EVALUATION OF CONCERN'S POST ELECTION VIOLENCE RECOVERY (PEVR) PROGRAMME

Final Report

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Executive summary

Concern's Post Election Violence Recovery (PEVR) Programme was a cash transfer programme operating in areas of Kenya affected particularly badly by the violence that followed the announcement of the national election results in late 2007. The violence that followed the election displaced large numbers of people, threatened the food security of many more, and destroyed livelihoods and weakened the Kenyan economy. Following a period of relief work, Concern focused, with the PEVR programme, on helping vulnerable households affected by the violence to rebuild their livelihoods while improving their food security. After a successful pilot in the Kerio valley (in the Rift Valley), Concern implemented a cash transfer programme in Nairobi, Nyanza, and the Rift Valley.

Building on several other cash transfer programmes in post-emergency and emergency settings, the PEVR programme had several innovative design features:

- It provided a food security grant and a livelihoods grant at the same time, to enable households to meet their food needs and invest in rebuilding their livelihoods.
- It indexed the value of the cash transfer to local food prices and household size, ensuring that a constant real value of cash was provided.
- It delivered the cash transfer through MPESA, a mobile phone based system that delivered cash straight to recipients' phones.
- It worked through partner organisations who knew the areas in which they were working.

This report details the evaluation of the PEVR. The evaluation methodology revolved around in-depth interviews and focus group discussions conducted in Nairobi and Nyanza. The guides for the interviews and focus groups were developed after an inception phase (involving meeting Concern staff and a review of programme documents) and were piloted and tested in Korogocho in Nairobi. Focus groups and in-depth interviews were conducted with recipients, non-recipients, and recipients through nominees, and in-depth interviews were also conducted with partner staff. After fieldwork, initial findings were presented to Concern staff in Nairobi for validation.

Overall, the programme was viewed very positively by the majority of partners and recipients. Partners felt the programme assisted those who received the transfer, either through a temporary support to basic needs at a time when people were still struggling with high prices and fragile livelihoods, and with more lasting impact as recipients invested in businesses or were able to absorb medicines and nutrients and start working. Recipients were uniformly delighted and often reported boosts in self-confidence as a result of receiving the transfer. Negative impacts were rare and were related to poor communication, uncertainties in Concern's budget, the speed with which the programme was implemented.

Combining food and livelihoods grants was highly effective where it was implemented well. Although recipients did not spend the entire food transfer on food, they were better able to meet their household food needs and also pay school fees and rebuild their livelihoods. The evaluation did not find evidence of misuse or disincentives to work.

More specifically, the indexing of the transfer to household size and market prices was effective and useful and should be repeated in further transfers. However, recipients were sometimes confused by the variation in the amount they received and this made them on some occasions less confident to challenge programme staff when they thought they had received insufficient amounts. For longer-term transfers, the fiscal implications of indexing the value to local prices will need to be considered.

The MPESA delivery system was effective and highly valued by recipients, and should be repeated. The MPESA distribution system was universally considered to be the best method of distribution, delivering direct to recipients and allowing them to keep their transfers secret. However, careful thought needs to be given to the most appropriate programme for those unable to use mobile phones or collect the transfer themselves, who had in the PEVR to choose nominees to collect on their behalf. The nominee system was open to abuse and recipients valued this far less.

The targeting process selected vulnerable households affected by the violence, as intended. However, because the targeting process was largely outsourced to community members and partner staff with limited time, often those selected were not the most vulnerable and were in many cases known personally to those doing the targeting. While the targeting criteria remain valid, further consideration could be given to the specification of the targeting mechanism to improve its fairness and organisation.

The evaluation suggests that this programme model could be usefully repeated, with small adjustments, in post-emergency and normal situations in Kenya and elsewhere. Partners would largely like to implement the programme again, and recipients look forward to its return.

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Abbreviations

ARV	Anti RetroViral
DECT	Dowa Emergency Cash Transfer
FACT	Food and cash transfer
FBO	Faith-based organisation
HIV/AIDS	Human Immunodeficiency virus/auto immune deficiency syndrome
IDP	Internally displaced person
NGO	Non-government organisation
OPM	Oxford Policy Management
OVC	Orphans and vulnerable children
PEVR	Post-election violence recovery
PLWHA	People living with HIV and AIDS

1 Introduction – post-election violence and response

1.1 The violence after the election, 2007/2008

The announcement of the closely contested 2007 Presidential Election results on 30th December sparked off violence never witnessed before in the history of independent Kenya. The extent of the violence, its widespread nature and the vicious attacks on ethnic lines took the world and especially humanitarian agencies by surprise. The violence shook the country's foundation and left in its wake a humanitarian crisis of unprecedented proportions: over 1500 people lost their lives, between 400,000 and 600,000 were internally displaced[1], and over 500,000 were left in dire need of emergency assistance.[2] Accurate data are hard to obtain, but it seems that while at least half these internally displaced people were in camps, others sought to return to their ancestral homes.[3] Effects of the violence and displacement were particularly severe in Western Kenya, the Rift Valley, and amongst business owners in major cities including Nairobi, Kisumu, Eldoret, Nakuru and Naivasha.[4]

The crisis had various immediate humanitarian implications and high economic costs. The humanitarian implications should be seen in a context of high and sustained poverty, with pockets of significant vulnerability exacerbated by the violence.[5] Many of those displaced were destitute. Malnutrition was exacerbated by rocketing food and petrol prices in Nyanza (particularly), or by lack of access to farms in the north Rift Valley.[6] Low cereal production as a result of both poor rains and poor access to farms had knock-on effects on food availability elsewhere in the country, including Nairobi. Health systems and care-seeking behaviour were disrupted. For example, one study found that cholera mortality in western Kenya was very high in a 2008 outbreak, in part because of factors exacerbated by the violence.[7] The violence affected patients' adherence to HIV treatment, particularly children from minority tribes.[8] Health centres' ability to produce essential supplies exacerbated these problems. In addition to nutritional and health problems, there were serious specific concerns around sexual exploitation and violence.

In terms of the economy, people lost jobs and were excluded from their livelihoods, and suffered secondary effects of economic slowdown. One estimate puts these costs at Ksh100 billion (USD1.5 billion), focused on western regions that are already amongst the country's poorest.[9] Livelihoods were affected not only by the displacement but also by violence that directly or indirectly damaged businesses. For example, according to a

[1] UN estimate reported at http://news.bbc.co.uk/1/hi/world/africa/7239234.stm

[2] Concern Worldwide proposal (2008).

[3] International Crisis Group (2008)

[4] OCHA humanitarian update, 16-19 February 2008.

[5] Oluoko-Odingo (2009)

[6] International Crisis Group (2008).

[7] Shikanga et al (2009).

[8] Vreeman et al (2009).

[9] International Crisis Group (2008).

February 2008 report, the fishing industry in rural Nyanza was badly damaged as few lorries were prepared to travel from Nairobi to collect catches.[10] In major towns, including Kisumu and Nairobi, shops and businesses were looted, forced to close, or destroyed, and many formal sector jobs were lost. According to the Kisumu Business Districts Association, the city may need twenty years to recover.[11] The violence also affected the functioning of important sectors, such as tourism, tea, and flowers, which not only provide employment for many Kenyans but also generated important multiplier effects.

The Kenyan government's response to the crisis was led by the Ministry of Special Programmes, which coordinated with the Kenyan Red Cross and implemented in partnership with a range of civil society organisations including Non-Governmental Organisations (NGOs) and Faith Based Organisations (FBOs). The response initially provided basic needs to displaced persons in camps, focusing on protection, food, education, health, water and sanitation. However, while basic needs in camps appear to have been met, there remained substantial concerns about the situation of displaced persons outside camps, and conditions within camps deteriorated with the onset of the rainy season, the duration of the crisis and pressures on support networks and resources.[12]

1.2 Concern's response

Concern was involved in both the initial response to the crisis (providing initial emergency relief), and in a further recovery programme (the subject of this paper). This combined approach sought to link relief and development and to help recipients of aid to not only regain basic needs but to participate actively in development processes.[13]

The first element of the response was the provision of emergency relief. Concern, in partnership with FBOs and NGOs, provided support to the internally displaced persons (IDPs) living in the formal and informal camps, host communities, and IDPs in transit. Concern's responses to the emergency were divided into two phases:

- Phase I: Early January to end February: a total of 165,144 beneficiaries received relief support: 23,448 in Nairobi; 87,456 in Rift Valley and 87,456 in Nyanza. A total of 78 children were treated for severe acute malnutrition in Nairobi and Kisumu slums, while staff from 7 health facilities were trained in prevention and management of severe acute malnutrition.

- Phase II: Early March to end June: a total of 279,343 beneficiaries were provided relief support: 18,890 in Nairobi; 31,178 in Rift Valley and 29,246 in Nyanza. A total of 29 severely malnourished children were treated in Nairobi while an estimated 200,000 acutely malnourished children have benefited indirectly from the intervention in Nairobi, Nyanza and Western province.

[10] International Crisis Group (2008).

[11] Reported in International Crisis Group (2008: 19).

[12] ODI 2008; International Crisis Group (2008)

[13] See Buchanan-Smith and Maxwell (1994) for arguments in favour of this combined programming.

The two emergency relief phases were followed by two recovery phases that used cash transfers to support the recovery of households affected by the violence in terms of regained food security and livelihoods:

- In phase I of the recovery, Concern piloted the use of mobile phone cash transfer technology (M-PESA) for bulk cash transfers in early 2008 in the Kerio Valley, one of the most remote parts of Kenya. This pilot was externally evaluated and a range of recommendations for expansion were made.[14]
- In phase II, the Post Election Violence Recovery (PEVR) Programme was designed in-line with the National Peace Accord signed by the two political parties, the Early Recovery Strategic Framework for Kenya and lessons from Concern's M-PESA cash transfer pilot. A wider cash transfer programme was rolled out, in partnership with NGOs and FBOs, from August 2008 to 6,522 households in Nairobi slums, Kisumu slums, rural Nyanza, Kitale and Eldoret. With an average of 6 members per household this represents about 39,132 vulnerable people who were still experiencing the consequences of the post election violence.

The PEVR programme focused on immediate humanitarian assistance to victims of violence with special attention to food insecure households.

- The principle objective of the PEVR programme was to enable severely affected rural and urban populations in Nyanza, Nairobi and North Rift Valley to mitigate the negative impact of the post election violence and resume productive roles in the national development process.
- The specific objective was to meet short-term food security needs of IDPs and returnee/resettled households, thorough the provision of targeted food aid

The PEVR was highly relevant to the effects of the violence, not only for linking relief and recovery, but also because its design was particularly appropriate in two ways. First, following recommendations made from the pilot and in several other cash transfer evaluations[15], **transfers were indexed to household size and local market prices**, and were **sent to families through their mobile phones**. This was intended to address potential inflationary concerns and to meet household food entitlements for households of varying sizes. The food support element was calculated to provide a food basket comprising of basic food items like maize, beans, sugar, salt and oil designed to meet 50% of the calorific requirements of household members. On average Ksh 600 per household member was sent monthly through M-PESA for a period of 3-6 months to enable households to buy food.

Second, the PEVR **combined food and livelihood support**. The monthly food security grant was combined with a one off 'business grant' of between Ksh 3000 and 6000 given to households who had lost livelihoods. This business grant was designed to restore households' on and off-farm income generating activities affected by the violence and to therefore assist in Kenya's economic recovery while ensuring humanitarian needs were met.

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[14] Brewin (2008).

[15] Brewin (2008); Devereux et al 2006; Devereux et al 2007.

