

Responding to drought in Kenya using cash and vouchers: Six key questions from previous experience

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April 2017

Cash and vouchers have been used in drought response interventions in Kenya for some years. Early warning indicators have triggered crisis payments via the Hunger Safety Net Programme; cash for assets interventions have reached thousands of households and a myriad of cash and voucher programmes have been implemented in urban and rural areas.

With parts of Kenya again affected by drought, cash and vouchers form a major part of the current response. As work progresses, there is need to ensure learning from previous interventions is considered. CaLP reviewed previous reports on the use of cash/vouchers in drought responses in Kenya and identified 100 lessons, recommendations and observations which deserve consideration by those involved in cash programming todayⁱ. We have brought these down to six key questions which all donors and implementing agencies should consider:

- 1. Who should receive cash transfers?** Stakeholders need to be actively involved in developing targeting approaches. Targeting criteria need to be clearly defined and difficult to manipulate. While community validation processes have many benefits, the possibility of elite capture of processes at local levels needs to be considered. If people lack identity cards, alternative approaches are needed and different programmes may be required for some groups to avoid the risk of vulnerable people being excluded. Consideration could be given to rewarding field teams for low inclusion and exclusion errors. Retargeting should be completed during longer term interventions.
- 2. How much can you work with others?** Weaknesses in the coordination of cash based responses, combined with the fact that there are multiple actors using cash in a variety of ways, brings risks in relation to differing transfer values, duplication, exclusion and accountability. Opportunities to plan and implement programmes together should be sought, with efforts made to harmonise cash values, agree targeting approaches and utilise inter-agency forums to share learning and address common issues.
- 3. What do you expect cash to achieve?** In many cases, recipients spent most of the cash on food. But while food security increased, the impact on dietary diversity was sometimes limited. This differs from a recent literature review by ODI (non-Kenya specific) which found that ‘among 12 studies reporting on impacts on dietary diversity, seven show statistically significant changes across a range of dietary diversity measures, all being improvements’. In contrast the evidence on anthropometric outcomes was limited and the majority of studies did not show a statistically significant effectⁱⁱ. As well spending to meet today’s needs, people often invest in ‘forward looking’ investments such as paying school fees and related costs. In many cases, people are well versed in the ‘right’ answer to questions about how they use cash transfers and more in-depth discussion may be needed to understand how money is actually used.
- 4. How will you distribute the cash?** Decisions on transfer mechanisms should build on assessments, previous experience and on-going developments in the arid lands. There is need to consider the rapid development of technical solutions, network coverage, links to social protection systems; plus, for instance, training, the need for good information and the ability of providers to resolve operational problems quickly. Where possible, people should have a choice of payment modality. The performance of banks and other payment agents should be monitored to ensure service levels to beneficiaries are maintained.
- 5. Are the markets working?** When considering cash-based interventions, priority should be given to areas where market risks are low and manageable and financial services are available. In some contexts, wealth groups may be inextricably linked – for example, the poorest may depend on the slightly less poor for creditⁱⁱⁱ - and this should be considered in planning. Continued market monitoring is needed during implementation to ensure cartels do not form. Payment agents outside county capitals may have problems maintaining liquidity during scale-up, so issues of liquidity should be considered in planning and monitoring.
- 6. What about issues of manipulation, malpractice and corruption?** Cash is widely viewed as less prone to corruption than food/non-food aid in Kenya. But many issues still exist. Targeting and registration risks include political influence and nepotism. Risks related to payments include ‘brokers’ collecting money from recipients to speed-up services and community members acting as middlemen to collect cash on recipients’ behalf. Malpractice may include payments being ‘skimmed’ by agents, recipients being forced to purchase goods or take goods on credit if liquidity problems

exist. In some cases, accusations of agent malpractice may arise due to a lack of understanding about the amounts that different recipients are entitled to. To help mitigate risks, there is need for strong market and post-distribution monitoring, effective communication and clear, well, managed complaints mechanisms. Joint analysis and monitoring of corruption-related risks can help identify and mitigate risks.

