset creation program that use multiple modalities to respond to the specific and dynamic local contexts within Kenya. Use of food and cash assistance for assets activities are a critical base for larger resilience building partnerships between USAID programs and the government of Kenya. Within refugee camps FFP in-kind food assistance is complemented by cash provided by other donors.

IMPLEMENTATION: Market-based modalities are better supported along Kenya's main transportation corridors, where infrastructure and markets are more stable. Increased investment in banking infrastructure and mobile networks has resulted in a cash delivery mechanism through mobile money that can reach more remote areas of Kenya. Targeted emergency food distribution and Food for Assets activities (FFA) have been considered more appropriate in the more remote arid regions in Northern Kenya, though some northern counties are shifting to cash assistance. A community-based targeting system coupled with a nationwide single registry system of beneficiaries allows FFP–supported programs to reach the most vulnerable households. Within refugee camps FFP provides U.S.-sourced Title II in-kind food assistance. The UN World Food Programme (WFP) is FFP's main implementing partner in Kenya.

FOOD-SECURITY: The asset creation aspect of the project, along with the earned income, is credited by beneficiaries with improving food security and enabling them to use the cash in ways that would best support their livelihood, which in turn helps to improve food security. Most focus group participants expressed a preference for cash over food, stating that CFA helps to reduce food insecurity. Beneficiaries raised issues about rapidity of payments and timeliness of drought responses, a result of WFP's funding fluidity for cash transfer programs in Kenya. Drought has also limited asset creation benefits and increased food insecurity in intervention areas.

DEVELOPMENT ISSUES: FFP is instrumental to long term development goals in Kenya and is the largest donor towards resilience building programs that aim to gradually shift from short-term humanitarian aid to long-term livelihood resilience.

Financial inclusion and greater female empowerment are some of the development impacts at the household level. FGDs with female beneficiaries of CFA activities reported that they have seen greater decision-making power over the income that they bring into the household. This includes being able to save, invest in business opportunities and freedom at the market. Over 23 million Kenyans now have some form of banking services and financial inclusion has been a core objective of WFP including the expansion of banking infrastructure to more remote regions of Kenya. WFP's continual evaluation and modification of cash delivery mechanism and the increasing spread of mobile coverage throughout Kenya has resulted in greater use of mobile money.

1. INTRODUCTION

CASE STUDY SCOPE AND APPROACH

This report is one of seven case studies conducted under a global review of FFP market based emergency programs (MBEP) that received Emergency Food Security Program (EFSP) or Title II 202(e)-enhanced funding between FY 2010 and 2016. This case study provides information about the global review's four main objectives: (1) establish a historical narrative about FFP market-based emergency food assistance programming between 2010 and 2016, (2) review program design and implementation processes, (3) analyze program cost-efficiency trends across a range of variables, and (4) identify developmental impacts of the projects on local economies and market actors.

The global review[1] is based on: FFP's guidance and award documents and partner reports; field visits to seven countries specified by FFP; and data, documentation, and information provided by FFP, IPs, key informants, and program beneficiaries. A consistent methodology was used across cases to allow for comparison and aggregation of findings for the Global Report. The review is intended to gather lessons learned that focus on how FFP, as a unique actor and the largest international food assistance donor, has evolved to address food security in crisis contexts. Field work was conducted in Kenya between January 12 and March 05, 2017. For further details, see Annexes 4, 5, and 6. The field visits and focus group discussions for this case study were limited to a small proportion of CFA counties and beneficiaries, in part due to security issues and scheduling conflicts with other field missions. This report concludes with recommendations for FFP about good practices and approaches to continue, and those that FFP should consider modifying in Kenya.

COUNTRY CONTEXT: Kenya's economy is largely agricultural, with over 75 percent of the population (44.2 million people) working at least part time in the agriculture sector (CIA Factsheet 2017). Much of this is small-scale, rain-fed farming or livestock production in the underdeveloped arid and semi-arid lands (ASAL) region. The ASALs are characterized by poor infrastructure, a low human development index rating, high rates of undernourishment and extreme climate change (WFP 2016a). The high dependency on rain-fed agriculture makes the area vulnerable to increasingly erratic or failed rainy seasons, and recurring drought (Abdulla 2015). In February 2017, the Kenyan government declared the latest national drought emergency, affecting 23 of 47 counties and 2.7 million people, 350,000 of whom are malnourished children and pregnant and lactating mothers (OCHA 2017).

In 2010 Kenya introduced a new constitution with a democratic and economic reform platform that devolved central power to the county level to promote improved social and essential services, increased economic growth through expanded markets, job creation, and reduce corruption and poverty (USAID 2014). The political devolution empowered local county governments, giving them a greater role and more control over development and humanitarian services (Abdulla 2015). This has encouraged stronger partnerships between international aid agencies, the Government of Kenya (GoK), and local and county governments that address both short-term food insecurity and long-term development goals. While devolution reform has led to progress towards development goals, a large portion of the population remains in poverty and challenges such as corruption, inequality, and food insecurity, persist (USAID 2014).

[1] A review differs from a program evaluation or audit in that it is a broad assessment of program performance, process, and operational issues. The United Nations Development Program defines a "review" as "distinct from evaluation and more closely associated with monitoring. They are periodic or ad hoc, often light assessments of the performance of an initiative and do not apply the due process of evaluation or rigor in methodology" (UNDP 2009).

In 2011, food security in the Horn of Africa, including northern Kenya's ASAL region, deteriorated due to a regional drought crisis. At the same time there was a large influx of refugees into Kenyan refugee camps. Kenya now hosts over 595,000 refugees, one of the largest refugee populations in the world (WFP 2016b). This population primarily consists of Somalis (75 percent) and South Sudanese (15 percent). Kenya also hosts refugees from Ethiopia, the Democratic Republic of Congo, and Sudan. Over half of the refugee population is under the age of 18 (WFP 2015). The largest two camps are located in the ASAL counties of Garissa and Turkana.

MARKET FUNCTIONING: Kenya is a lower middle-income, food-deficit country that relies on imports to meet its food production gaps. Most Kenyans rely on markets for some or all their food needs. Over the last three decades, per-capita food availability declined by more than 10 percent (WFP 2013b). Market conditions vary greatly in Kenya, especially in the ASAL region. Kenya has four main market structures that rely on three major market corridors to move commodities from Nairobi to hub markets, then to main markets and onward to remote markets. Market chains in the Kenyan dry lands are particularly dependent on road conditions, which create price and supply risks that exacerbate weak market integration between regions (WFP 2013b). Semi-arid regions have somewhat better support infrastructure, resulting in greater market access and integration. Arid regions have more remote markets that limit market access and stability, due to road conditions and transport capacity. These markets tend to be less competitive, with weak supply chains, making them more vulnerable to shock. These constraints destabilize prices for staple foods and reduce traders' capacity to scale up to support cash based programming (WFP 2013b). However, despite the remote markets in arid lands, Kenyan markets have potential for market-based programming; especially along the main market corridors where there is better market integration. Kilifi and Taita Taveta counties, where FGDs were conducted, are semi-arid areas challenged by extreme climate variability, including recurring drought and frequent flooding. Market systems are poor, characterized by an absence of accurate and timely market information and post-harvest handling facilities, contributing to production losses (MoALF). 2016a).

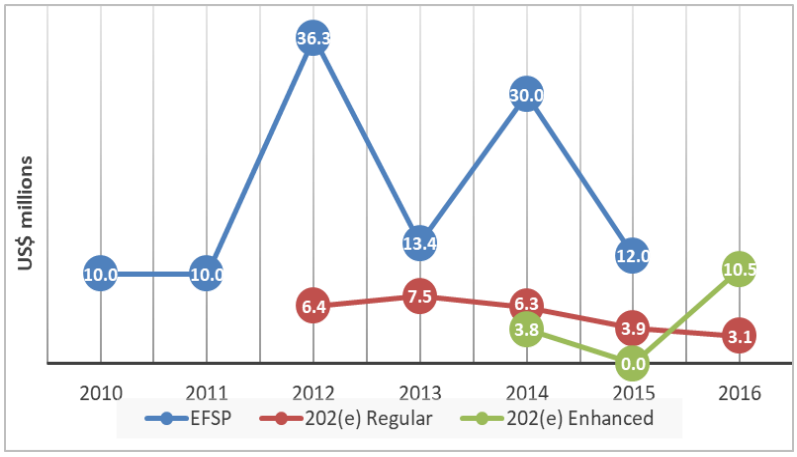
2. HISTORICAL NARRATIVE OF FFP MARKET-BASED FOOD ASSISTANCE IN KENYA

BACKGROUND: Prior to 2010, Kenya received disaster relief and development assistance from USAID primarily in the form of U.S.-sourced in-kind food transfers. However, as one KI put it a "cash revolution in Kenya," was already underway before the Emergency Food Security Program (EFSP) came online in Kenya in 2010. In 2009, Horn Relief (Adeso) introduced cash transfer programming through its Emergency Livelihood Recovery Intervention (EDRI) in response to the regional drought, funded by the Office for Foreign Disaster Assistance (OFDA). EDRI's objective was to address immediate food gaps by increasing household purchasing power through cash transfers. In 2011 a consecutive, severe regional drought resulted in food security emergencies in northern Kenya (WFP 2014). In response Food for Peace (FFP) scaled up the EDRI program, funded through EFSP. Supported by a market analysis that indicated markets had food, but at higher prices, cash transfers were viewed as a rapid response to address the increasing severity of declining food security. Used as a supplemental intervention to WFP's on-going food assistance program in the region, cash transfers again were designed to increase household purchasing power, as well as strengthen a local pastoralist economy with limited cash circulation (Schira 2011).