1.3 Report structure

This report presents an evaluation of the PEVR, examining the targeting, impact, design and implementation of the programme. The next section sets out the evaluation methodology, which centred focus group discussions and semi-structured interviews, but also drew on an assessment of the programme database. Section 3 examines the design of the programme and presents a programme theory of change that drives the evaluation questions.

Section 4 presents findings on the impact of the programme, considering food security, livelihoods, and other impacts. Section 5 presents findings on targeting, section 6 on the distribution mechanism and section 7 on the implementation of the programme. Section 8 concludes with recommendations of changes to the programme that could be made in the future, with a focus specifically on Concern's current urban livelihoods and social protection cash transfer programme.

2 Evaluation methodology

This chapter sets out the methodology used for the evaluation, starting with the **evaluation questions** in section 2.1. Section 2.2 details the **evaluation methods**, which were mainly **qualitative fieldwork** with a review of programme documentation and the programme database.

2.1 Evaluation questions

The key objective of the evaluation is to evaluate the appropriateness and effectiveness of the strategy (e.g. a cash transfer) and the approach (e.g. implementing in partnership with local organisations and delivering the transfer through M-PESA) Concern has taken to achieve the programme objectives. The key evaluation questions are:

1. whether the programme has achieved its desired impacts:
    a. that recipients of the cash transfer can access enough food,
    b. that recipients of the business grant can restore the livelihoods they had before the post-election violence,
    c. and whether there are any other community or household level impacts.
2. whether the programme targeted recipients as designed:
    a. the most vulnerable of
    b. those displaced by the post-election violence, and
    c. those with a livelihood before the election (for the business grant),
    d. and whether the programme methodology for targeting was appropriately designed and followed.
3. whether the programme's distribution mechanism was most appropriate for achieving the desired impacts in a manner that is effective and helpful for recipients. Two aspects of the distribution mechanism are particularly important:
    a. distributing cash (rather than food), and
    b. distribution through MPESA (rather than e.g. SmartCards or post office distributions).

The evaluation also seeks to answer questions on the appropriateness of the design and the effectiveness of the implementation of the PEVR programme in terms of timeliness, working through partners, and payments and targeting mechanisms.[16] These questions seek to feed into an overall assessment of the PEVR programme and to provide recommendations and directions for future cash transfer programming, focusing particularly on Concern's current urban livelihoods and social protection cash transfer programme.

2.2 Evaluation methods

The evaluation drew principally on a review of programme documents, qualitative fieldwork, and analysis the programme database. The geographical scope of the evaluation was decided in conjunction with Concern staff, who argued that research in

[16] See Annex A for full Terms of Reference.

four programme areas in Nairobi and urban and rural Nyanza would provide both the most interesting and most useful findings moving forward, since these were areas where future programmes were more likely to be implemented and where the model of the programme (working with established partners) was more likely to be replicated. The evaluation therefore does not cover Eldoret or Kitale. The areas chosen also mixed rural and urban locations, which was important since impacts, targeting and distribution were expected to be quite different in rural and urban areas.

2.2.1 Meetings and document review

A short inception phase comprised meeting Concern staff and reviewing programme documentation.[17] Meetings with Concern staff were designed to check the evaluator's understanding of the programme; to ensure that the proposed evaluation methodology and questions reflect their needs adequately; and to provide the evaluator with further documentation. The review of programme documentation was designed to develop a deeper understanding of the programme's theory of change, following on from meetings with Concern staff, and to produce initial findings on the programme. These documents included reports from partners on the progress of the programme, reports from Concern staff on their monitoring work, and project proposals and other documents. Potential discrepancies between the design of the programme and its objectives were identified at this stage and this informed fieldwork design. Hypotheses and programme assumptions to be tested were identified, and this fed into the design of the tools, which were shared with Concern staff for review, and then piloted.

2.2.2 Qualitative fieldwork

In-depth interview and focus group guidelines were developed on the basis of the above consultations, and reflected the need to generate information principally about targeting, impact and distribution mechanisms. Guidelines were also developed to be applicable in each area (whether rural or urban), and therefore to elicit differences in these areas in the way in which the programme was 1) designed for each area (for instance differences in targeting methodologies between rural and urban areas), 2) run in practice, and 3) viewed by recipients and non-recipients.

The guidelines were developed with the focus group facilitator and drafts were shared with Concern staff. The drafts were piloted in Korogocho, an area of Nairobi where the programme was running. Korogocho was not included in the final evaluation and findings from Korogocho have not been included in this report. The final guidelines are available as an attachment to this report.

Focus groups and in-depth interviews were conducted in Mathare (Nairobi), Kisumu (urban Nyanza), and Rarieda (rural Nyanza). Further in-depth interviews were conducted in Kibera (Nairobi).

Focus groups were conducted in Mathare and Kisumu with 'direct recipients' (those receiving the transfer directly to phones), 'nominee recipients' (those who received the transfer through a nominee named either by the recipient or by the partner organisation), and non-recipients. In Rarieda, a rural setting, non-recipients were not aware of the

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[17] Meetings with Concern staff took place on Friday 4th September 2009 and 19th October 2009, and subsequently informally during fieldwork.

programme, and there appeared a particular issue with recipients chosen by the partner, so a second group of nominee recipients replaced the non-recipient group there. These groups are set out in Table 2.1

Table 2.1 Focus groups conducted

Province	Area	Direct recipients	Nominee recipients	Partner recipients	Non-recipients	Total
Nairobi	Mathare	1	1		1	3
Nyanza	Kisumu	1	1		1	3
Nyanza	Rarieda	1	1	1		3
Total		**3**	**3**	**1**	**2**	**9**

In each of the four locations, in-depth interviews were conducted with direct and nominee recipients, non-recipients, and a variety of partner staff and others who were assisting in the implementation of the programme (such as community workers in charge of selection). In Rarieda, however, a formal interview with partner staff could not be arranged however a member of the partner staff from Rarieda was informally interviewed in Nairobi after fieldwork, and while not cited directly the results from this interview do not change the conclusions presented here.

Table 2.2 Interviews conducted

Province	Area	Direct recipients	Nominee recipients	Partner recipients	Non-recipients	Partner and other staff	Total
Nairobi	Mathare	2	1	1	2	1	**7**
Nairobi	Kibera	3	1	4	1	3	**12**
Nyanza	Kisumu	3	3	1	3	7	**17**
Nyanza	Rarieda	4	2	4	1	5	**16**
Total		**12**	**7**	**10**	**7**	**16**	**52**

Direct and nominee recipients were sampled at random from database lists provided by Concern staff.[18] Direct recipients were called on the number they provided to ask about

[18] Recipients were separated into two lists (direct and nominee) and these lists were ordered by assigning a random number to each household and then ordering the list numerically.

their availability for group discussion or interview (households were not invited to both), and if they were unavailable for interview or group discussion or impossible to contact they were replaced with the next household on the randomly ordered list. In some cases, interviewees were able to contact directly households whose phone number had changed, meaning these households were not replaced. Given the impossibility of finding individual households with only a name, nominee recipients were contacted via the nominee listed in the database. This was risky in the sense that the interviews sought information about the nominee's performance from the recipients. In some cases, nominees were able easily to provide us with contact details for the nominee recipients and the research team contacted them directly. In other cases, nominees (including partner staff) would inform the team of their recipients' location, and in others, nominees would take the team to their recipients. In each eventuality, nominees were not present during interviews or focus groups. Some nominees were also interviewed. Non-recipients were recruited through snowball sampling. The research team identified two or three non-recipients who appeared on a subjective basis no wealthier than recipients, and ask whether they had heard of the programme. If so, they were asked to gather further non-recipients like them.

There were therefore different levels of insulation of fieldwork from partner staff and nominees. Fieldwork with direct and non-recipients was conducted entirely independently of partner staff in almost all cases, except in a few cases where a) partner staff showed the research team where the recipient lived or b) the recipient called partner staff to check that they could speak with the research team. Fieldwork with nominee recipients was far less insulated, but rigour was maintained because a) only those selected for focus groups or interviews were present for the group or interview and b) nominee recipients were still selected randomly from the database list.

FGDs were conducted by local researchers in the language that suited the participants (usually Swahili in Nairobi and Luo in Nyanza). Groups aimed to have between 5 and 8 participants, and lasted for 1.5-2 hours. Groups were conducted in locations that were neutral in terms of the programme – either in NGO offices (not of the organisations implementing the PEVR programme) or government buildings (again not associated with the programme). Interviews were conducted in respondents' houses or places of work, in privacy. Groups and interviews were recorded on paper and with an MP3 recorder, and groups typed up. Findings from groups and interviews were triangulated and checked in a presentation given to Concern staff on 18th November.

2.3 Programme database

The evaluation also drew on analysis of the programme database, which provides comprehensive information on recipients' characteristics and payments made using data collected during registration and entered at every payment cycle. This analysis was used to triangulate findings from the qualitative research (particularly checking whether recipients' reports of transfers matched the transfers made according to the database), and to provide basic descriptive statistics of recipients and the transfers made to them.

2.4 Limitations of the research

Given the limited range of geographical locations visited, and the small number of individuals spoken to, the evidence presented here should not be taken as representative of the programme. Rather, the evidence is indicative of the programme in Nairobi, Kisumu and rural Nyanza. Given the triangulation between recipients, non-recipients, partner staff, other implementers and Concern staff, and supported by the database, it is likely that the conclusions presented below are valid for Nairobi, Kisumu and rural Nyanza. However, the conclusions are not statistically representative of these areas and should certainly not be interpreted as valid for other programme areas.

The timing of the evaluation always has some bearing on the findings. First, the evaluation was conducted up to 12 months after recipients had received their first transfer, requiring them to recall a significant time period to talk about targeting and use of the money. Often, therefore, respondents' memories of targeting processes and of the exact amounts they received are likely to be approximate unless they have clear reasons to recall or remember them. The conclusions presented here therefore limit their force where they rely on these recollections. For instance, conclusions about targeting are only presented when triangulated with different respondents, and concerns with underpayment only reported when the underpayment is significant.

Second, the evaluation was retrospective only: there was no baseline with which to compare and therefore the evaluation relies on individuals' and groups' perspectives of change and of processes around the programme, rather than presenting any statistical assessments of changes in variables measured at two points of time.

Third, the findings on impact discuss the sustainability of the programme's impact. However, only 12 months at the most have passes since the programme was running, so longer-term sustainability impacts cannot be discussed here.

3 The design of the PEVR programme

This chapter sets out and analyses the design of the PEVR programme. The next section presents the **programme's rationale and objectives** and argues that they are congruent with current theory and evidence on cash transfer programming in emergencies. Section 3.2 presents the assumptions behind the **design and value of the food security grant component** and Section 3.3 presents assumptions behind the **design and value of the business grant component**. Section 3.4 presents the design of **the targeting process**. Section 3.5 sets out **the M-PESA payment mechanism**. Section 3.6 presents the different **partners** involved in delivery and presents some brief information on **recipients**.

3.1 Rationale and objectives

Concern's objectives for the PEVR programme explicitly linked relief and recovery, aiming to "mitigate the negative impact of post elections violence and [allow recipients to] resume productive roles in the national development process."[19] This approach builds on a 'developmental approach to relief' that argues that relief should not undermine development but should contribute to it as far as possible by, for example, delivering cash that recipients use in markets to buy food, strengthening markets and delivering multiplier effects.[20] The principal aim of providing cash in the PEVR programme is to enable recipients to not only safeguard their food security but also to rebuild livelihoods and stimulate local economies.