Cash Transfer Programming in Kenya: Some of the Actors

- The Kenya National Safety Nets Programme (NSNP) is a Government Social Protection programme that was established to provide a common operating framework for the government’s Cash Transfer programmes. The programme comprises four components^{iv}:
 - Three components have national coverage and target Persons with Severe Disabilities, Older Persons and Orphans and Vulnerable Children Cash. They are managed within the Department of Children’s Services and the Department of Gender and Social Development, both under the Ministry of East African Community, Labour and Social Protection.
 - The fourth component is the Hunger Safety Net Programme (HSNP) which delivers unconditional cash transfers targeting poor and vulnerable households in four counties namely Turkana, Marsabit, Mandera and Wajir. The first phase of the HSNP (2008-2012) provided cash transfers to 69,000 households with a biometric smart card via local payment agents. In Phase II (2013-2017), the HSNP expanded and now reaches almost 100,000 households across the four counties. The HSNP is designed to scale-up in times of emergency with additional payments made when pre-defined criteria are met. The HSNP is managed by the National Drought Management Authority, under the Ministry of Devolution and Planning.
 - In addition, the Urban Food Subsidy Programme operated in Mombasa on a pilot basis in 2012-13.
- Between 2012 and 2015, WFP worked with various implementing partners to deliver a multi-million-dollar Protracted Relief and Recovery Operation. WFP provided conditional and unconditional transfers (food or cash) targeting refugees, host communities and schools. It supported food insecure households in arid and semi-arid lands to cope with and recover from the effects of recurring drought (WFP, 2015a). WFP programmes continue.
- In recent years, multiple other agencies have used cash and vouchers as part of their drought responses in Kenya. According to reviewed reports, these include: ACF; ACTED; Adeso; Concern; COOPI; GOAL; Islamic Relief; Kenya Red Cross Society; Mercy Corps; Oxfam GB; Save the Children; VSF-Germany.
- A wide range of modalities and payment providers are used, involving conditional/unconditional and restricted/unrestricted transfers with payments were made via bank accounts; mobile phones; smart cards and vouchers.

References:

The points above draw together learning from: *Concern and OPMG (2011) Evaluation of Concern Kenya’s Korogocho Emergency and Food Security Cash Transfer Initiative Final Report by Ian MacAuslan and Lilly Schofield; DFID (2014) HSNP Phase II Registration and Targeting Lessons Learned and Recommendations. By Catherine Fitzgibbon; Fitzgibbon C (2016) Shock-responsive social protection in practice: Kenya’s experience in scaling up cash transfers, in Humanitarian Practice Network; HSNP (2016) Evaluation of the Kenya Hunger Safety Net Programme Phase 2: Drought Emergency Scale-Up Payments Process Review – Final Report; IFRC (2011) Operational Research: 2011 Cash Transfer Samburu & Marsabit; KRCS and IFRC (2015) Kenya Drought Response Evaluation Report, Focus on Marsabit and Baringo Counties; Oxfam (2013) Market analysis for preparedness: the urban informal settlements of Nairobi by Brady C and Mohanty S; OPMG, Concern and CaLP (2013) Factors Affecting the Cost Efficiency of Electronic Transfers in Humanitarian Programmes by O’Brien C, Hove F and Smith G; Transparency International (2011) Food Assistance Integrity Study Analysis of the 2011 Drought Response in Kenya; WFP, GOK and ECHO (2013) Market Dynamics and Financial Services in Kenya’s Arid Lands; WFP, GOK and ECHO (2013a) Market Dynamics and Financial Services in Kenya’s Arid Lands (Executive Brief); WFP (2015) External Evaluation of WFP’s Cash Transfers for Schools Pilot Project, March 13-March 14; WFP (2015) Info from www.wfp.org/operations/200174-protracted-relief-and-recovery-operations%E2%80%94kenya-200174*

For a fuller list of recommendations and reports related to drought response in Kenya see: [Responding to drought in Kenya using cash and vouchers: Learning from previous experience.](#)

Comments or suggestions on the issues raised? Please get in touch with KPeachey@cashlearning.org

ⁱ CaLP (2017) [Responding to drought in Kenya using cash and vouchers: Learning from previous responses](#)

ⁱⁱ ODI (2016) [Cash transfers: what does the evidence say?](#)

ⁱⁱⁱ Oxfam (2013) [Market analysis for preparedness: the urban informal settlements of Nairobi](#)

^{iv} Information about the NSNP drawn from the [social protection](#) and [HSNP](#) websites