At that time, WFP's Kenya program was already moving from food aid to food assistance[2]; however, as one KI stated, it had become "clear that cash was a more appropriate modality in some areas and its program needed to evolve." According to this KI the "strongest candidate" for a cash approach was the resilience programming, especially in semi-arid areas where there was better market integration. In 2009, WFP initiated a FFA program, focusing on both cash and food support to asset-building activities to address larger development goals through resilience.

In 2010, a joint CFA pilot program between WFP and the GoK was launched to evaluate potential electronic delivery mechanisms (e-transfers) for cash transfers in the ASAL region. Despite challenges,[3] the pilot successfully demonstrated that cash transfers increased cost efficiency, while maintaining household food consumption levels and stimulating local markets (Bohling and Zimmerman 2014). This highlighted the potential of CFA to transition relief/recovery operations towards resilience building, encouraging greater focus on long term development goals by the GoK and supporting international aid agencies. According to a KI, the pilot demonstrated that WFP could do cash programming, effectively and at scale, and also had the technical capacity to advise the GoK on a cash-based safety net program, allowing WFP to play an important role in the National Safety Net Program (NSNP)[4]. This helped to facilitate a greater partnership between WFP Kenya and the GoK, as well as expanding market-based emergency food assistance programming in Kenya. The GoK realized the value in targeting markets as part of resilience building and that could be a productive safety net, according to a KI. Consequently, as this KI phrased it, the GoK had "no interest in a food-based safety net," reinforcing the GoK's interest in a cash-based safety net program. FFP is currently the biggest funder of cash for resilience programming in Kenya. While these programs do not directly support NSNP activities, they are an integral component of the overall development strategy of the GoK.

Figure 1: FFP Emergency Funding (EFSP, 202(e), and 202(e) enhanced) in Kenya, FY2010-2016



FFP funding trackers documents as of October 2017

FOOD FOR PEACE ROLE IN KENYA: FFP-funded programs in Kenya are principally implemented by WFP, which partners with international non-governmental organizations (INGOs) including World Vision (WV), ActionAid International,

[2] This report will refer to "food aid" as the "provision of food commodities by one country to another, free of charge or under highly concessional terms, to assist the country in meeting its food needs (http://www.fao.org/docrep/005/Y3733E/y3733e06.htm) and use "food assistance" to include all interventions that address food insecurity including: in-kind food aid, cash-based transfers, vouchers and market-based interventions (e.g. C/FFA). (https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/6036.pdf)

[3] These setbacks included: insufficient network connectivity for Equity Bank's M-Kesho product, the need for a more developed management information system and that a significant number of CFA recipients lacked the necessary identification to open a bank account.

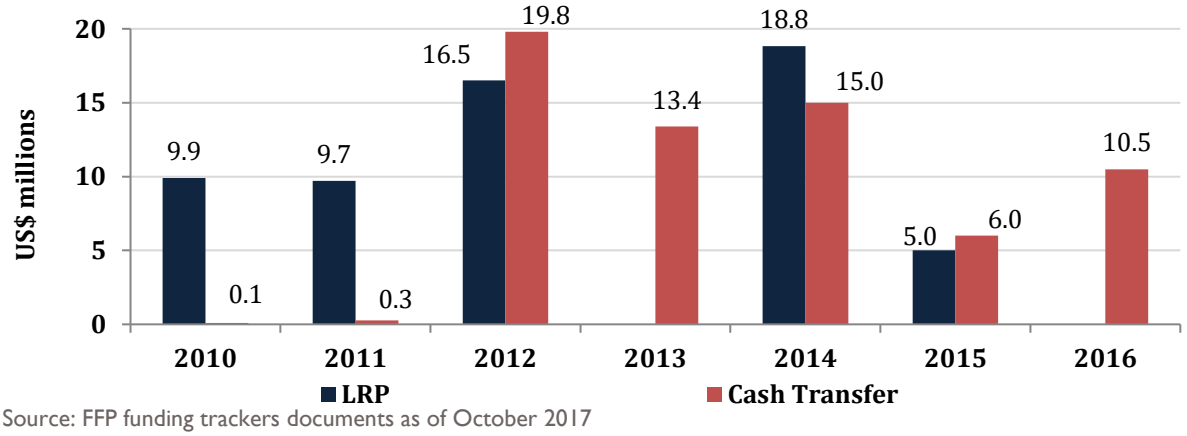
[4] Composed of five cash transfer programs: Cash Transfers for Persons with Severe Disabilities (PWSD-CT); Cash Transfers for Orphans and Vulnerable Children (CT-OVC); Hunger Safety Net Programme (HSNP); Older Persons Cash Transfers (OPCT); Urban Food Subsidy Programme (UFSP).

the Kenya Red Cross (KRC) and CARITAS for CFA implementation. Following the 2011 drought, FFP continued its support to building long-term resilience while also providing emergency relief in food insecure regions. FFP has supported WFP in three consecutive Protracted Relief and Recovery Operations (PRRO)[5] focused on building resilience through asset creation, with the last PRRO extending to 2018 (Turner et al. 2015). FFP also provides 25 percent of all food support (U.S. sourced in-kind) to refugee camps in Kenya and in 2016 provided $37 million in Title II[6] funding for WFP's refugee food assistance program. Additionally, KIs report that FFP funding supports host communities with general food distribution (GFD) and FFA within 40 kilometers of the camps.

FFP contributed over $153.3 million through EFSP, 202(e)-regular and 202(e)-enhanced between FY2010 and 2016 (Figure 1, above). EFSP funding in Kenya peaked in 2012 at $36.3 million and 2014 at $30 million. EFSP funding has largely supported WFP's CFA projects. In 2012, FFP used EFSP funds to support Adeso's supplemental drought response using unconditional cash transfers. Title II 202(e) funds have been distributed to WFP projects and to three UNICEF nutrition projects in 2012, 2014, and 2015. In 2016 FFP awarded 202(e)-enhanced funding to WFP's resilience program (PRRO 200736).

As shown in Figure 2: FFP emergency funding (EFSP and 202(e) enhanced) per modality in Kenya, 2010-2016, EFSP funding in 2010 and 2011 was predominately used for LRP, whereas from 2012-2016, over 60 percent of funding was used for cash transfers. As one KI reports, FFP funding provides options for innovative programs, which in turn helps WFP to generate greater funding from other donors.

Figure 2: FFP emergency funding (EFSP and 202(e) enhanced) per modality in Kenya, 2010-2016



Source: FFP funding trackers documents as of October 2017

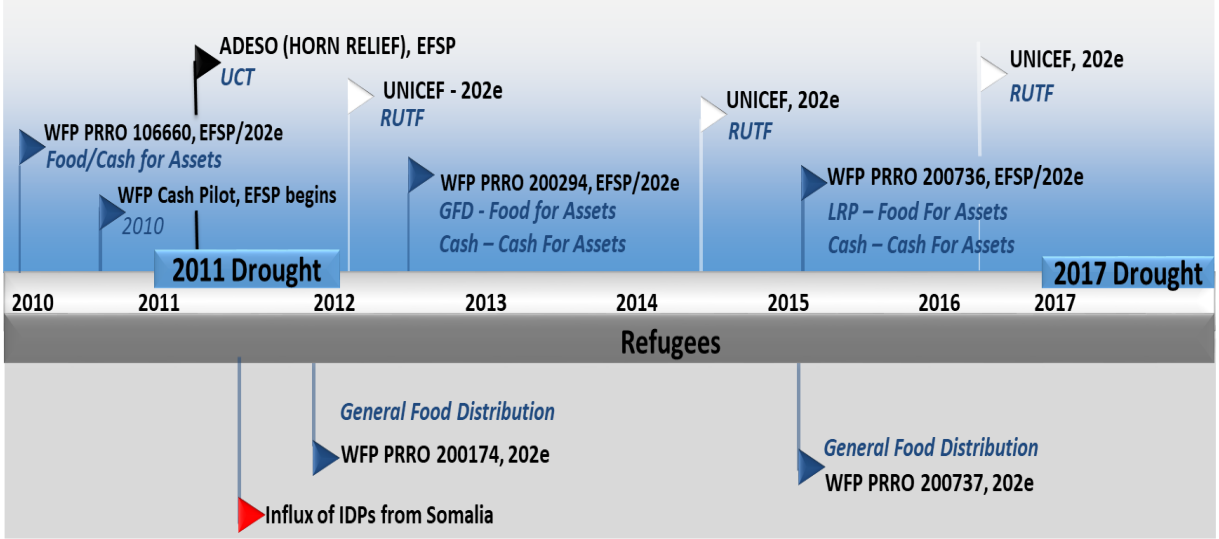
FFP-supported programs are summarized in a timeline (Figure 3 below) and include:

- *May 2009 to April 2012*: **WFP Protracted Relief and Recovery Operation (PRRO) 106660 - Protecting and Rebuilding Livelihoods in the Arid and Semi-Arid Lands.** PRRO 106660 supported the bridging of relief and recovery interventions by addressing both short term food gaps, and long-term resilience to recurrent shocks. Key activities link social protection activities, ensure food security and build resilience through CFA and FFA.