As a recovery programme, the PEVR cash transfer seemed appropriate. There is increasing theory and evidence to suggest that cash transfers are appropriate in emergency and post-emergency situations, and this was backed up in many cases by the pilot evaluation findings.

- Cash transfers cause and contribute to significant improvements in food security in emergency and post-emergency situations, provided cash values are sufficient to cover some basic food needs, either are indexed to inflation or inflation is negligible, and markets are functioning, [21] The pilot found that "there is no doubt that the programme temporarily increased beneficiaries' food consumption and the assistance was appreciated not just by the direct recipients, but also by members of the wider community from which the beneficiaries were selected."[22]
- Cash transfers are particularly appropriate for helping people rebuild their livelihoods.[23] Rebuilding livelihoods is a high priority for most households affected by emergencies, and in particular in Kenya where the economic costs of the violence were very high. The pilot did not present evidence on this, since livelihoods in Kerio Valley are based largely around livestock that were too expensive to purchase with

[19] Concern PEVR Programme Proposal.

[20] Buchanan-Smith and Maxwell 1994

[21] Creti and Jaspars 2006, Devereux et al 2007, Harvey 2007.

[22] Brewin 2008: 28.

[23] Ellis 2000, Creti and Jaspars 2007, Harvey 2007

the small transfer, which unlike the full PEVR programme did not include a livelihood grant.

- Cash transfers allow recipients to choose what they purchase, where markets are available, rather than being forced to receive one type of commodity. This makes:
    - Recipients feel more empowered by having choice.[24] Maintaining the dignity of populations affected by conflict is an important objective of recovery programming. As the Kerio Valley pilot evaluation pointed out, "it appears that the pilot had a strong impact on beneficiary empowerment and dignity."[25]
    - For more efficient resource allocation decisions, and recipients seem to prefer the flexibility of spending on their own priorities rather than receiving goods in kind.[26] This of course introduces questions around intra-household allocation and decision-making, and many cash transfer programmes prefer to deliver cash to women, since they are felt to prioritise humanitarian needs, particularly of children.
    - For greater flexibility, such that recipients can spend across a range of useful items, including food and livelihoods. The evaluation of the pilot found spending on both food and non-food items (29%) that "demonstrates the advantage of flexibility that cash has over straight food transfers."[27]
- Cash transfers can stimulate markets and trade, and this can lead to longer term recovery.[28] The pilot evaluation did not examine the effect on markets, but noted that markets were functioning.
- Cash transfers are relatively cheap to deliver, in comparison with food aid.[29] The pilot evaluation found an alpha ratio of 96% for the cash transfer, compared to an alpha ratio of 82% for the food transfer.

Against this theoretical and empirical background, the PEVR programme was reasonably expected to have impacts on food security and livelihoods, while maintaining choice, dignity and flexibility, stimulating markets, and being relatively cheap. Given the situation in Kenya after the post-election violence described above, this type of programme seems highly relevant.

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[24] Creti and Jaspars 2006; Harvey 2007; Bailey 2007; Devereux et al 2007;

[25] Brewin 2008

[26] Creti and Jaspars (2006: 8) conclude in a review of Oxfam emergency cash transfer programmes in Bangladesh, Cambodia, Kenya, Uganda, Afghanistan and Haiti that "recipients stated that they preferred cash-based programmes to commodity-based assistance because cash gave them choices: to buy goods and services according to their own priorities, to meet immediate needs, and to invest in future livelihood assets. When cash is used to buy food, people can buy the familiar foods that they like." Harvey (2007) reports of an IRCR project in Niger that the choice given to farmers by the cash enabled them to manage their farms better.

[27] Brewin (2008: 23).

[28] An IRFC project in Niger was found to increase weekly market turnover by 40% (Harvey 2007). An analysis of Concern Worldwide's Dowa Emergency Cash Transfer Programme in Malawi found an economic multiplier of between 2 and 2.79 (Davies 2007).

[29] An analysis of Concern Worldwide's Dowa Emergency Cash Transfer Programme in Malawi found that the cash transfer's alpha ratio (proportion of total cost of transfer that went to households) was typically higher than for the equivalent food transfer (Devereux et al 2007).

According to discussions with Concern staff, the programme was expected specifically to 1) provide enough food to recipients and 2) restore their livelihoods to their pre-election status. We discuss these expected impacts and how the programme was designed to meet them in turn.

3.2 Food security grant

3.2.1 Theory

The programme sought to provide enough food to recipients without compromising their independence (by providing them their full food entitlement) and within a reasonable programme budget. Within these parameters, the value of the food support transfer was based on a calculation of 50% of the value of a minimum food basket that would provide adults with 2,200 kcalories each day for three months. This is in line with the pilot and with other programmes that seek to provide recipients 'Missing Food Entitlement' rather than their full calorific needs.

What assumptions are entailed if a transfer to provide 50% of household's calorific requirements is expected to leave recipient households with enough food? 'Enough food' consists of the household being able to obtain (through purchase, labour, production or transfers) food to meet the daily calorific requirements of each of its members. In the absence of calorific measurements, and taking into account levels of food insecurity before the election (that the programme was not designed to address), this will be operationalised as being able to obtain the food that households were obtaining before the election.

The provision of cash at 50% of the calorific consumption of each household member (index-linked to local food price inflation) would only allow households to meet 100% of household calorific needs if:

a) food is obtainable from local markets with cash,
b) the index-linking of the transfer is correctly reported and up to date,
c) recipients face the same prices as reported in the market,
d) recipients can smooth food consumption during the period between disbursements,
e) the cash has no income-displacing effects,
f) recipients spend the food transfer on food until they have met their household food needs (and then on other items), and
g) households can obtain the other 50% (or more, depending on the amount of the transfer they spend on food) of food needs from other sources.

While all these assumptions were tested in the research, it is easy to see that assumption (f) is very unlikely to be met, and experience with cash transfers show that recipients do not spend cash transfers solely on food. This was pointed out in the pilot evaluation, which argued that the value of the cash was eroded through inflation (dealt with by indexing as set out below), sharing across households and spending on other items. There seems no reasonable way to both retain the benefits of the flexibility of cash and ensure that households spend the cash on food. Nor were Concern expecting or hoping that recipients would spend all the food security transfer on food. While the programme objectives were specific and explicit on food security and livelihoods, Concern anticipated and welcomed household expenditure on essential non food items such as soap and kitchen equipment, social services such as education and health, and investment in business. Concern did not prescribe household expenditure patterns and encouraged partners to give households the freedom to determine the most pressing priority for cash usage.[30]

The setting of the food security grant at 50% of the value of daily calorific requirements, therefore, was never likely to provide 50% of household's food needs. Rather, the food security grant should be seen as an attempt to support households' food security by providing a fixed real value of cash, with the expectation that households would spend on a range of goods and items with food being the most significant, but not the only item which households would purchase.

3.2.2 Design

3.2.2.1 Transfer size

How was the food bundle calculated? Based on a Save the Children analysis in Ethiopia,[31] it was estimated that the value of the basket per household of 6 per day should be around USD3, and a list of commodities was adapted to the Kenyan context. In a planning workshop, partner staff listed typical commodities consumed in their areas, and a food basket covering 50% of households' monthly calorific requirements was developed.[32] Table 3.1 sets out the amount of commodities required in Kenya to consume 1,100 kcalories per day, multiplied up to a monthly amount for a household of 6, which is what was discussed at the workshop.

Table 3.1 Food basket

Food Item	Kg/person /day	Kcalories/day	Quantity required per month for household of six members	Total kilocalories provided per month	Estimated Cash value (in KES)
Maize	0.25	832.5	45kg	149,850	Based on actual market assessment
Beans	0.67	60.0	12kg	10,800	Based on actual market assessment
Cooking oil/fat	0.01	88.9	2kg	16,000	Based on actual market assessment
Sugar	0.02	86.7	4kg	15,600	Based on actual market assessment
Salt	0.003				Based on actual market assessment
Total		**1068.1**		**192,250**	

* The Government Standard for adult daily requirement is 2,200 kilo cal. Total calories per household member per month ((192,250 ÷ 6) ÷ 30) = 1068.1 kilo cal, which is nearly 50% of the recommended daily adult minimum requirement.

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30 Although in practice partners marketed the food security grant as a food security grant (as we discuss below).

31 Reported in Chastre et al (2007).

32 Post Election Violence Recovery Programme Partners' Workshop Report, 24th-25th July 2008, Sunset Hotel, Kisumu.

** Although milk for children under 5 years was not listed, it is anticipated that the children's household cash allocation will be used to purchase milk for them.

The food security grant was made monthly for a period of 3 months, which is a common time period for cash grants. The assumption was that this period should be sufficient to facilitate households' transition from food insecurity after the conflict to food security through more dynamic livelihoods as the economy recovered. Transfers were made monthly, rather than fortnightly as in the pilot, in order to reduce the amount of time spent by recipients collecting the transfer.[33]

3.2.2.2 Indexing the transfer to household size and market prices

The PEVR programme introduced an important innovation, based on the pilot findings and other experience with cash transfer programmes, that the **value of the transfer would be index-linked to local market prices**. As the pilot evaluation concluded, "steep food prince inflation…served to reduce beneficiaries' purchasing power to the extent that the transfer could only buy about 25-33% of minimum daily calorific amounts."[34] Since the PEVR programme sought to provide recipients with 50% of their calorific requirements, and not a fixed cash value, the value was linked to market prices so that it would always provide the same amount of food. Partner organisations therefore assessed the cost of this basket by collecting prices in local markets every month.

For the same reasons, the value transferred to each household was also **proportional to the number of household members.** Larger households' calorific requirements would therefore be met to the same extent as smaller households'. The multiplication was insensitive to whether there were adults or children in the household.

The indexing of the transfer to local market prices and to household size has clear theoretical benefits in terms of social protection. Several reports have pointed out the risk in cash transfer programmes that price inflation erodes the value of the transfer and reduces its social protection benefits,[35] but there are relatively few examples of this in practice. Two exceptions are programmes implemented by Concern in Malawi: the Food and Cash Transfers (FACT project, and the Dowa Emergency Cash Transfer (DECT). These both indexed the cash transfer to household size and adjusted the cash value by local market prices. Evaluations of these programmes[36] endorsed these variations. However, they noted that recipients of the DECT did not accept falling transfer values (as market prices went down). Despite sensitisation about the design of the programme, recipients were "inadequately prepared for the…reduction in cash transfers….it created distrust and suspicion," (Devereux et al 2007: 31). In the PEVR programme, therefore, sensitisation of recipients would be an important requirement for the variation in cash transfer size, but given the post-emergency setting, implementing this fully was not easy, as we discuss.

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[33] Post Election Violence Recovery Programme Partners' Workshop Report, 24th-25th July 2008, Sunset Hotel, Kisumu.

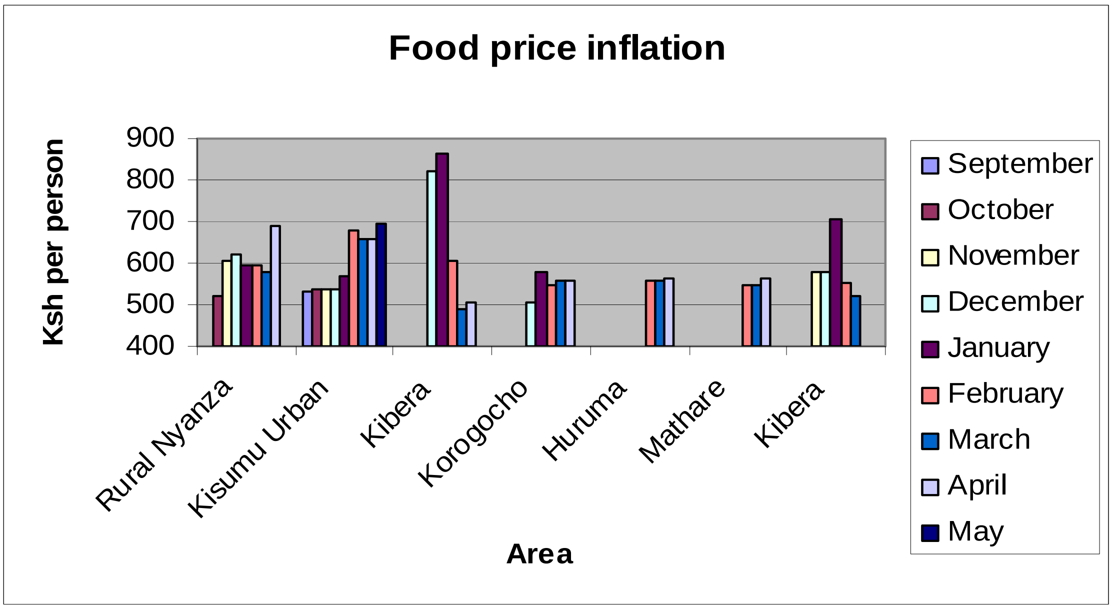
[34] Brewin (2008: 34)

[35] Creti and Jaspars 2006, Harvey 2007, Bailey et al 2008.

[36] Devereux et al 2006, 2007.

In practice, indexing was very important because food prices and household sizes did vary substantially over the course of the project, and the cash transfer value responded to this. Figure 3.1 and Table 3.2 illustrate fluctuations in commodity prices over the project duration in the different project areas. In Nyanza, food prices rose by 25% during the programme period, reflecting high inflation in the country overall. Not indexing the transfer to inflation would have resulted in 25% decreases in its value in Nyanza. Given the massive fluctuations in food prices, it was clearly worth indexing the transfer value to food prices. Figure 4.1 also shows that cash transfer values reflected the changes in food prices and that this reflection corresponded to the market prices changes reported by the partner.

Figure 3.1 Cost of monthly food basket[37]



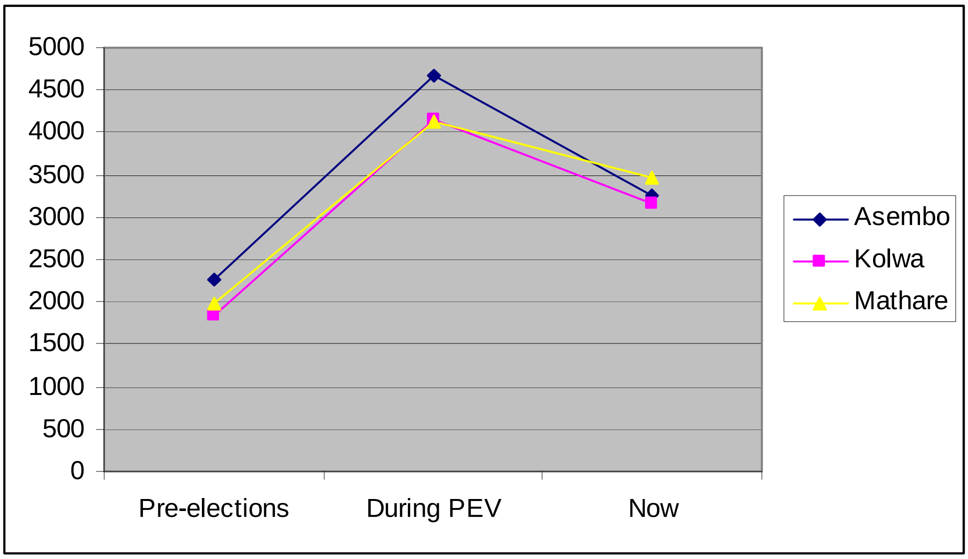
[37] Calculated from partner reports of food prices.

Table 3.2 Inflation of the basket cost[38]

Partner	Area	% price change (measured by partners)	% transfer value change (database)	Max per person transfer[39]	Min per person transfer
Gadece	Rural Nyanza	24.6%	24.8%	690	519
KUAP	Kisumu Urban	23.5%	22.9%	646	498
Kicoshep	Kibera	40.3%	43.4%	864	489
RGC	Korogocho	12.8%	13.0%	579	504
RGC	Huruma	0.7%	0.7%	564	560
RGC	Mathare	2.5%	2.5%	564	550
CTK	Kibera	26.2%	25.2%	707	529

The pattern of food price changes over the project period was confirmed through interviews with respondents as shown in figure 4.2.

Figure 3.2 Reported changes in food basket cost[40]



Each area displays the same pattern, with food prices virtually doubling immediately after the election. This alone would have generated significant food insecurities, but

[38] Calculated from partner reports of food prices and from the programme database.

[39] These final columns are generated from average per person transfers from the database. Since the database entries are sensitive to outliers and data entry error, the differences between the % change as measured by partners and the % change of transfer values is not concerning

[40] This figure is constructed from respondents' views of prices changes for each commodity before and during the post-election violence, and now. Respondents were asked to estimate unit prices of maize, beans, sugar, cooking oil/fat and salt in each period. These prices were then averaged in each area (i.e. across the three focus groups) to construct average per kg prices for maize, beans, etc. There were no significant differences between groups' estimations. The commodities were then multiplied up to the quantity required, according to the programme, for a monthly food basket (based on half the calorific requirements of a family of 6, see Table 3.1), with maize being the most important. The cost of this food basket was then calculated by summing the costs of each commodity

coupled with the stresses placed on livelihoods by the violence; these prices could have produced critical food shortages. Respondents feel that although prices have come down from the immediate post-election period, they have remained high relative to before the election. This, they feel, is largely driven by general inflation and shortages in food production caused by drought, though both factors are exacerbated in their view by the inactivity or worse of the government and its politicians.

Food prices reported by respondents compare with food prices reported by the partners (see Figure 3.1). Usually, partners reported prices per person of between Ksh 500 and Ksh 700 in these areas, which would imply between Ksh 3000 and Ksh 4200 for the entire household, which fits the data below very well. Finally, the last two columns in Table 3.2 show that each member of recipient’s households received between Ksh 550 and Ksh 600 per month, indicating that transfers were well calibrated to covering 50% of household needs, as intended by the programme.

The variation in the amount of the transfers by family size was also critical in practice because family sizes ranged between 1 and 16. As Table 3.3 indicates, most households contained between 4 and 8 members. With the varying amount of transfer by household size, each member of every household would receive on average between Ksh550 and Ksh600 per month depending on market prices. The final columns of Table 3.3 compare this with the value per member of a fixed, irrespective of household size, Ksh1500/month transfer. For households containing between 4 and 8 members, the average monthly per member transfer is between Ksh375 and Ksh188, or between 62% and 33% of the PEVR transfer. Varying the transfer by household size therefore corrects an otherwise substantial variation in the transfer value per person, and this correction is vital in order to maintain a stable calorific transfer per person.

Table 3.3 Variation in transfer by family size

HH size	HH	% total HH	Total food grant received (3 months)	Ksh/ member	Ksh/ member/ month	Ksh per member (fixed 1500/month transfer)	% value per HH member of varying transfer
1	150	2%	1717	1717	572	1500	262%
2	163	3%	3494	1747	582	750	129%
3	482	7%	5327	1776	592	500	84%
4	925	14%	7200	1800	600	375	62%
5	1174	18%	8786	1757	586	300	51%
6	1158	18%	10498	1750	583	250	43%
7	936	14%	12122	1732	577	214	37%
8	659	10%	13742	1718	573	188	33%
9	443	7%	14990	1666	555	167	30%
10	239	4%	16327	1633	544	150	28%
11	108	2%	19133	1739	580	136	24%
12	44	1%	20169	1681	560	125	22%
13	7	0%	22870	1759	586	115	20%
14	8	0%	25276	1805	602	107	18%
15	5	0%	27271	1818	606	100	17%
16	2	0%	28008	1751	584	94	16%

The design of the PEVR programme food security grant was therefore critical to its support to households' food security. In later sections we examine the positive impact that the grant had on households' food security, but also note that variations in the transfer value generated some of the same sorts of confusion as reported in the DECT evaluation, partly due to the short sensitisation period.

3.3 Livelihoods grant

3.3.1 Theory

A second major innovation of the PEVR programme was **the delivery of a one-off livelihoods grant** to households who were already receiving the food support grant, with the aim of restoring livelihoods to their pre-election level. This was particularly relevant given the large economic costs of the post-election violence note above.

This is innovative because most cash transfer programmes have a single objective, such as food security, but the fungibility of cash makes realising this objective difficult (as reflected in the discussion above on whether households will spend the food security grant only on food).[41] Where programmes recognise the broad uses of cash, they often aim to "help people meet basic needs during difficult periods, and invest in their livelihoods in easier times."[42] The PEVR programme is unusual in attempting explicitly to do both with two slightly difference instruments, and this twin objective is fittingly in line with linking relief and development.[43] The theory is that households receiving the three monthly food security grants will have largely met their basic needs supported by this grant, and that the livelihoods grant will therefore support the restoration of livelihoods.

While the programme sought to restore livelihoods, the fungibility of cash means that households can invest in whatever livelihood seems most appropriate in a time and context. Restoring livelihoods to their pre-election violence level means not that recipients had identical livelihoods, but that households were able to draw on a similar variety of livelihoods (a measure of diversity and therefore resilience) and that these livelihoods produced similar incomes (a measure of productivity) as they did before the election.

The distribution of a one-off cash grant to restore livelihoods assumes that:

a) cash is a sufficient means of restoring livelihoods,
b) the programme can adequately estimate the cost of setting up a livelihood,
c) recipients have access to similar market structures as before (i.e. if they sold potatoes before they were displaced, their new location has similar spaces in the market),
d) displaced people are able to sell goods or services or produce in their new locations, and
e) they face similar input costs.
f) recipients whose primary income source was tillage and farming had access to land to continue farming activities

[41] Harvey 2007, Bailey et al 2008

[42] Harvey (2007: 17)

[43] Buchanan-Smith and Maxwell 1994

3.3.2 Design

Households were identified to receive the livelihoods grant on the basis of their livelihood before the election. Households without livelihoods or who were engaged in casual labour were not considered.

At the partner workshop, several common economic activities were identified by partners and categorised into trading, artisan/*jua-kali*, transporters, animal keepers and plant cultivators.[44] Partners estimated the approximate value of capital required to restart these activities as follows:

Table 3.4 Value of the livelihoods grant

Livelihood	Approximate capital (Ksh)
Animal keepers – animal restocking	6,000
Artisan/cobblers	5,000
Cultivator/small-scale farmer	5,000
Trading/selling vegetables	3,500
Transporter/pushcart	6,000

Clearly, these values were not intended to be exactly appropriate to the situation of each recipient and covered a wide range of businesses in each category. However, they were intended to provide an approximate value required to restart a previously existing livelihood in these categories.

Recipients of the livelihoods grant were to be provided with some basic training on how to invest the grant, with appropriate investments varying depending on the project areas. In urban areas and particularly Nairobi, potential investments in small businesses were many, while in rural areas, such as Rarieda, fewer investments were likely to be available, and livelihoods revolved around mainly cultivation, animal-keeping or possibly selling fish.