[5] PRRO 106660: 2009–2012; PRRO 200294: 2012–2015 and PRRO 200736: 2015–2018.
[6] $37 million in FFP funding did not include EFSP, 202(e) or 202(e)-enhanced. Not shown in figures or timeline.

- *January 2012 – November 2012*: **Horn Relief (ADESO) Emergency Drought Recovery Interventions II (EDRI II).** EDRI II supplemented WFP's food assistance programs in drought crisis areas in the ASAL through unconditional cash transfers.
- *April 2015 – March 2018*: **WFP Protracted Relief and Recovery Operation (PRRO) 200737 - Food Assistance for Refugees.** PRRO 200737 was to meet the food security and nutrition needs of 400,000 refugees living in Dadaab and Kakuma camps (WFP 2015a) and received 202(e) funding. Refugee assistance is through GFD, treatment and prevention of undernutrition, school meals, and food for training. WFP carries out local purchase of in-kind food for GFD, nutrition, food vouchers, and FFA activities (WFP 2016b). FFP primarily supports through U.S.-sourced in-kind Title II food commodities.[7]
- *May 2015 – April 2018*: **WFP Protracted Relief and Recovery Operation (PRRO) 200736 - Bridging Relief and Resilience in the Arid and Semi-Arid Lands**. Assists food insecure households in ASAL counties by building resilience in drought-prone communities to withstand future shock through CFA and FFA activities, and supports the response by the GoK and county governments to acute food insecurity through seasonal general relief food distribution. These projects are funded with both EFSP and 202(e) (WFP 2016a). PRRO 200736 programs form part of a coordinated approach with USAID programs, WFP, the GoK, and county governments to gradually shift from short-term humanitarian aid towards long-term livelihood resilience. For example, USAID funded the Partnership for Resilience and Economic Growth (PREG)[8] and GoK interventions work in Kenya's northern arid region builds off WFP's asset creation program.
- 2012, 2014-2015: **UNICEF** nutrition programs are funded through Title II 202(e), primarily supporting drought emergencies in the ASAL counties with in-kind distribution of "Plumpy Nut" Ready to Use Therapeutic Food (RUTF). UNICEF continues to play the lead role in the nutrition sector in Kenya, focusing on treatment of severe acute malnutrition while supporting the capacity of the Ministry of Health for increased access and utilization of nutrition services.

Figure 3: Timeline for FFP Funded Programs in Kenya



[7] FFP support for PRRO 200737 is done through Title II funding streams outside of EFSP and 202(e)-enhanced.
[8] The partnership consists of USAID programs and implementing partners, and works with the Kenya National Drought Management Authority (NDMA) and county governments (USAID 2016).

3. PROGRAM DESIGN AND IMPLEMENTATION

DESIGN DECISIONS: MODALITY CHOICE AND CHANGES, TARGETING STRATEGY

MODALITY CHOICE: Recent shifts in programming have been fueled by a collaborative effort toward mid- and long-term resilience goals while still addressing immediate food gaps. This has resulted in increased asset creation activities incentivized by both cash and food. FFP supports Cash for Assets (CFA) in semi-arid counties and is beginning to expand CFA into arid counties as well. According to a KI, Baringo County has now moved to CFA as part of a comparison study with Isiolo County which is receiving in-kind food assistance, reflecting a careful and informed process to modality selection. Non-FFP supported programs within the ASAL region and the GoK are also moving to cash-based modalities.

KIs report that asset creation is supported by county governments, who view it as a way to address food security while increasing local food production, encouraging market use, and stimulating growth through more regular supplies and more affordable goods. One KI stated that county governments understand that using only in-kind food transfers does not support long-term goals, because it is a disincentive to farmers, and can depress local production, undercutting markets. Additionally, according to a KI, WFP looks to support internal solutions to Kenya's development agenda, in particular encouraging county governments to resolve problems they have prioritized in a way they see as most suitable. Much of this has translated into a coordinated (WFP, GoK and county government) approach that is more flexible and enables the selection of modalities that best address mid- and long-term goals.

Market conditions vary greatly among regions in Kenya, making appropriate modality selection highly contextual. Program flexibility is key to the ability to match changing circumstances with the most appropriate modality. Program flexibility allows WFP greater ability to strike a balance between food and cash, allowing it to address FFP's food security mandate[9] when needed, but also enabling it to pursue development goals by stimulating markets and providing beneficiaries with a choice where appropriate. As a KI stated, modality selection needs to be the right balance at the right time and that this is more important than favoring one modality over another. WFP uses in-kind food aid as the main modality in the more arid and drought-stricken northern areas of the country because of weak market integration and poor infrastructure. Cash transfers are used more regularly where there is stronger infrastructure and more stable markets, usually in semi-arid regions. While there is growing support for the expansion of cash-based modalities, even into arid counties, in-kind support still plays an important role in Kenya, in part due to national deficits in food production (WFP 2013b).

WFP's collaboration with GoK and county governments promotes complementary humanitarian and development interventions; consequently, IPs coordinate the use of cash and in-kind modalities in the same areas. In northern Kenya the PREG partnership coordinates development and humanitarian assistance (though different programs and IPs), by layering[10] support for immediate food gaps, while maintaining long-term resilience programming in the area. This allows for flexibility in modality selection, by allowing IPs to be more focused in programming goals and how they direct limited resources. For example, to address funding shortfalls, WFP has coordinated with county governments and the GoK to increasingly cover GFD requirements, so that WFP resources can be prioritized for the asset creation activities (WFP 2016a). According to FFP, in 2016, WFP transitioned 94,000 cash for asset beneficiaries

[9] FFP's mandate stipulates that assistance needs to address immediate food gaps

[10] Layering: Programming multiple humanitarian and development assistance in targeted geographic areas, in layers, that allows for both targeting of food insecurity, while simultaneously building more resilient communities by addressing root causes of vulnerability. (USAID 2016)

deemed to have attained food security out of WFP's asset creation program and began linking them with other development activities for further assistance.

Within refugee camps, FFP currently supports local purchase and U.S.-sourced in-kind food for GFD. FFP also uses U.S.-sourced in-kind food assistance to support the surrounding host communities through a combination of GFD and FFA activities. Some markets have developed around the camps which was a factor in the decision of other donors to start providing cash assistance. Several KIs report that there is a push toward cash programming by donors who favor cash assistance in refugee camps. Originally, only about 10 percent of other donor resources were directed towards cash; this was gradually increased to where donor assistance is comprised of approximately 30 percent cash and 70 percent U.S.-sourced in-kind food, though one KI reports that WFP has responded to the recent spike in South Sudanese refugees with greater LRP. KIs say that the shift to cash reflects the cost effectiveness benefits of this delivery mechanism, and also increased beneficiary satisfaction from improved choice. While the availability of commodities and the cost of goods to beneficiaries are factored into the modality decision, WFP recognizes that cash-based modalities offer greater autonomy to beneficiaries to buy commodities they are more accustomed to. This, in some ways, makes cash transfers more efficient, despite being used for more expensive products. As one KI states, while beneficiaries are buying more expensive commodities, they are not selling in-kind rations at reduced values, therefore are "maximizing the utility of cash in comparison to in-kind transfers, which resulted in better food security outcomes." The U.S. government will continue to distribute U.S.-sourced food and as stronger markets develop, will incorporate cash programming in the future as part of the assistance. In FY 2017, FFP had already begun to contribute cash to WFP's refugee program.

CONTEXTUAL ANALYSIS/APPROPRIATENESS: An important aspect of WFP modality selection has been its flexibility to adjust to a varying landscape. As one KI said, "Only under the right conditions will cash transfers be supported." Consequently, WFP undertakes a response analysis to determine appropriateness of a market-based modality, which is based on regional market constraints and specific contextual factors. One KI noted that, in 2012, encouraged by the success of the WFP's e-transfer pilot, WFP "did a large-scale market assessment in ASAL areas, in which they confirmed that there are areas along main transportation routes where cash transfers could work for households within walking distance of main markets."

> ***"Markets were well connected and households have access; so (market-based programs) looked optimistic" ~KI***

Feasibility assessments are done to determine the appropriateness of a particular modality, which includes a market assessment (including the overall availability of food within the region), a financial assessment (including related infrastructure), and a security assessment:

- **Market Assessments:** Market-based modalities depend on functional markets that are accessible to beneficiaries and can absorb increased demand for goods without negatively impacting current prices. One KI reported that three types of market assessments are conducted: rapid assessments, market assessments, and market studies.
- **Financial Assessments**: Micro-economic assessments inform WFP about how various types of providers are managing risk. Macro-economic assessments evaluate how financial institutions will work with in-country information technology (IT) services; including an evaluation of IT services' reach (infrastructure) and the level of financial inclusion in a region, which can play a key role in the type of transfer (paper, electronic, cash in envelopes or bank accounts) modality chosen.

- **Security Assessments:** Evaluate security measures needed for safe cash transfers, and includes a gender protection assessment on the risks associated with how an introduction of cash might affect vulnerable groups, helping to inform what mitigation measures are needed.

WFP guidelines are also informed by Vulnerability Analysis and Mapping (VAM), which uses trend analysis to identify the most food insecure regions (Watkins 2014). The VAM provides critical regional assessment data and analysis; including food and commodity prices data, spatial data, monthly food security reports, and household survey data. This data helps to ensure that the most vulnerable regions are targeted for assistance (Watkins 2014).