3.4 Targeting

3.4.1 Theory

Most cash transfer programmes seek to transfer cash to only a particular group or type of people. ‘Targeting’ in this way is useful because it can help to save money, prioritise the most needy in a context of scarce resources, and reduce inequalities. However, targeting recipients is not straightforward. Targeting can be costly; can have negative consequences when those not selected are angry and undermine the programme or the

[44] Post Election Violence Recovery Programme Partners’ Workshop Report, 24th-25th July 2008, Sunset Hotel, Kisumu.

community, or when those selected feel stigmatised; and can go wrong when the wrong people are excluded (exclusion error) or included (inclusion error) at the time of targeting or later on. Targeting is particularly challenging using cash transfers in emergency contexts, because time is short and cash is desirable to everyone.[45]

Targeting is not always feasible in every context. In many African countries, targeting is challenging because high levels of poverty mean that target groups selected on poverty alone tend to be very large – meaning that programmes are expensive even if targeted.[46] Moreover, effective targeting is challenged where limitations in administrative capacity that restrict the possibilities for implementing complicated targeting criteria and processes. While large target groups based on poverty may be acceptable in small programmes, therefore, any programme with the possibility of scaling up to a national level needs to consider the fiscal cost of having a large target group, the administrative capacity needed to implement it and the likelihood of developing a political consensus to fund it.[47] Programmes still wishing to target often in practice use simple targeting methods that select recipients based on a characteristic or category, such as orphanhood, that is reasonably easy to detect, limits the population targeted, and could form the basis for political consensus. However, this blunt approach is sometimes not accepted by communities,[48] and has been criticised for not effectively targeting poverty or vulnerability. These issues present dilemmas for those designing cash transfer programmes.

In practice, targeting involves three questions, best considered simultaneously: (1) whether to target; (2) who to target; and (3) how to identify members of the target population. While most assessments of targeting focus on the effectiveness of the mechanism used to identify target populations, programme designers need to answer all three questions. This requires considering a range of financial, political, and administrative issues, and careful thought about the objectives of the programme and the context in which it operates.

(1) Concern needed to target the PEVR programme for financial and administrative reasons. While the programme sought broadly to assist those affected by the post-election violence, assisting all of those affected was beyond the financial or administrative capacity of the Kenya office.

(2) Targeting can a) restrict the target population geographically, b) restrict the target population on the basis of household or individual characteristics, or c) both. The more significant the budget constraints, the smaller the target group or quota must be.

Geographical targeting (working only within a fixed geographical boundary) is a relatively easy way to focus resources on areas of particular need, where there is sufficient administrative capacity to implement programmes, or whether there is

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[45] Harvey 2007, Bailey 2008. Cash does not always seem to be substantially more difficult than in-kind transfers from this point of view.

[46] Hurrell and MacAuslan 2009.

[47] Concern's urban livelihoods and social protection cash transfer programme, in partnership with the government, may wish to bear these points in mind.

[48] See e.g. Ellis 2008 for community perceptions that 'we are all poor here' and so we should not be targeted in sub-groups.

consensus around an intervention. Geographical targeting generates large exclusion errors but can reduce costs substantially and where organisations are working in partnership, it can be effective as a mechanism for dividing responsibility for different areas, provided that organisations in the partnership together cover all the areas where the programme is needed. In the PEVR pilot programme, for instance, geographical targeting was done in collaboration with local leaders to choose locations where people affected by the post-election violence were concentrated in a relatively small area.

Targeting on the basis of household or individual characteristics is more complicated. Often, criteria such as poverty, vulnerability age, health status, orphan or widowhood are used, or communities are asked to set their own criteria. In some cases, the programme will simply use a quota based on need (being very poor, or very young) or sometimes even first-come, first-served. But selecting which criterion (or which mix of criteria) involves careful thought about which types of people the programme is trying to work with, relating directly to the objectives of the programme. It also involves a more careful assessment of need in specific contexts, a consideration of the administrative capacity required to separate out members of the target group from the general population, and thought about what the impacts of this might be.

(3) There are a range of mechanisms to identifying target areas or populations. The identification of target areas is usually straightforward, using data on poverty or health, and knowledge about capacity. Identifying target populations is much more challenging.

Mechanisms for this could be placed on a continuum from extractive to participatory. ‘Extractive’ mechanisms involve external agents assessing households (probably using a questionnaire) to gauge whether they have the characteristics for eligibility set by the programme. For example, the programme decides that households below a certain consumption poverty level will be selected, and sends enumerators to each household in the target area to ask questions about their consumption, before calculating their eligibility using this information. Many means-tested benefits are of this type. ‘Participatory’ mechanisms involve allowing communities to set their own criteria for selection and to identify those to be included in the programme. Usually, this would come with a quota (or everyone might be selected), and would usually be facilitated by an external agent to try to minimise the abuse of power in the community. Other mechanisms fall between these two poles, and many mechanisms combine extractive elements (identifying households using a questionnaire) with more participatory elements (community validation of the targeting criteria and the final group).

In deciding which mechanism to use, programme designers face a range of considerations:

- Doing no harm. The first principle of development interventions is highly relevant in targeting mechanisms. Poor design or implementation of targeting mechanisms can cause conflict, stigma, and confusion amongst communities, particularly in post-emergency situations where tension is already high. Upholding this principle implies that targeting mechanisms should be fair, transparent and comprehensible.

- Minimising exclusion errors.[49] The mechanism should exclude as few eligible individuals or households as possible.
- Minimising inclusion errors. The mechanism should include as few ineligible individuals or households as possible.
- Minimising cost and administrative pressure. Some targeting mechanisms will not be feasible given the available budget and timescale for the transfer, particularly in post-emergency situations where there is often a need to move as quickly as possible.

There is no clear consensus on the most appropriate way to design targeting mechanisms in a given context. Extractive mechanisms have been criticised for being inappropriate (if programme designers select the 'wrong' criteria for selection), disempowering, and confusing.[50] Participatory mechanisms have been criticised for being susceptible to elite capture or discrimination within communities, for being implemented with highly variable quality,[51] for being inaccurate, and for generating tensions.[52] Even in participatory mechanisms, the problem of setting an appropriate quota still remains. The relative administrative and financial costs of different mechanisms are still not clear. Such is the uncertainty that the Hunger Safety Net Programme, a large cash transfer programme targeted on extreme poverty in northern Kenya, is trialling three different targeting mechanisms: community-based targeting (where communities generate categories of vulnerability and then identify households in each category, up to a quota in each community), age-based targeting (any household containing someone over 55), and dependency ratio targeting (where eligible households are identified using extractive information and a ratio calculated externally).[53]

However, there is some available evidence of successful targeting processes in different cash transfer programmes in Africa. In the DECT, for example, groups of men, women and elders in each community met independently to rank their community into different wealth categories. Any household named in the poor category by each group was included. Evidence from the DECT (and FACT) evaluations shows that this targeting mechanism can be effective in terms of community acceptance and minimising inclusion error.[54] The Orphans and Vulnerable Children (OVC) cash transfer programme in Kenya used an extractive mechanism (questionnaires with community validation) to target poor households (on a set of asset ownership characteristics) containing at least one OVC. The programme was geographically targeted with each location having a quota of households. The OVC cash transfer programme included only 2% households without OVC, so inclusion errors on OVC status were low. However, the programme included many households who were not the poorest, so poverty-related exclusion errors were high.[55] This was principally because of

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[49] Cornia and Stewart (1993) demonstrated that on most welfare functions, minimising exclusion is more important in welfare terms than minimising inclusion.

[50] See e.g. Sharp 2001.

[51] Coady et al 2002

[52] Wahenga 2008

[53] See www.hsnp.or.ke for details.

[54] Devereux et al 2007

[55] Hurrell and MacAuslan 2009.

inaccuracies in geographic targeting, in a weak poverty screening test, and due to dynamic exclusion error (households become poorer after targeting).

3.4.2 Design

As in the pilot, Concern targeted the PEVR programme both geographically and on particular groups. Geographical targeting was based on the areas affected by the post-election violence and on areas where Concern's current or potential partner organisations worked or could feasibly work. This included three areas in Nairobi slums, two areas in the Rift Valley (Kitale and Eldoret), and two areas in Nyanza (Kisumu and rural Nyanza). As noted in the introduction these were all areas significantly affected by the violence. Areas covered by the PEVR expanded those covered in the emergency relief phase of Concern's post-election violence work, based on the recognition that individuals and households needed assistance beyond their programme areas.

There were two different types of targeting criteria for individual groups. In geographic areas where Concern had existing partnerships in health, nutrition, education and HIV and AIDS, the programme sought to target existing beneficiaries of the relief programme who were vulnerable and who had been affected by the post election violence. Maintaining contacts with existing beneficiaries seemed an important principle of doing no harm, and not affecting relationships significantly. Partners were encouraged to select those with the highest vulnerability and could include families hosting internally displaced persons as a result of the violence. Including hosts was important since, as pointed out in the introduction, hosting IDPs was placing a large burden on host communities, particularly in a context of rising food prices. In geographic areas where Concern did not have existing partnerships, the targeting criteria were aimed at the most vulnerable victims of post election violence, or for families hosting victims.

For the livelihoods grant, recipients were designed to be among those selected for food security cash transfer who had a viable business prior to the post-election violence and whose livelihoods (including farming) had been destroyed as a result of the violence. This criterion was not likely to be poverty-focused (since it excluded households who had no livelihood prior to the election), but was intended to select those most affected. The transfers would focus mainly on women, since they were perceived to be good managers and agents of peace.[56]

The targeting mechanism used to select these households was discussed at the partner workshop. Two slightly different mechanisms were initially discussed, to cater to the different rural and urban settings. In rural areas, the process was designed as follows:

- "Define and set vulnerability criteria through a consultative process with community members
- In a public forum, explain the cash transfer programme providing details related to amount of cash, frequency of transfer, mode of transfer, number of beneficiaries, and criteria and strategies for selecting beneficiaries

[56] Concern, 2009, 'Humanitarian Final Narrative Report'.

- Agree with the leadership on the composition of the group tasked with drawing up the initial beneficiary list and the time frame to draw it up.
- Present proposed beneficiaries in a public forum and give a defined period of time and a contact for the public to refute or suggest alternatives to the list
- In parallel, have an independent team randomly select 10% of the beneficiaries on the list for physical verification (team will visit the household and verify against the agreed criteria)
- Publically announce the final list."[57]

This was similar to the process used in the Kerio Valley pilot, which took place in a rural area. In urban areas where insecurity is higher and community members' knowledge of each other is lower, the process was designed differently:

- "Define and set vulnerability criteria through a consultative process with strategic community members (members of the community familiar with individual community members and their situation – this could be church leaders, community leaders, women's leaders, etc)
- Explain the cash transfer programme to strategic community members providing details related to amount of cash, frequency of transfer, mode of transfer, number of beneficiaries, and criteria and strategies for selecting beneficiaries
- Agree on the composition of the group tasked with drawing up the initial beneficiary list and the time frame to draw it up.
- Establish an independent team randomly select 10% of the beneficiaries on the list for physical verification (team will visit the household and verify against the agreed criteria)."[58]

While Concern and partners agreed that the targeting process must always be transparent and accountable,[59] the rural approach is more participatory than the urban. In rural areas, targeting involved broader public discussions of vulnerability criteria, public explanations of the transfer and public announcements and verifications of the final list of recipients. In urban areas where many parties involved in conflict still lived, it was felt that the tension following the conflict and the lower levels of trust made such participatory mechanisms dangerous. Indeed, as we shall demonstrate, the distribution mechanism was partly designed – and greatly appreciated by recipients – for keeping the transfer secret from non-recipients and thereby reducing security threats. This desire for secrecy clearly stands in tension with a desire for transparent and participatory targeting mechanisms.

However, although targeting was initially designed to follow community based targeting methods, ethnic divisions exacerbated by the post-election violence coupled with widespread insecurity in the areas necessitated a shift in targeting method. In practice, beneficiaries were selected by partner staff in consultation with community

[57] Concern, n.d., 'Targeting approaches for cash transfers through mobile phones'.

[58] Concern, n.d., 'Targeting approaches for cash transfers through mobile phones'.

[59] Post Election Violence Recovery Programme Partners' Workshop Report, 24th-25th July 2008, Sunset Hotel, Kisumu

leaders and other prominent members of the community. This shift in plans is an important lesson for targeting cash transfers in post emergency contexts.

In both rural and urban areas, therefore, the identification of vulnerable households was done in an 'extractive' way through the administration of questionnaires. Partner staff and volunteers would identify prospective recipients (those affected by the violence who were already benefitting from partner programmes) who would provide details on a range of vulnerability characteristics (either in their own homes in house-to-house visits or at a centralised registration point). In rural areas, the provision for community verification of the list remained.

Households affected by post-election violence were defined as households that contain individuals who, for instance, were unable to return to their permanent place of residence as before the election, lost their business during the violence, lost property, or suffered injury or death. While the targeting process envisaged a 'participatory' community mechanism to identify vulnerability criteria, vulnerability was defined at the partner workshop in categories such as child headed households, female headed households, living positive, elderly, chronic illness, caring for Orphan and Vulnerable Children, disability, pregnant and lactating mother, fresh returnees, widows/ widowers, etc. These categories formed the basis for any further elaboration of vulnerability with community leaders or members.

3.5 Distribution mechanism

A further significant innovation of the PEVR programme was the use of a **mobile phone cash transfer system** (MPESA) to deliver cash to recipients. MPESA allows distributors to text cash to mobile phones which can be redeemed at any one of a wide network of MPESA agents. This is unusual in cash transfer programmes because the MPESA system does not function in many countries outside Kenya.

3.5.1 Theory

The distribution mechanism refers to the way in which the programme transfers goods (in this case cash) to recipients, once selected. Distribution mechanisms matter in social protection programmes because the way in which goods are distributed has implications for:

- The time and financial costs imposed on the recipients in collecting the goods. These can include direct (i.e. payments for travel or accommodation) or opportunity (i.e. income lost when not working) costs of taking time to travel to collect a resource, and whether inflexibility in the payment process (having to collect from a particular point on a particular day) means recipients miss out on productive opportunities.

  The FACT project, which gave recipients sealed envelopes from fixed distribution points, was considered by recipients to be reliable and useful, but some distribution points were felt to be hard for elderly recipients to reach.[60] In the DECT, which used mobile banking paypoints to deliver cash to recipients with Smartcards given

[60] Devereux et al 2006.

by the programme, half the recipients spent more than one hour travelling in each direction to collect the transfer in the first month. After improvements to the distribution network, only 30% of recipients spent more than one hour travelling in subsequent months.[61]

The MPESA distribution used in the pilot project should have reduced costs to recipients since they could in theory collect the cash from any of a network of agents at any time. However, most recipients had to travel up to 20km and spent most of the day collecting the transfer because in that area there were very few MPESA agents where they could collect the cash, and Safaricom (the company running the MPESA system) had set up an agent to operate on one day specifically for the project. The evaluation found that the time for recipients to collect the cash was no different to food collection, but that some recipients argued that food distribution was less time-consuming since they did not have to make a second trip to the market, as they did in the cash distribution.[62]

- The dignity of recipients. The FACT transfer was made in individualised sealed envelopes, which recipients felt was more dignified since it meant they could avoid waiting for cash to be counted out. The MPESA system in the pilot was similarly popular, and giving recipients mobile phones improved their sense of power.

- Security and social tensions. These can arise when others in the community know that recipients are collecting a valuable resource, and seek either to steal it or disrupt the distribution, or feel jealous. The FACT project took a low key approach to distribution with no security guards and no reports of problems, although the evaluation noted concern about the feasibility of this plan in scaled up programmes. The DECT project was slightly scaled up and had security officers, but no insecurity was reported.

  The MPESA system in the pilot project required security because it operated in a remote rural area where security “is not ideal.”[63] The evaluation argued that the MPESA system was preferable because it reduced the distances travelled by large amounts of cash. It found no security incidents during or after collection, which was supervised by armed police officers, but raised concerns about whether security issues would arise in a longer-term transfer.

- The costs to distributors of delivering goods, where transport, staff and security have to be engaged in delivering the resource. The FACT delivery was highly resource-intensive as each envelope was checked 7 times, and DECT costs were raised by the use of the Smartcard, so that they were not obviously cheaper in terms of distribution than the equivalent food distribution[64].

[61] Devereux et al 2007.

[62] Brewin 2008: 19

[63] Brewin 2008: 16.

[64] Devereux et al 2007: 19.

The pilot used MPESA because of the large costs involved in distribution in the FACT project.[65] However, the pilot evaluation did not conclude on whether significant savings were made, partly because the pilot was very short term, and because the pilot had to distribute phones to over 60% of households, asking households to share in groups of 10. Once equipment costs were excluded, the transfer costs in the MPESA pilot were only 2% of the project total.

3.5.2 Design

The PEVR programme followed the pilot in using a mobile phone based distribution system. MPESA allows money to be transferred directly by text to a mobile phone with an MPESA account. To register for MPESA a national identity card is needed. The money is received whenever the phone is switched on in network, and is stored on the phone until the recipient chooses to redeem it at any MPESA agent by presenting their phone and identity documents. Agents receive a fee for each transaction, paid for by the programme not the recipient. Further details on MPESA are available in Annex A.

Expected advantages and disadvantages of the MPESA system are presented in Box 3.1

[65] Brewin 2008: 13

Box 3.1 Pros and cons of MPESA distribution

Pros:

- Provides cash directly into the hands of the beneficiary
- Is relatively secure and secret
- Is a cost effective way to get resources to beneficiary
- Is a rapid strategy to get resources to a beneficiary
- Is a dignified emergency approach that enables to beneficiary to define household priorities.

Cons:

- Not everyone has the ID cards necessary
- Not everyone lives where there is electricity and phone networks
- Illiteracy makes it challenging for beneficiaries to be certain how much has been transferred over the phone
- MPesa requires training on correct use
- Some beneficiaries may be a long distance from the MPesa agent
- Transfer fees can be as high as 55% depending on the amount being transferred.

Source: Concern, n.d., 'Targeting Approaches for Cash Transfers through mobile phones.'

The pilot evaluation had concluded that "MPESA is a cost effective and secure way of delivering cash transfers to people living in rural areas."[66] Recognising problems faced by disabled or labour constrained households, however, it recommended that distribution sites should be increased and that households with limited mobility should be allowed to cluster together to appoint nominees to collect the transfer.

Recipients were divided into different types:

- Those with phones already registered for MPESA were made transfers direct to their mobile phones
- Those with phones not registered for MPESA were registered and transfers were made direct to their phones.
- Those without phones but capable of using them being registered for MPESA (i.e. with national identity cards and with literacy skills needed to use a phone) were given phones and received transfers direct to their phone
- Those without phones and not capable of using them or being registered for MPESA or collecting money from an MPESA agent (through e.g. incapacity) were asked to choose a 'nominee' that might be a friend or relative, or a member of the partner

[66] Brewin 2008: 34.

organisation implementing the programme, to receive the transfer on their behalf using their own mobile phone, and then give the transfer to the recipient.

Since the programme targeted vulnerable groups in some remote areas, many recipients fell into the latter categories and had to be issued with mobile phones or choose nominees (as in the pilot). This caused some problems for the distribution, as we explore later.

3.6 Overview of implementation

The programme was implemented by six different partners in three main areas (Nairobi, Nyanza and Rift Valley), between September 2008 and July 2009. Working with partners brought very considerable benefits in terms of learning and knowledge of the local areas, and Concern sought to recognise and benefit from the independence and diversity of these partners. This meant that the programme was implemented slightly differently by each partner, with many differences discussed with and agreed by Concern.

Table 3.5 Planned implementation

Time Frame		September to December 2008	January to July 2009	
Area	**Type of Support**	**Number of beneficiaries**	**Type of Support**	**Number of beneficiaries**
Nairobi Slums				
Christ the King Catholic Church	Food and Business	401 – (401 both food and business)		
KICOSHEP	Food and Business	304 – (304 both food and business)		
Redeemed Gospel Church	Food and Business	400 – (400 both food and business)	Food and Business	300 (300 both food and business)
Rift Valley				
Eldoret - Catholic Diocese	Food and Business	1,445 - (836 food only and 609 both food and business)	Food and Business	500 (500 both food and business)
Kitale - Catholic Diocese	Food and Business	634 – (634 both food and business)	Food and Business	500 (500 both food and business)
Nyanza				
GADECE	Food and Business	600 – (200 food only and 400 both food and business)	Food and Business	100 (100 both food and business)
KUAP	Food and Business	600 – (201 food only and 399 both food and business)	Food and Business	150 (150 both food and business)

Table 3.6 below shows the distribution of recipients according to partner and geographic area. More than half the recipients (51.39%) were located in the Rift Valley, the area worst hit by post election violence, followed by Nairobi (24.56%) and Nyanza Province (24.05%).

Table 3.6 Actual recipients by Partner and Geographic Area.

Partner	Geographic Area	Percentage
Christ the King Catholic Church	Nairobi – Kibera	9.07
KICOSHEP	Nairobi – Kibera	4.72
Redeemed Gospel Church	Nairobi – Korgocho, Mathare, Huruma	10.76
Eldoret - Catholic Diocese	Rift Valley - Eldoret	31.96
Kitale - Catholic Diocese	Rift Valley - Kitale	19.44
GADECE	Nyanza - Rarieda	10.81
KUAP	Nyanza – Kisumu East	13.24

A total of 6,522 households with a total of 37,683 people benefited from the PEVR programme. Of the 6,522 households, 73.3% of were headed by women. The breakdown of households according to main vulnerability category is shown in Table 3.7. The categories with the largest proportion of recipients were female headed households (36.57%), widows (26.7%), households caring for OVCs (25.75%), and fresh returnees (24.88%).

Table 3.7 Breakdown of Recipients by Vulnerability Category

Vulnerability Category	Number of Households	Percentage
Female Headed	2,386	36.57
Widow	1,742	26.7
Pregnant	403	6.18
Living Positively	905	13.87
Child Headed	175	2.68
Elderly	876	13.43
Chronically Ill	809	12.4
Caring for OVCs	1,680	25.75
Disabled	445	6.82
Fresh Returnee	1,623	24.88

Recipients who received funds directly through MPESA accounted for 73.74 percent of households. The remaining 26.26 percent of households received funds through a self identified nominee or a member of staff from the partner organisation.

4 Impact

4.1 Introduction

The findings on the impact of the programme will examine impact on food security and on business grants. It will also examine other unanticipated impacts as well as a short analysis of the sustainable effects of the interventions.