TARGETING: FFP targeting is informed by the bi-annual GOK-led food security assessment (long rains and short rains assessment) which is used to determine the number of people in need of immediate food assistance. WFP then coordinates with GOK and county governments who have the primary responsibility to cover GFD relief requirements and to implement the national safety net program. This allows WFP resources to be prioritized for asset creation. The caseload that is not covered by the GoK GFD and national safety net program in each county/region is cascaded to local communities where the community-based targeting mechanism is applied to identify the most vulnerable. Community leaders are asked to identify the most vulnerable households, which are verified in a community meeting in which listed households are read aloud for all community members to vet and agree on. Beneficiaries confirmed in FGDs that a community-based targeting mechanism is used to reach the most vulnerable in the community.

To reduce duplication of beneficiary registration, the expansion of the NSNP offered WFP and the GoK an opportunity to streamline targeting and registration systems and databases. In 2015, the Complementarity Initiative launched with the purpose of coordinating five food assistance programs in ASAL counties into a single registry[11], regardless of modality (WFP 2015e). The Single Registry provides a central database containing information on government social protection programs being implemented in the country. In fiscal year 2016, FFP provided $500,000 to WFP for enhancing and expanding the single registry for sustainable coordination of safety nets in Kenya. As one KI explained, there is no change in targeting or conditionality based on modality. The goal is to prevent the "piecemeal and uncoordinated manner" used to implement social protection networks. Other benefits are reduced fraud, informed budget planning, access to beneficiary comments and macro-statistics (WFP 2015c).

According to FFP, support continues of the "enhancement and expansion" of the single registry for sustainable coordination of safety nets in Kenya, helping to grow the single registry to 832,408 households from the National Safety Net Programme and 60,068 beneficiaries from the WFP's cash for asset program, by the years end of FY 2016.

CHANGES TO DESIGN: There is an inherent flexibility to WFP's approach that allows changes to the design in response to contextual issues within the region. With improving conditions for market-based modalities, e.g. market strength, the ratio between in-kind food and cash has been gradually shifting towards the latter. This shift can be, in part, attributed to larger program collaborations (e.g. PREG) that endeavor to move Kenya away from food aid dependency and towards resilience through improved value chain inclusiveness (USAID 2016). However, there are constraints. Most WFP PRRO multi-year programs are initially hybrids with a large in-kind transfer component. The different modalities have different infrastructure requirements, making it challenging to change modality and design. As one KI noted, shifting from market-based modalities to in-kind food is possible as the systems are in place, but changes must be done carefully to avoid undermining markets. Conversely, cash transfers require a

[11] Including cash transfer programs under the National Safety Net Program and the World Food Programme's Cash for Assets Programme (CFA), implemented in five counties.

strong stream of funding with the appropriate financial infrastructure. The lack of funds for cash transfers can force a program to resort to in-kind food incentives for FFA. One KI noted that once people become used to receiving cash a "break in a cash pipeline is often worse than a break in a food pipeline," because beneficiaries have to buy food on credit and the cash transfers do not cover the added interest incurred through borrowing. Changes in design are done in consultation with local and national governments to ensure they are in line with county government priorities. Nevertheless, if markets are responsive and infrastructure is adequate, a shift to market-based modalities is usually supported. Availability of food is monitored to ensure there is enough food available in the region to absorb the increased demand stemming from a market-based modality.

Fluctuations in market prices require adjusting transfer value. VAM monitors food prices closely for a 10 percent change against a MT average (Watkins 2014). A KI noted that if food prices increase (food prices are pegged to WFP food basket values) WFP can request additional funds from FFP for FFP-assisted programs. In extreme cases, a shift from cash to food is feasible.

Table 1: Partner and beneficiary preferences

IP and Stakeholders view on the Benefits of Cash Modality
✓ Cash is empowering for recipients, especially women; freedom of choice helps meet other household and livelihood needs.
✓ Cash has greater potential to advance Kenya's mid and long-term development goals; especially in terms of building resilience.
✓ Cash is more flexible than in-kind food; allows beneficiaries greater choice to meet nutrition needs.
✓ Supports financial literacy and inclusion.
✓ Provides flexibility that open up opportunities for savings and credit groups with revolving loan schemes.
Stakeholder consensus on benefits of cash is less clear
✓ Can achieve same objectives with food or cash depending on context (i.e., access to markets).
✓ Cash may not address food insecurity; while know that in-kind food will address household food insecurity.
✓ An important point for FFP as part of its mandate is to address household food insecurity, which cash may not do directly.
Beneficiary preferences on cash modalities
✓ Increases choice.
✓ Ability to address household needs (medical, school, livelihood).
✓ Ability to buy food the household wants to eat; especially in refugee camps.
✓ Cash is empowering for female recipients: enables household level decision-making.
✓ Cash improves social capital through food sharing with neighbors not in program.
✓ Improved aspiration and community attitudes.
Why some beneficiaries prefer food:
✓ Food commodities received last for a longer time (one month).
✓ Cash does not necessarily address food insecurity.
✓ No delays in receiving food aid.
Beneficiary concerns about cash modality
✓ Cash Transfer amount: Cash amount buys less when food prices are going up.
✓ Timeliness in making cash payments is often a problem.

CONCLUSIONS ON DESIGN DECISIONS: Most stakeholders interviewed state that there are both greater benefits and potential for using a range of market-based modalities in comparison to only in-kind assistance. Market-based approaches (especially CFA) can support Kenya's mid and long-term development goals. Though FGDs were limited to two semi-arid counties, FGD participants report that CFA empowers recipients, especially women (through increased decision-making control over cash that they earn themselves), builds community cohesion, and supports individual aspirations. Most beneficiaries interviewed in Kilifi and Taita Taveta counties prefer cash to commodities, despite complaints about transfer amount and timeliness. However, in northern arid regions, where local markets and infrastructure are limited, IPs consider FFA an important option. Although the flexibility of WFP programming is considered successful in identifying the most appropriate modality for a given context, there are still some concerns, which are summarized in Table 1.

IMPLEMENTATION CONSIDERATIONS/ ISSUES: CHALLENGES AND SUCCESSES

GENDER: Female FGDs reported no gender barriers to their participation in the asset creation programs, but there are still concerns. Women report that they have greater decision-making control over monies that they bring into the household, but some KIs state that female "leadership" is less than it seems and real power remains in the hands of men. A KI stated that the work conditionality of asset creation activities adds to women's current workload, without clear knowledge of its impact. The KI also states there is a lack of guidance on this matter, saying that there are no good "tools out there to help people decide" whether or not to participate. One KI noted another gender issue, which is the limited involvement of men in asset activities in the ASALs, except for horticulture activities in the marginal agricultural areas, which generate cash income. It is noted that there is a social stigma associated with asset creation activities by some community members who view these projects as a "women's program," thus limiting the engagement by men and youth, potentially limiting the overall success of the program (Turner et al. 2015). Gender based violence and gender protection are concerns and remain a prominent feature in feasibility analysis by WFP for the use of cash transfers. Gender inequality in Kenya is high, the country ranks 126 out of 188 in the UNDP Gender Inequality Index (WFP 2016a).

GOVERNMENT POLICY: The adoption of Kenya's new constitution in 2010 and subsequent 2013 elections resulted in a number of development and humanitarian functions being placed in the hands of newly elected county governments, including agriculture, trade and development and disaster management (Abdulla 2015). County governments are now empowered to address both short-term goals of food security needs and long-term development goals, as well as strengthen community and household resilience. This created concerns for national cohesion, requiring better cooperation and support between key institutions at the local and national levels (Abdulla 2015). Consequently, a strong political commitment to address these goals was demonstrated through the strengthening of national safety nets. An example of this is the Hunger Safety Net Programme (HSNP). Initially supported by DFID, the HSNP is now a government-led and financed safety net program that uses cash transfers to assist food insecure vulnerable households in northern Kenya. The HSNP shows the Government of Kenya's (GoK) focus on "enhancing harmonization and consolidation to encourage an integrated local and national system (WFP 2016a)."

New government policies also encourage greater collaboration with aid agencies. An important policy supporting these partnerships is the Ending Drought Emergencies (EDE) Strategy, a central component of Kenya's overall country development program, Kenya Vision 2030 (GoK, 2014). The EDE recognizes the complexity of drought emergencies and that poverty and vulnerability have roots that extend beyond the shocks and stresses (GoK, 2014). The EDE framework has three components: drought risk and vulnerability reduction, drought early warning and early response, and institutional capacity for drought and climate resilience (GoK, 2014).

CASH DELIVERY MECHANISM: Beginning with the 2010 e-payment pilot, WFP has been continually testing delivery mechanisms for cash transfers. Using the most efficient delivery mechanism has been a priority for WFP and consequently there have been several models used. The Bohling and Zimmerman (2013) review of the WFP e-payment pilot noted that WFP has successfully navigated several challenges (including unreliable payments, insufficient agent network, liquidity constraints, and inadequate customer service) using a "test-learn-iterate" philosophy. Through this process WFP has learned key lessons about initiating an e-payment scheme, principally the need for a "grievance mechanism through which

beneficiaries can voice concerns, procurement flexibility to fit program needs, and continual flexibility to adapt to the conditions and realities of implementation."

The principle evolution of WFP's delivery mechanism has to move towards options that utilize mobile networks and money. Initially electronic cash transfers through bank accounts worked well within the development setting, increasing the financial inclusion of participants, a core program objective of WFP. However, opening bank accounts is challenging and time consuming for poorer households, which presented a problem for emergency assistance settings requiring a rapid response (WFP 2016d). Mobile networks and mobile money products like M-PESA, offer a more user-friendly approach, requiring much less financial infrastructure, while also appealing to beneficiaries who were already familiar with mobile money. Mobile money became significant in emergency settings, where it is found to increase cost-efficiency, while being able to quickly reach those in need (WFP 2016d). In the refugee context, a similar concept was seen with the introduction of digital wallets in 2015 to replace paper vouchers and allowing improved cost-efficiency for large-scale delivery of cash-based assistance to refugees (WFP 2015a).

ASSET ACTIVITY SELECTION: A WFP evaluation (2015) of asset creation activities showed most participants felt asset creation to be useful because it can lead to increased food production; however, results were modest, and could have been enhanced through more appropriate asset selection. The evaluation found some design inefficiencies, citing some asset creation activities as not fully relevant to beneficiary needs or appropriate for the local conditions. The evaluation reported that FGD participants were critical of asset creation projects, seeing them as "inefficient, labor-intensive techniques which sometimes are coupled with long walking distances from homes to work sites" (Turner et al. 2015, p. 21). Knowledge and skill acquisition, along with improved social capital are highlighted as key benefits of asset creation. The evaluation states that the success of asset creation programs are dependent on surrounding "layered" initiatives that support the beneficiary further along the resilience pathway (Turner et al. 2015, p. VII).

TIMELINESS: In all FGDs conducted by the review team, there was concern over the lack of timeliness and the amount of the cash payments in CFA programs. Cash amounts were criticized for both the total amount and inconsistencies in pay-outs. Inconsistencies can be linked to a poor understanding of how banking institutions work; for example, beneficiaries did not understand that they pay a fee each time they check their bank balance, a persistent problem that was also cited in a previous review (Bohling and Zimmerman 2013). Additionally, the review cited liquidity issues at the local cash agents as another concern. Delays in payment can signal "unstable cash pipelines" or funding issues by the implementing partner. For 2016, WFP reported receiving only 60 percent of budgeted requirements (WFP 2016c). Most beneficiaries cited these as key issues that limit the success of the program and discourage beneficiary participation.

> ***"Little pay discourages people from giving priority to the [CFA] program because often times they have to look for work elsewhere to be able to meet their families' basic needs." ~FGD***

LOCAL AND REGIONAL PROCUREMENT: In order to take advantage of local production, FFP funding enables county governments to make local purchases of food assistance for their counties. According to a KI, this has been important as decision making and authority have devolved to the county governments under the new constitution. This has resulted in some food purchases through local traders, with presumed benefits for local economies. However, WFP reports that most food for operations in Kenya are received as in-kind donations from abroad, with most food purchases made

through WFP's Global Commodity Management Facility (GCMF), from Kenyan suppliers (WFP 2016c). Local purchase is also challenged by the presence of aflatoxin in some Kenyan food crops. WFP has reported bringing in food from abroad (e.g. Argentina) due to aflatoxin contamination (WFP Kenya 2016c). According to another KI, the aflatoxin issue has also influenced modality decisions, where imported in-kind food was chosen due to the presence of aflatoxin in local maize crops.

INVESTMENTS IN CAPACITY

FINANCE/INFORMATION TECHNOLOGY AND PRIVATE SECTOR ENGAGEMENT: Since 2010, WFP has been working with private mobile money networks, such as Safaricom, and banking organizations like Equity Bank to test new delivery mechanisms to reach more beneficiaries and increase banking access throughout Kenya. This is encouraging growth and competition among mobile networks, which has assisted WFP in serving different program and contextual needs. WFP's increased commitment to CFA programs has spurred private sector investment for "new financial products, service, and delivery channels", designed to expand its client base and meet the increased financial services need of low-income and disadvantage populations in Kenya (Bohling and Zimmerman 2013). The success of mobile money (e.g. Safaricom's M-PESA) in Kenya reflects the effort by WFP and private-sector institutions like Equity Bank to invest more into a better delivery mechanism that exhibits ground-level realties and allowed for greater reach in more remote areas. For Equity Bank's part, investments were made in equipment, training, program management, and agent presence. In 2012, improved banking infrastructure and mobile networks allowed CFA operations to scale up from 5,000 (at pilot) to 80,000 recipients (Bohling and Zimmerman 2014).

PARTNERSHIPS AND COORDINATION: A key goal of WFP is to increase capacity development of national institutions to coordinate and prepare for hunger and nutrition issues (WFP 2016c; Watkins 2014). Critical to this goal is the development of partnerships between WFP, the GoK (both county and national), international aid organizations, and donors. An important institution in many of these collaborative efforts is the National Disaster Management Agency (NDMA). The NDMA's primary focus is to coordinate disaster management with national and county governments, IPs, and donors through the EDE framework. As such, FFP support and interventions follow the Common Program Approach espoused in EDE framework to help assure that WFP, USAID and other partners are in alignment with GoK mid and long-term development strategies packaged under Kenya Vision 2030, according to FFP and KIs. The NDMA also supervises the development of a County Contingency Plan (CCP), helps to manage the NSNP and helps to oversee larger resilience partnerships with international aid agencies and county governments[12].

Partnership for Resilience and Economic Growth (PREG): The PREG brings together USAID, WFP (and IPs), the GoK and county governments[13] in an innovative approach to building resilience in the arid northern region of Kenya. Coordinating with other USAID programs, such as Resilience and Economic Growth in Arid Lands (REGAL), FFP-supported resilience programs, working within the EDE framework, are the cornerstone to the PREG strategy. The PREG approach layers, sequences and integrates[14] humanitarian relief and development programming to promote a resilience pathway that allows participants to

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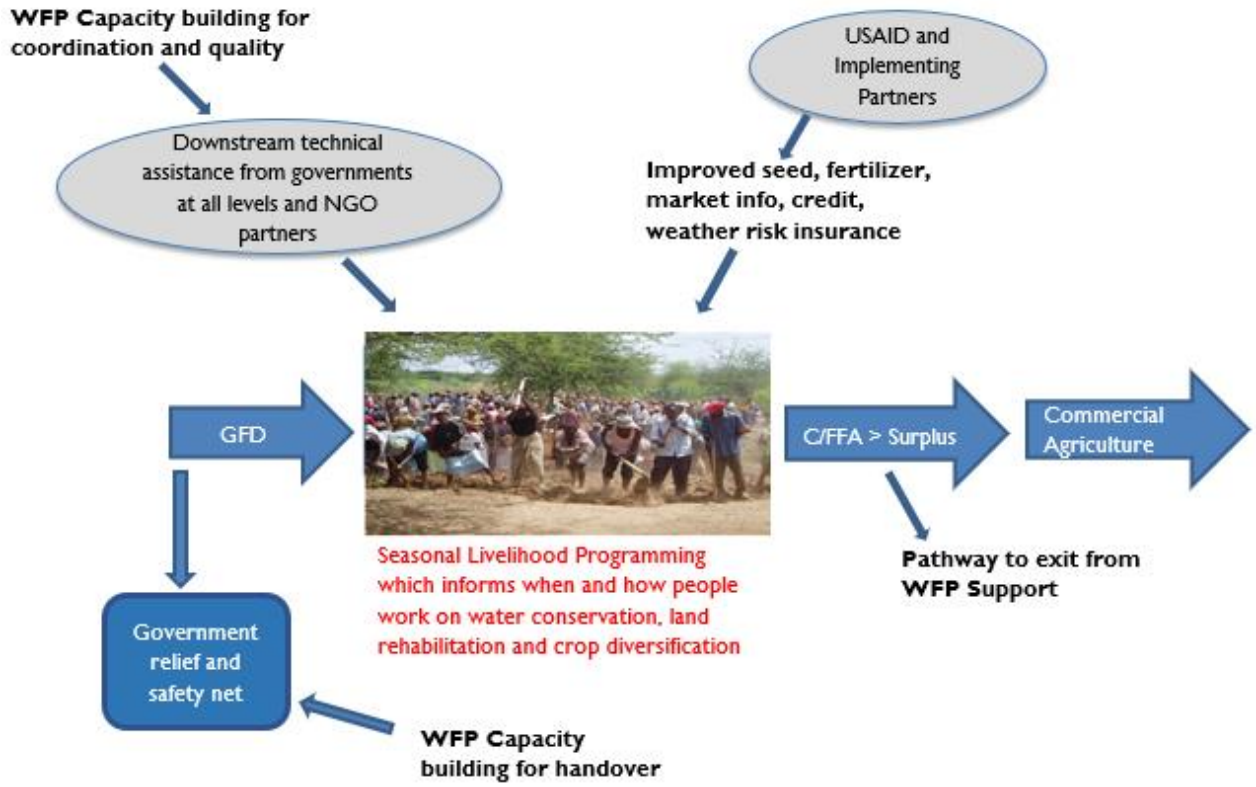
[12] Some of these actors include: Ministry of Livestock, FAO, WFP, Ministry of Water, JICA, EU, USAID, Adeso Africa and WVK. NDMA co-chaired by WFP Kenya, WVK, DFID, USAID, EU, and UNICEF; according to a KI.