Some simple quotes are representative of the positive feeling expressed by many respondents:

> *"The transfer has really changed my life…Concern really helped."67 I*
>
> *"I would say the Concern money wiped away the tears on my eyes of being a widow because as a widow you are always despised, but after getting the money I was able to feed and clothe my children well and hence gain respect from the community."68*
>
> *"It was like your saviour coming."69*
>
> *"It was a window God opened at a time of need."70*
>
> *"Were it not for that money, even my brother's children would have suffered."71*

In general, then, recipients found the transfer to be extremely useful and supportive at a time when they were trying to recover from serious trauma. It not only provided them with direct support, but also had transformational effects both in terms of self-confidence and lasting improvements in well-being for recipients and their families. Nuances in these effects are explored below, but the headline message of the programme is clearly positive.

Moreover, the assumption that households in the programme needed support after the traumatic events following the election in late 2007 was clearly borne out by the research. The horrific stories of households' and individuals' loss, suffering and pain are well known and will not be repeated at length here. Each focus group and interview provided further indications of the trials that households felt. As a direct recipient from Kisumu put it, the post-election violence "interfered with everyone physically, emotionally and economically. It will actually take time to heal."[72]

[67] Nominee recipient FGD, Kisumu.

[68] Direct recipient FGD, Rarieda.

[69] Direct recipient FGD, Kisumu.

[70] Direct recipient FGD, Mathare (Nairobi).

[71] Direct recipient FGD, Mathare (Nairobi).

[72] Direct recipient FGD, Kisumu.

Households in each area lost wealth, stock, shelter, and family members, and further suffered as barriers to movement made procuring commodities more difficult and raised prices of commodities they purchased. High prices and damaged livelihoods that resulted from the post-election violence (later exacerbated by inflation and drought, principally) continue to be felt by households today. The general picture was that households were generally far better off before the election than they have been at any time since, although livelihoods have been recovering and prices (slightly) diminishing since the worst of the violence ended.

4.2 Impacts on food security

Impact on food security was dependent on factors related to the markets and factors related to the recipients.

4.2.1 Market Factors

Markets did not present problems for the cash transfer. Although there were certainly problems with food availability immediately after the election, food was generally obtainable from markets with cash for the duration of the project. No recipients reported transfer-led inflation, partly because the transfer was relatively narrowly targeted and of short duration, and was largely implemented in areas where markets functioned well, were large (i.e. buyers could choose between sellers) and could increase supply.

Partner staff were able to report prices to Concern immediately prior to the cash transfer. As noted above, food prices did change by up to 25%, and these price changes were reflected in changes to the value of the cash transfer. More than this, recipients also seemed to have faced the prices reported by partners, so the index-linking did deliver a value of the transfer equal to 50% of calorific needs.

4.2.2 Household Expenditure Patterns

Food consumption decreased immediately following the election. Before the election, most households reported having sufficient food to eat and rarely went to bed hungry. Immediately after the election, households consumed significantly less, as prices increased and opportunities to earn decreased. As respondents in Rarieda explained, "most occasions during the post election violence our children would sleep hungry because the prices of food stuffs were really up and there was no way you could go out do business or even farming because of the tense condition outside."[73] Children would eat only "porridge in the morning and that is what they will survive on the rest of the day,"[74] The transfer therefore started in a period when many households were already consuming relatively little, and when consumption was based on the cash available. As this group in Mathare put it:

> *Where I live it is not compulsory that you really eat, in the morning people just take maybe a cup of tea and mandazi. Then at around 2 or 3 you take something small to hold your stomach*

[73] Direct recipients FGD, Rarieda.

[74] Nominee recipients FGD, Kisumu.

> *and then you don't take anything in the evening. You wake up in the morning for tea. The day you get money, you eat well.*[75]

The majority of recipients interviewed viewed the cash transfer as a contribution to household cash and used it on the most pressing need at the time. While the amount of the cash transfer was calculated to be the cash equivalent of 50% of the food basket, it was very difficult to confirm that the transfers were sufficient to cover 50% of food needs since households rarely spent nor were they expected to spend the cash transferred only on food.

Another important factor to consider when analysing expenditure patterns is the magnitude of the needs faced by vulnerable households affected by post-election violence. While recipients reported spending money on food, they did not consume food up to recommended daily amounts. They spent money on food until members of their household had consumed two meals in a day, and then also spent on other items such as school expenses, medical costs, livestock, clothes, on "the issue of most importance" at the time.[76]

Households did not report radically changing their food consumption patterns as a result of the transfer. They were not usually able to smooth food consumption across the entire month as they rather focused expenditure on education, rent, health, debt repayment, business investment and other expenses. For instance, a recipient in Rarieda reported that "I just feed the way I used to because apart from food, the kids needs school fees, they need books they need uniforms and shoes. So if you decide to change your eating habit you will not be able to meet all their needs. So I just use to feed like before receiving the funds."[77] Another argued that "the money was not enough to carry me throughout the month but at least when I received it, it would take me a week or two, so it still made some difference because at this time I could feed my kids well and also pay their fees."[78] Once school fees and other expenses were accounted for, the remaining funds were not sufficient to cover food needs (and nor had Concern intended it to be).

Most households tended to spend the transfer immediately on pressing needs. Some households reported food rationing to make food last longer during the month. This could be achieved most simply by reducing consumption, such that "if you were using a kilo of flour per day you reduce it to half or quarter," and/or "at times you decide only take one meal a day." If you take one meal a day, you take dinner because people move around less after dark and you are less likely to have someone dropping in, when you would have to share food with them.

One exception to this was in Mathare where households were required to show receipts to the partner organisation from a particular supermarket to prove they had spent the transfer on food stuffs. Though Concern had not insisted that cash be spent only on food, recipients in Mathare spent on staples, and reported, "the food was enough, in fact

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[75] Direct recipients FGD, Mathare.

[76] Partner nominee recipients FGD, Rarieda.

[77] Direct recipients FGD, Rarieda

[78] Nominee recipients FGD, Rarieda.

it used to trickle down to the next month."[79] It should be noted that this is largely due to the relatively low normal food consumption during the post-election violence period.

This restriction on spending is interesting because it is in tension with one of the key benefits of cash transfers discussed above: the flexibility (and hence empowerment and efficiency) that cash offers. However, recipients were able relatively easily to circumvent this restriction and retain the benefits of flexibility, using various tactics: 1) "you slot it [the banned item] in the middle of the food items so that it is not easily detected,"[80] 2) you sell the food items after presenting the receipt to RGC, 3) if you own a shop you stock it up, or 4) you ask others for their receipts.

There was no evidence that the transfer displaced income earning. This is an important finding because it is sometimes assumed that households receiving cash transfers will no longer seek to earn income. Respondents were clear that the transfer could not be relied upon given its short duration, so displacing other sources of income was viewed as unwise. Indeed, the perceived sudden end of the transfer was a surprise:

> *Now the program ran for 3 months and it was over all of a sudden and you know if you were not used to the 3 meals a day lifestyle and you have been offered when you are still in that confusion stage of decision making on what to eat and right before you have stabilised, the free treat is over.*[81]

4.3 Impacts on livelihoods

As noted in the introduction, markets were felt to have changed for the worse after the election, as the downturn reduced the numbers of customers willing to pay for goods and raised input prices. For those in trade, the price rises caused problems because (for food), "we buy them at a high price and may even fail to sell them and they go bad,"[82] and additional problems are caused as suppliers of different tribes are now afraid to travel to sell goods in town. For any business, however, general declines in prosperity have contributed everywhere to lower demand for goods, and a more challenging business environment. Often, these were exacerbated when recipients had been forced to move by the violence. For instance, a recipient in Rarieda remarked that:

> *After receiving the Concern money [we] started up this second-hand cloth business, the markets around here are not as good as it was in Nairobi, because in Nairobi buyers were very many, but here the customers are very few, in that in a day you can end up selling nothing. So the markets in Nairobi were more profitable than the markets around here.*[83]

Poorer markets were coupled with the limited resources to restart businesses. Households reported the cash given was insufficient to restore the livelihoods they had

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[79] Nominee recipients FGD, Mathare.

[80] Direct recipients FGD, Mathare.

[81] Direct recipients FGD, Mathare

[82] Nominee recipients FGD, Mathare

[83] Nominee recipients FGD, Rarieda

before the election, especially when considering the scale of capital loss (machines, cars, shops and stock). These could not be recovered with average business grants of Ksh 4,600. Those who stayed in the same business such as sewing compensated by buying smaller parts such as parts of sewing machines with the business grant. Often, therefore, households did not spend the business grant on business, spent the grant on smaller elements of their business, or on new businesses. One recipient replied: "No, I did not go back to my old business because the Concern money was too small to start up that business. Poultry business needs such a huge sum of money as a start up capital. So I started up on a new business."[84] Nevertheless, the programme undoubtedly had a positive effect on households' livelihoods, and many households were able to set up new livelihoods or improve their existing ones.

The positive impacts were very clear, especially where the business grant was delivered at the same time as the food support grant enabling households to cover immediate food needs and treat the business grant as a separate grant. This is especially apparent in urban areas where business opportunities were more developed.

Positive impact was particularly apparent in Mathare, where the market for many goods and services had begun to pick up quite soon after the election violence ended and where the programme was implemented much as designed: entrepreneurs were selected for the business grant, were told they were receiving the grant, business plans were discussed with recipients, and training and mentoring was given on how to spend the grant. As a general result Mathare recipients were able to start new businesses, often in electronics, selling second hand clothes, trading, selling food, construction, and various other small businesses. Moreover, these transfers have had lasting impacts and have in many cases paid themselves off several times.

One recipient in Mathare discussed plans with RGC to set up an electronics shop to complement his electronics repair business that had continued after the election but which had suffered as many repair tools and machines had been stolen and damaged. After these discussions, the business grant contributed Ksh3000 to buying stock, which now generates Ksh500 per month in profit. See Box 4.1 for a further example.

The business grant had less impact in other areas of Nairobi and in Kisumu for a number of reasons:

1. In Kibera, while business had a similarly favourable environment to Mathare, recipients of the business grant were not necessarily entrepreneurs and in Kisumu, those selected were not in a position to do business due to disability or age. They had entered the programme based on their vulnerability rather than their entrepreneurship

2. Training on use of the business grant and restoring business was not always given and when it was, it was not always comprehensive. Follow up mentorship by the partner was not always given to recipients of the business grant. This resulted in some recipients choosing unmarketable businesses and low returns or reduced profitability.

[84] Direct recipients FGD, Kisumu.

3. Not all areas where the business grant was provided were thriving economic centres as was witnessed in Nairobi.

4. The timing of some business grants was not always at the same time as a food transfer. This was because business grants for farmers were timed with the planting season; however, it resulted in grants being spent on food rather than invested in business.

Overall, most households treated the cash transfers for food and business grant transfers as rather fungible and spent them on what seemed most pressing at the time, including business in many cases whether or not they received the business grant.

Given the extent of the damage done to many businesses, fully restoring livelihoods would have been an ambitious enterprise beyond the scope of the project. No doubt the programme contributed to setting up businesses and these have contributed significantly to well-being on a sustainable business.

Box 4.1 A business grant case study, Nairobi

My name is Margaret, I got 5000 for business, prior to that I got, 4500,thrice, for food.

Before the 2007 elections I was running a tailoring business next to the road, I had a sewing machine with which I used to make table cloths, get school uniform orders from schools and I also used to train people on how to sew, I had been doing the business for about 10 years and that is where I got my daily bread from.

After the announcement of the election results all hell broke loose. Here in Huruma there were two groups, one called Othaya *(this was associated with Kikuyus because that is the area where the president comes from)* and the other group was called Siaya *(this was associated with Luos thus associated with Raila).* The two groups started fighting because they are the majority tribe in Mathare and those of us from totally different tribes were being differentiated by our ability to speak kikuyu. Those who were able to speak the language could at least leave their house and go to the shops and buy some food but those who were not able to speak the language were either cut with pangas or killed or whatever they had bought plus their belongings were snatched from them. Luckily for me I was able to speak Kikuyu and my skin colour is light so I could easily pass for a Kikuyu.