[13] Key Government Partners including: Ministry of Agriculture, Livestock and Fisheries (Department of Livestock); Ministry of Devolution and Planning (NDMA); Ministry of Water and Irrigation (Water Trust Fund and Water Resource Management Authority); Ministry of Public Health; Ministry of Education; The County Governments of Baringo, Isiolo, Graissa, Marsabit, Mandera, Samburu, Tana River, Turkana, and Wajir (USAID 2016)

[14] *Sequencing* - Using a logical, sequenced phasing of humanitarian relief and development programming. *Layering* - programming of multiple humanitarian and development assistance in targeted geographic areas, in layers. *Integrate* - Humanitarian assistance programming objectives integrated into development programs and vice versa.

"graduate" to commercial agriculture through improved market value chains and economic integration (Turner et al. 2015). WFP's asset creation programs[15] are the initial foundation layer along the resilience pathway helping to achieve Kenya's long-term development goals (Figure 4). As one KI stated about expanded use of cash-based programming, "a lot of things came together: USAID funding, WFP objectives, Kenya legislation and Kenyan technologies." Another notable partnership is with the Food and Agriculture Organization (FAO) and the International Fund for Agricultural Development (IFAD), which work in semi-arid lands fostering sustainable, market-led farming practices and value chain development (Turner et al. 2015).

Figure 4: WFP's Kenya's Resilience Pathway



Source: WFP Kenya: Disaster Risk Reduction and Resilience in WFP Kenya's Protracted Relief and Recovery Program.

FOOD SECURITY OUTCOMES

MONITORING: WFP outcome monitoring is done three times a year through Food Security and Outcome Monitoring (FSOM), with results disaggregated by cash and food recipients. Process monitoring and site monitoring are done to ensure activities are correctly implemented. Food distribution procedures are used to confirm that beneficiaries receive the correct entitlements (WFP 2016a). Complementing this is Beneficiary Contact Monitoring (BCM), in which data is collected each month to get beneficiaries' feedback, including data on gender, protection, nutrition messaging, and accountability. Market price monitoring is carried out monthly through VAM (WFP 2016a).

RESULTS: The CFA program emphasis is on asset creation, which aims at building the production capacity of households and long-term improvements in food security and household resilience to future

[15] PRRO 200736: Bridging Relief and Resilience in the Arid and Semi-Arid Lands

shocks. The beneficiaries interviewed by the review team had initially participated in FFA; the program then changed to CFA by the time of the interviews in early 2016. The majority of focus group participants interviewed by the review team agreed that the assistance received for the work done helped reduce hunger because it enabled them to buy goats and plant vegetables both for domestic consumption and for sale. While most beneficiaries indicated that their food security had improved, many expressed concerns about the amount of the cash payout, with some indicating that it is not sufficient to reduce hunger. Beneficiaries also said that delays of cash deliveries were a consistent issue that diminished the success of the program. Based on this and the reliability of in-kind transfers, some beneficiaries said that they prefer to receive food instead of cash. These beneficiaries stated that there was never a delay in food transfers and that the food was sufficient to last the month. However, the majority of beneficiaries interviewed preferred cash to food, despite perceived set-backs in the timeliness of delivery and insufficient transfer amounts.

Most beneficiaries also indicated that income earned from CFA projects did not solely go towards the purchase of food. They use CFA income for food, savings, school fees, clothes, medical needs and the purchase of farm animals. Despite not being used exclusively for food, beneficiaries state that they used the cash in ways that would best support their livelihood, and in turn this would help to improve food security. This was the case for Faith (Life History 1: Faith) who used her CFA income to pay for mediation, school fees and to start other income generating projects.

The asset creation aspect of the project, along with the earned income, is also credited with improving food security, according to beneficiary statements. Zai pits, training in farming techniques and farm ponds construction are all shown to improve local agriculture within the community, contributing to hunger reduction (Bohling and Zimmerman 2013). This was also confirmed by FGDs reports.

Despite beneficiaries' acknowledgement of improved food security through CFA projects, some IPs express a different point of view about the ability of beneficiaries to use cash transfers to address food insecurity. Other KIs state that while increased beneficiary choice is an important component of cash transfers, they are concerned that cash benefits may not directly address food security, as they feel that beneficiaries' use of CFA income to address other needs during times of recurring drought or crop failure can leave them food insecure for part of the year. Some IPs expressed a concern that outcome indicators may not reflect increased food security when beneficiaries use cash benefits to address other pressing needs such as health and education expenses. However, CFA and food for assets (FFA) activities are recognized to contribute both directly and indirectly to increased food security.

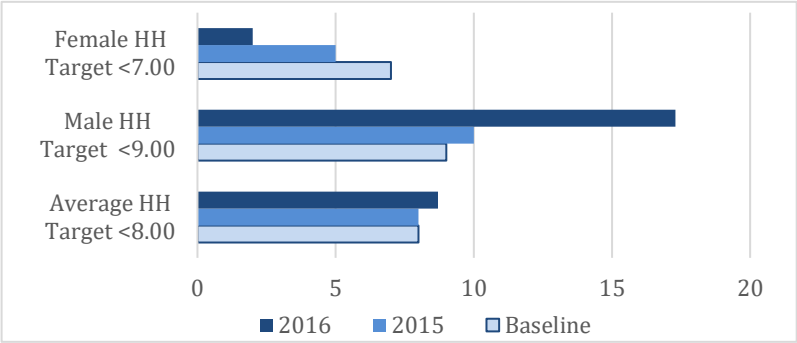
FGDs emphasized that if the food security in the region is suddenly affected by drought, it prevents beneficiaries from maximizing CFA benefits. CFA activities help beneficiaries to improve food production through improvements to farms and infrastructure. Shocks such as drought not only reduce benefits from the asset creation but also require beneficiaries to focus on maximizing their food security, neglecting other livelihood needs. A 2015 review of WFP's asset creation program also indicates negative impacts of drought on asset creation programs, noting that "achievement of [the program] goal has been hampered by failed rains and drought…69.7 percent of households do not access food year-round (Turner et al. 2015, p. 17)."

"Drought has been a major setback. Sometimes they plant speculating rain and their crops die in the farms when the rains fail." ~FGD

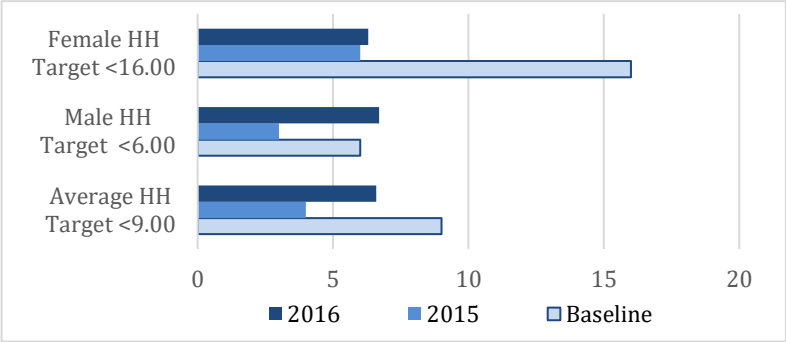
WFP reports that in arid and semi-arid counties with FFA, despite improved asset scores in 2016, food security declined due to poor rainfall while dietary diversity declined from medium to poor compared to 2015 (Figure 5) (WFP 2016a). In the semi-arid counties with CFA, WFP outcome results were mixed, with a significant difference between the two livelihood zones (southeastern marginal and coastal low-potential farming). WFP reported in 2016 that the southeastern marginal zone (e.g. Taita Taveta County) saw improved FCS and dietary diversity; however, by February 2017, some participants told the reviewers that they were abandoning CFA projects for other employment because the worsening drought made it impossible to grow enough food on their land. In 2016, the coastal zone (Kilifi County) experienced a "crisis" in food security outcomes due to a second consecutive poor rainfall season (WFP 2016a). All FGDs conducted in Kilifi and Taita Taveta counties noted that drought was a major setback for CFA projects.

Figure 5: HHs with Low Food Consumption Scores by Modality

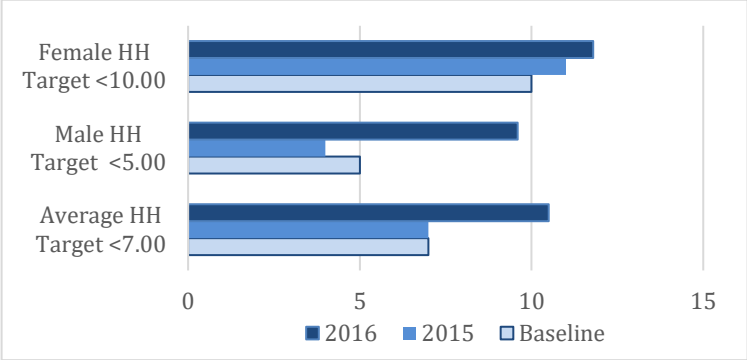
General Food Distribution in Arid Counties



Food for Assets in Arid Counties



Cash for Assets in Semi-Arid Counties

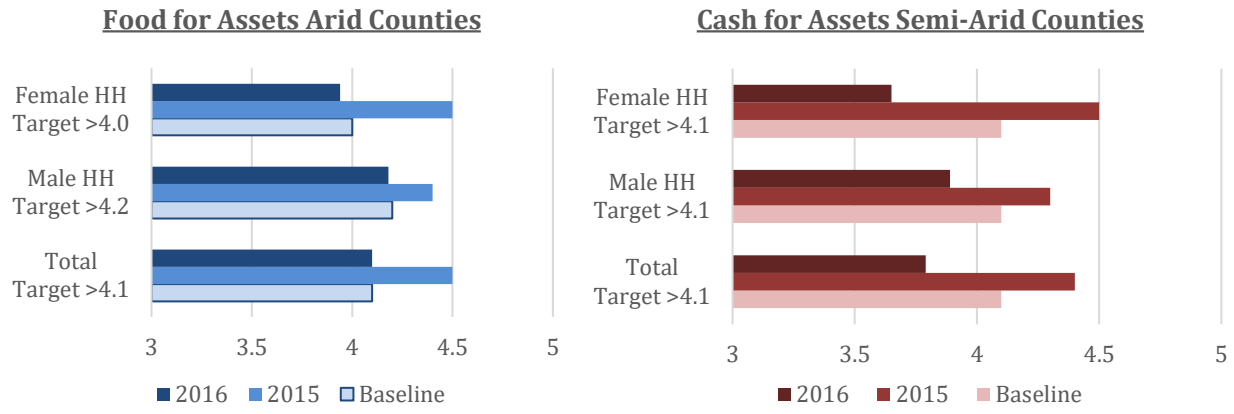


Source (all figures): WFP 2016a; WFP 2015

In terms of nutritional outcomes (see Figure 6), WFP has reported improved diet diversity scores but not at target levels (WFP 2016a). One KI notes that more choice in food options does not translate into a more diverse diet and without nutrition education or other measures, dietary habits are not changed by providing cash. WFP offers nutrition messaging and counseling activities; however, result from nutrition awareness campaigns tended to be "skewed" due to the low number of beneficiary participants (WFP 2016a). Another factor is that asset creation is used to address diet diversity, through improved agricultural production. While FGDs have reported increased availability of vegetables at market places as a result of CFA programs, agricultural production benefits

from asset creation (as discussed above) are susceptible to sudden and recurring shocks, which can in turn limit nutrition outcomes.

Figure 6: Diet Diversity in Male and Female HH

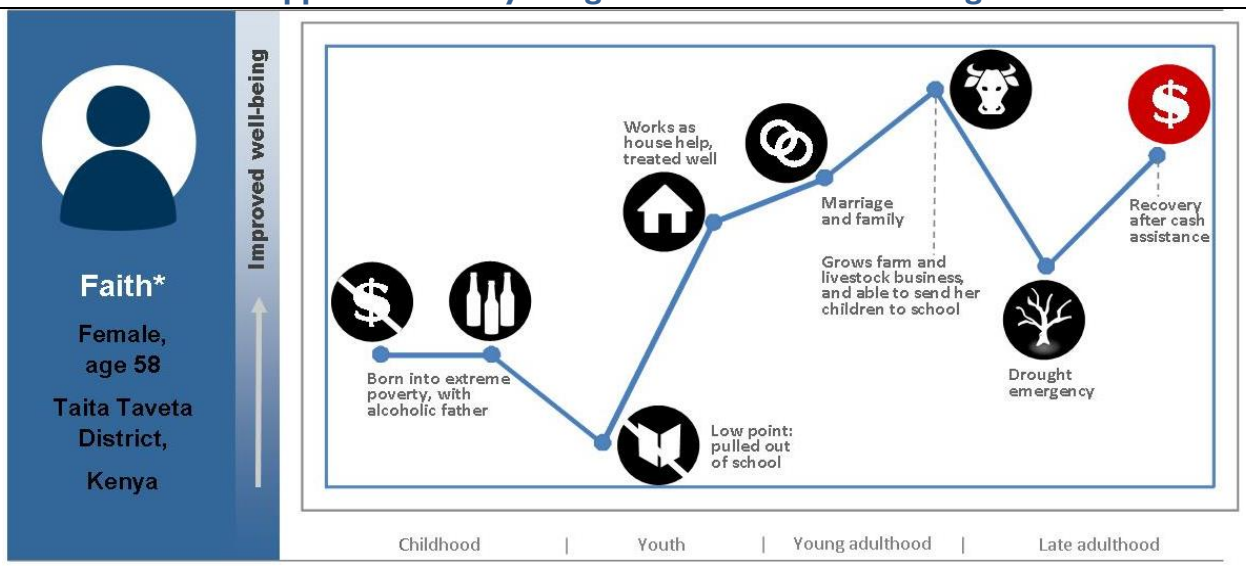


Source: WFPa, WFP 2015. Note: Does not include households in refugee camps.

In refugee camps, FFP supported general distribution of U.S. sourced in-kind transfers and FFA (cash transfers were also used in refugee camps, supported by DFID, EU and in 2017, USAID). Several outside factors can influence food security outcomes and nutrition scores for the camps, such as new arrivals, food prices, and refugee food preferences. In general, for GFD in both refugee camps, WFP reports that malnutrition rates decreased, while DDS and the CSI remained stable. In terms of FCS there were mixed results. In Dadaab camp, which continues to have higher food security than Kakuma camp, FCS were stable, however Kakuma camp saw a decrease in food security. This is partly attributed to better markets and livelihood opportunities in Dadaab, where purchasing power was also greater (WFP 2016b). For participants in FFA activities, WFP reported that FCS, DDS, and CSI remained stable in Dadaab camp, and there is a slight improvement in the Kakuma camp (WFP 2016b).

Life History 1: Faith

Cash assistance supports recovery of agro-Pastoralist after drought



*Name has been changed. Photo not available.
Note: the graph for this case study was developed by subjective ratings of life events by the TANGO team.

Faith was born in 1959 in a village of Taita Taveta District. She was the second of nine children in an extremely poor household. Her father did not farm the land they owned, which Faith attributed to her father's alcoholism. Though her family was poor, she recalled some positive points of her childhood and youth. She always had some food to eat; she had good health; and she had close friends through her local church. She attended school up to Class 7 and performed well in her exams but was forced to drop out because her father thought it was a waste to spend money educating girls. Faith was heartbroken by his decision, and life at home became increasing hostile and demoralizing. At the age of 15, she was sent to live with her aunt in Nairobi to work as house help. The money she earned from her aunt was sent home to support her parents. Faith fondly remembers the time spent with her aunt, who treated her well and provided good working conditions.

At the age of 26, a marriage was arranged for Faith. She married a childhood friend from her village. Faith moved from Nairobi to her husband's home where they farmed land he was given by his father. Together, they produced vegetables to sell in the market and then began keeping livestock, including goats and cows. She was involved in community table banking, which supported her to buy and multiply her livestock. Over the years, their family grew to seven children, and Faith proudly acknowledged she has managed to keep her children in school and pay their school fees by selling livestock.

The drought of 2011 greatly affected her family's food security and her livelihood. The price of livestock dropped over 30 percent, which was a great financial strain on her family as livestock was their primary source of income. However, Faith attributes her current well-being and recovery to the emergency food security program. She recalled that when she first joined the program in 2013 she received food aid but later received cash as part of a cash-for-assets project. With the cash, she has started other income-generating projects that have grown over time. Faith also improved her farming methods with skills learned in trainings provided by the IP. Faith preferred cash assistance because it allowed her to pay for other essential needs such as medications and school fees.

4. COST-EFFICIENCY TRENDS

Data on cost efficiency is not systematically reported. Some program costs are related to establishing commodity pipelines (e.g., cash transfers), which have long lasting value for money. Additionally, it is reported that IPs were not required to analyze cost efficiency before 2016 (USAID 2015, USAID 2016). This was also noted by Turner et al. (2015) in their evaluation of WFP's asset creation program, where they indicated that there remains insufficient data available for an overall analysis of cost efficiency for WFP's asset creation program. A WFP Kenya pilot in 2010 found that electronic payments were 15 percent cheaper than in-kind food assistance and generated spin-off benefits in increased economic activity, reduced leakage and improved transparency (Zimmerman and Bohling, 2013).

In terms of comparing actual costs, it should be noted that WFP has developed the Omega tool, which compares all three modalities (cash, voucher, in-kind) for their relative costs and efficiency in a specific context. The Omega tool has the flexibility to handle varying local circumstances (e.g., prices for transport that differ significantly for isolated communities within a given area).

It is also important to keep in mind that for all modalities there are certain overhead and learning costs. Kenya can potentially be a strong case study to understand the cost-efficiency differences between different modalities, as it has already established the necessary infrastructure for both in-kind and cash.

5. DEVELOPMENT IMPACTS

FINANCIAL INCLUSION: Since 2006, Kenya has seen bank branches grow from 576 to approximately 2,288 branches in 2011. Additionally, 30 percent of all Kenyans have debit cards and 42 percent access some form of financial institution. (WFP 2013b) Mobile networks have also greatly increased over this period. As of 2016, Safaricom's M-PESA had over 23 million subscribers, with over 100,000 agent outlets for support (CGAP, 2017). A benefit of Kenya's innovative approach to market-based programming has been to use this infrastructure to expand financial inclusion to people in previously underserved regions. This has resulted in more low-income Kenyans in remote areas accessing banking services.

SOCIAL CAPITAL AND ASPIRATIONS: FGDs reported an increase in social capital through enhanced community cohesion and attitudes from participation in asset creation. Most beneficiaries report that CFA has improved their attitudes towards shaping their future through creating community assets. Participants also stated improved aspirations about the future.

GENDER: CFA programs have been associated with an increase in female decision-making power and FGD participants reported no negative impacts on women receiving cash. CFA, by providing women with an income stream, helps to encourage joint discussion on money matters. However, KIIs indicate that this is limited empowerment because the increase in decision making only concerns the money the women contribute to the household. Other income brought in by male household members is frequently spent without or with limited input from the females within the household. FGDs have stated that there was "no difference" between genders regarding needs and access to the market. Most beneficiaries report that the person who earns the money will be the person who goes to the market. CFA requirements, such as obtaining national IDs, have had positive side effects, including providing the potential for women to register to vote and to be more involved in the political process. "Besides this individual economic empowerment, women have enjoyed a degree of empowerment through the asset creation program. They are prominent and numerous in local program management committees, many of which are chaired by women (Turner et al. 2015, p. 33)." Women are also empowered through their participation in the voluntary savings and loan associations and table banking that are increasingly common where CFA is used.

6. RECOMMENDATIONS

APPROACHES AND STRATEGIES THAT FFP SHOULD CONTINUE

- Maintain program flexibility in modality selection with an emphasis on appropriateness through feasibility assessments, including market, financial and security assessments.
- Expansion of mobile money delivery mechanism for cash transfers.
- Collaboration with the GoK on a single registry system for beneficiaries.
- Support for larger partnerships, such as the PREG to integrate other USAID and FFP supported programs.
- Alignment of FFP-supported programs with mid and long-term development framework and goals of GoK and county governments through the Ending Drought Emergencies framework and other strategies.
- Successful collaboration and consultation with GoK institutions, county governments, and FFP implementing partners (WFP).

APPROACHES AND STRATEGIES THAT FFP SHOULD MODIFY

- Work with IPs to find ways to increase the participation of men and youth in Cash for Assets/Food for Assets through stronger linkage of asset creation activities with agricultural production as well as other income-generating opportunities[16].
- Evaluation of current asset technology selection procedures to ensure that asset creation activities are appropriate for the local and regional context.
- Consider greater support of cash-transfer modalities in refugee camps.
- Improve monitoring of asset creation activities to ensure optimal and effective use, with clear and adequate linkage to agricultural extension services and programs.
- Increase education and training for beneficiaries on how financial institutions work, especially banking fees.
- Ensure that cash transfer "pipelines" are reliable and payments are on time.

[16] The MBEP review was conducted in early 2017. Subsequently in FY 2017, FFP funded WFP to pilot youth engagement in two agriculture value chains, poultry and watermelon. The pilot was implemented in Kilifi county (with potential expansion into in Makueni and Baringo counties) and was designed to complement asset creation programs and to motivate the youths to accept and appreciate agriculture as a commercial venture which will help them to generate income and create resilience.

7. ANNEXES

ANNEX 1: SUMMARY OF FFP FUNDED PROGRAMS IN KENYA

IP	Project Name	Award number	Award Project Dates	Original Budget (USD)	Key Activities	Funding type
WFP	PRRO 106660	895-XXX-615-2012	10/13/2011	$409,000	F/CFA	202e
WFP	Unknown	Unknown	9/30/2010	$10 M	Cash, LRP	EFSP
WFP	Unknown	Unknown	5/12/2011	$10 M	Cash, LRP	EFSP
WFP	Unknown	AID-FFP-IO-12-00002	11/29/2011	$20 M	Cash, LRP	EFSP
UNICEF	PIO	AID-FFP-IO-12-00002	2/10/2012	$535,000	RUTF	202e
ADESO	(EDRI II)	AID-FFP-G-12-00008	12/29/2011	$4.3 M	UCT	EFSP
WFP	PRRO 200174	895-XXX-615-2012	FY12 - FY15	$13.5 M	GFD, LRP	202e
		895-XXX-615-2012	10/12/2011	$2 M	LRP	202e (enhanced)
WFP	PRRO 200294	AID-FFP-IO-12-00017	8/22/2012	$12 M	LRP, CFA	EFSP
		AID-FFP-IO-13-00016	9/1/2013	$13.4 M	CFA	EFSP
		AID-FFP-IO-14-00028	7/9/2014	$15 M	CFA	EFSP
		895-XXX-615-2012	FY12 - FY15	$11.2 M	GFD, CFA	202e
		895-XXX-615-2012	5/1/2012	$1 M	LRP	202e (enhanced)
UNICEF	PIO	AID-FFP-A-14-00001	3/25/2014	$1.3 M	RUTF	202e
UNICEF	PIO	AID-FFP-A-14-00001	3/25/2014	$820,000	LRP - RUTF	202e (enhanced)
WFP	PRRO 200736	AID-FFP-IO-15-00037	9/27/2015	$12 M	CFA, GFD	EFSP
		895-XXX-615-2015	FY16	$10.5M	CFA	202e (enhanced)
		895-XXX-615-2015	FY 15-16	$3.2M	Unknown	202e
UNICEF	PIO	AID-FFP-G-15-00060	6/12/2015	$680,000	RUTF	202e
WFP	PRRO 200737	895-XXX-615-2015	FY15 – FY16	$4.2M	GFD	202e
UNICEF	PIO	AID-FFP-G-16-00121	09/30/2016	$600,000	RUTF	202e

ANNEX 2: REFERENCES

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ANNEX 3: INTERVIEWS AND FOCUS GROUPS

Table 2: Stakeholders interviewed during the Kenya field mission January 12-March 5, 2017 and/or via Skype prior to the field mission

Organization	Name	Stakeholder type/title
WFP Kenya Resilience Unit	Randall Purcell	Senior Advisor and Manager–Rural Resilience
WFP Kenya Resilience Unit	James Kamunge	Programs Policy Officer
WFP Kenya Refugee Unit	Sam Okara	Program Officer – Refugee Unit
WFP Kenya Refugee Unit	Charisse Tilman	Donor & Private Sector Relations Officer
UNICEF	Grainne Moloney	Chief Nutritionist
UNICEF	Tweolde Berhan	Nutrition Specialist
WFP Kenya Regional Office	Ilaria Dettori	Head of Program
WFP Kenya Regional Office	Justin Ernst	Consultant
WFP Kenya Regional Office	Ernesto Gonzalez	Regional Cash Based Transfers
WFP Kenya Regional Office	Matthew McIvenna	Regional Emergency Advisor
WFP Kenya Regional Office	Elliot Vhurumku	VAM Advisor
WFP Kenya Regional Office	Allison Oman	Senior Regional Nutritionist/Food Advisor
ADESO	Degan Ali	Managing Director/Executive Director
ADESO	Deqa Saleh	Program Quality Development Unit
ADESO	Charles Anguba Maumo	MEAL (Monitoring, Evaluation, Accountability and Learning) Manager
NDMA	Paul Kimeu	Drought Resilience Manager
NDMA	Julius Akeno	Deputy National FFA Coordinator
FFP Country Team	Mary Mertens	FFP Regional Advisor
FFP Country Team	Anita Oberai	
WFP	Yvonne Forsen	Head of VAM and Nutrition
WFP	Cheryl Harrion	Deputy Country Director Uganda
OFDA	Nick Cox	Regional Humanitarian Advisor
USAID Kenya Mission	Erin Lentz	Assistant Professor University of Texas-Austin
USAID Kenya Mission	Don Owino	Program Management Specialist/Food Security Specialist
World Vision	Kevin Mugenya	Country Food Assistance
World Vision	John Bundotich	Project Manager

Organization	Name	Stakeholder type/title
WFP Kenya	Paul Turnball	Head of Program
WFP Kenya	Annalisa Conte	Country Director
WFP Kenya	Felix Okech	Cash and Vouchers Innovations Unit
WFP Kenya	Beatrice Mwongela	Monitoring and Evaluation
WFP Kenya	Margaret Aluda	Procurement Officer
WFP Kenya	Aisha Maulid	Senior Procurement Assistant

Table 3: Summary data for focus groups/interviews conducted in Kenya: locations, number, and type of participants

Location	Focus group (FGD) or interview	# of participants	Type of participants
Mazola, Taita Taveta (Mwakitau)	FDG	11	Beneficiaries, female
Mazola, Taita Taveta (Mwakitau)	FDG	7	Beneficiaries, male
Vitengeni, Kilifi (Madamani)	FDG	8	Beneficiaries, female
Mtsara Wa Tsatu, Kilifi	FDG	8	Beneficiaries, female
Mtsara Wa Tsatu, Kilifi	FDG	8	Beneficiaries, male
Mwachabo, Taita Taveta (Kamtonga)	FDG	7	Beneficiaries, male
Mwachabo, Taita Taveta (Kamtonga)	FDG	7	Beneficiaries, female
Bamba, Kilifi (Paziani)	FDG	8	Beneficiaries, male

ANNEX 4: APPROACH

The review team used a multi-layered approach including document review, field visits to beneficiary communities, and interviews with donors, government, implementing partners, and beneficiaries, including:

- Desk review of metadata including reports from technical papers from CALP, VAM, WFP Bulletins, WFP Standard Performance Reports, WFP Kenya Country Program Reports, IP program proposals, award documents, Quarterly Reports, and Annual Results Reports.
- Field work in Kenya January 12 – March 05, 2017, including 34 KI interviews, 2 in-depth beneficiary interviews, and 8 FDGs. All FGDs were done in semi-arid counties of Kifili and Taita Taveta.

Life Histories come from in-depth qualitative interviews conducted using methodology adapted from ODI (Scott and Diwakar, 2016).