In addition people around here know that I am a community worker as I had helped them on several occasions.

My business was totally burned and I was unable to salvage anything. All my equipment for business including the stock went up in flames. I was unable to go back to the same place and build after the violence because the parcel of land that my kiosk stood on wasn't mine and the owner of the place refused to lease it out to me again because we were from a different tribe from him.

Life became unbearably hard because I am HIV positive and for me to take my ARV drugs I need to take a balance diet. Needless to say food was very hard to come by, I just used to keep my ears open to wait and hear where free food was being distributed for me to go, queue and collect whatever it is that they were giving out. This life of living like a beggar was very stressful to me because I was used to fending for my own food.

Then I heard from Redeemed Gospel Church that there was help for people who had been affected by the election violence from Concern Worldwide. You know I have always been in the HIV support group that is sponsored by the same church. We were told that we will be allowed to join the Concern Worldwide program, we were chosen on a first come first serve basis.

I must admit the food cash that Concern Worldwide gave me and my family really helped particularly in restoring my health.

When I got the business grant, I went out and bought 3 rolls of materials, threads and all the accessories that I need to make the table cloths. I currently work from my house as I still don't have a kiosk, as where I used to work from the rent has been hiked form 500kes to 5000kes, which is an amount that I cannot afford. Due to this the only customers I have are those who used to know me from before.

My business isn't flourishing like it used to when I was operating on the road. This is because on the road I was able to take advantage of random passersby, in addition I used to have orders from schools to make students uniforms and also train people on how to sew. Despite this setback I am very grateful to God, Concern Worldwide and Redeemed Gospel Church as I now at least have something to eat and I am able to take care of my family.

I would really appreciate if these people were to come back again and do the same thing only that this time round they give us a lump some amount to help our business grow to where they were before as some of us are unable to get a big capital to help our businesses pick up fast.

4.4 Other impacts

The transfer had other impacts discussed below on recipients and communities that are not captured purely by effects on business and food security. .

Positive effects are evident in various areas. First, the transfer clearly made many people very happy, and they felt they were able to bring their families closer together as a result of the transfer. In Kisumu, for instance, recipients felt that "there was a change in the relationships because with the children they became happy so the houses also became warmer because these children could get something to eat, dress and even go to school."[85] In Mathare, recipients felt that "my children started treating me with respect since they did not have empty stomachs."[86] In Rarieda, recipients point out that "when there is money, people are happy even the children became happy because they know there is food. So at least there is that happiness on their faces."[87]

Second, the transfer had very positive effects on schooling and relationships with teachers, as recipients from each area spoke of their ability to pay school fees, buy uniforms and books, and negotiate fees with headmasters and teachers. In each area parents were able to pay for schooling on credit, and the transfer provided some additional confidence in this system, as they were able to pay off some fees. This feeling was common everywhere, and it is well expressed in Rarieda: "with the teachers at least it has been good because we are now able to pay the tuition fees, exam fee and other fees. So this has made the teachers relate to us well."[88]

Third, many recipients used the transfer to pay healthcare costs, such as medicines or health centre charges. Particularly for those on paid repeat prescriptions, the transfer was extremely useful to improving their health status and often enabled people to enter or re-enter the productive workforce multiplying the food transfer effect. Other households simply used the transfer for expedient health expenses that arose at the time.

Fourth, some respondents talked of a wider range of positive impacts. In Kisumu, for instance, "due to the tough times people were going through they started indulging in criminal activities like theft, commercial sex working, but some of them after receiving the Concern transfer, they have been able to stop these bad habits and now turned into business."[89] Of course, it is difficult to assess the extent of these effects, since respondents were not typically very willing to discuss bad habits, but this is suggestive of potentially wider impact.

Negative impacts were very rarely reported. One surprising negative impact, however, was connected to credit. While impacts on credit might be expected to be positive, since shopkeepers would know that recipients would be able soon to pay back their loans, this was not found to be the case (outside some schools) since recipients would generally be able to keep their transfer secret. However, in Mathare, shopkeepers

[85] Direct recipients FGD, Kisumu.

[86] Nominee recipients FGD, Mathare.

[87] Partner nominee recipients FGD, Rarieda

[88] Partner nominee recipients FGD, Rarieda

[89] Nominee recipients FGD, Kisumu

noticed that recipients would be shopping at Naivas and coming back with bundles of food rather than shopping at their shops:

> *Most shopkeepers were not really happy, they were agitated. By the time you are taking on credit then he goes at a loss. He only makes a profit when you buy from him. And so if you do not go to buy from him and have come with a whole bundle to your house then he will definitely not be happy. Even I was not happy since there was a day, after the free aid was over, when I sent my child to take something on credit from the shop and he sent the kid back telling him to go back where we used to get the bundles. It meant that you move out of that place and go to a place where you are not known that you get flour in bundles so that you can be able to move on with your life.*[90]

A second negative impact was around non-recipients' relationships with recipients. Recipients usually tried to keep their transfers secret, and were generally reasonably successful, in order to avoid feeling obligated to share with neighbours. Recipients never shared cash, and while they would share food as a matter of course, tried to eat late to avoid having to do this. However, their neighbours occasionally found out about the transfers, and this "brought a lot of enmity and hatred among our neighbours."[91]

4.5 Sustainability

While the food grant provided enough food for households in Mathare while the grant was running, covering immediate food needs does not necessarily imply any sustainable effect. Rather, "we are back to our troubles. It's almost worse off without the programme as opposed to the way it was even before elections."[92] Sustainable effects were seen in three specific areas.

First, sustainable effects were seen when the transfer was spent on income-generating activities. These activities included buying livestock in rural areas, or contributing to improving or setting up new businesses. As respondents noted, "from the business I could use the profits to ensure my children feed well, dress well and were always clean."[93]

Second, when food support enabled members of households were able to consume enough food to feel more energetic and to be able to secure a livelihood. One way in which this happened was where recipients had HIV and needed to take anti-retrovirals (ARVs). Interviewees referred to the strength they had gained from being able to find enough food to buy ARVs. Partner staff in KUAP particularly, which runs an HIV outreach and home-based care programme, felt that the transfer had improved access to nutrition and drugs, which allowed people to be more productive.

[90] Direct recipients FGD, Mathare

[91] Nominee recipients FGD, Mathare

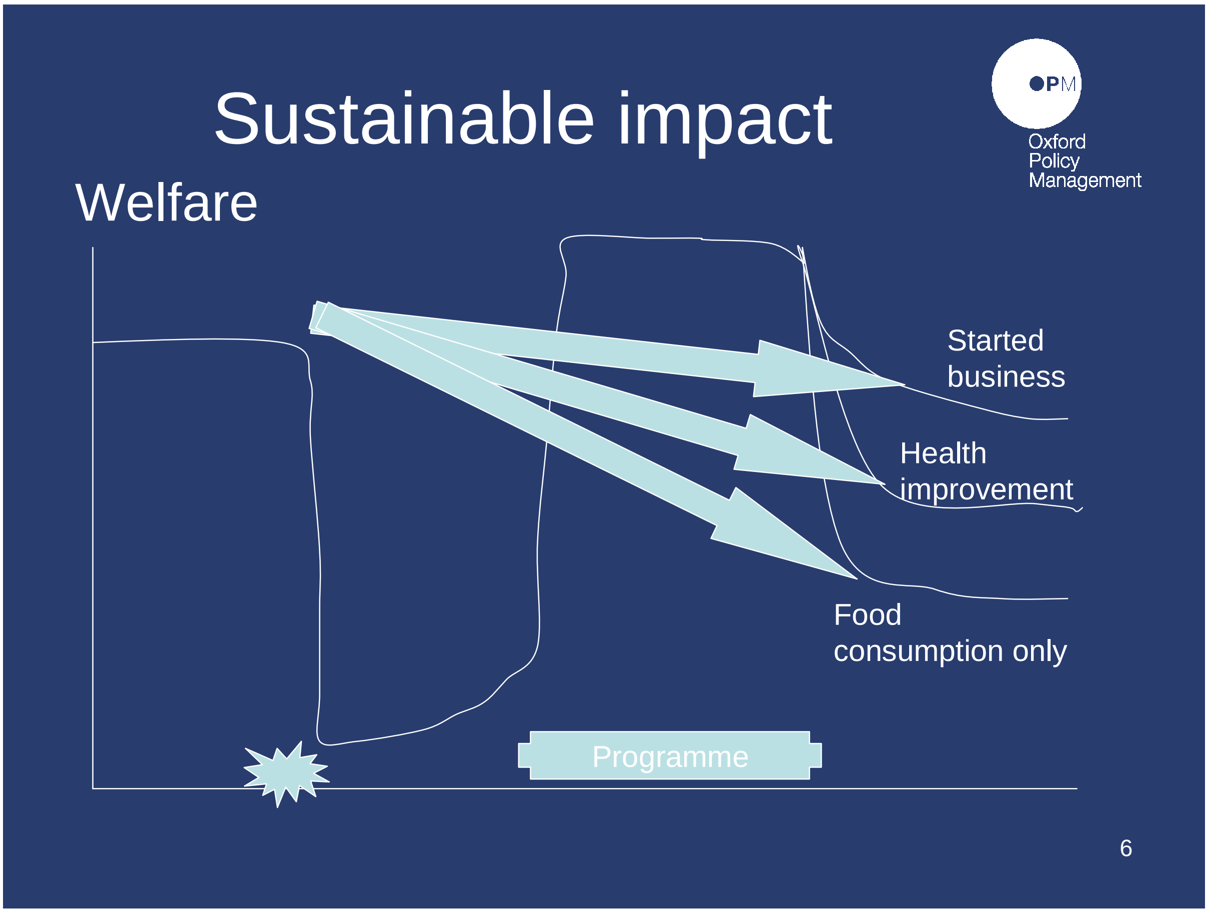
[92] Direct recipients FGD, Mathare.

[93] Partner nominee recipients, Rarieda.

The third way was when providing the transfer to people gave them the confidence and energy to act independently and to secure work. Both groups and interviewees referred to this as a cause of sustainability.

Figure 4.1 depicts the levels of sustainable impact as a result of the programme interventions.

Figure 4.1 Sustainable impact



5 Targeting

The overall conclusion on targeting, borne out by subjective assessments of recipients interviewed by researchers, is that those selected were vulnerable and worthy of inclusion in a transfer targeted towards the most vulnerable. Inclusion errors appear low, meaning that that few households who were selected were ineligible in the sense of not being vulnerable.

Anomalies to the targeting process included:

- Some very vulnerable households were selected who had not been affected by the violence. This was related to a misunderstanding of the criteria for selection

- High exclusion error where recipients interviewed reported very vulnerable people in their community who were not selected. This can be explained by the very small scope of the project and the vast geographic area it attempted to cover. Another factor was that at times partners found it very difficult to reach out to the most vulnerable who are by nature marginalised from the rest of the community and are difficult to find.

- Community validation of the targeting process did not take place. While this left the targeting process open to problems in accountability and transparency, it was reported as necessary given the high levels of need coupled with limited assistance, the high levels insecurity, and the rising ethnic tensions.

5.1 Targeting processes

Targeting was implemented slightly differently by each partner. Usually, partners identified community leaders and their own staff who used a mixture of methods to select vulnerable recipients. Using the criteria agreed at the partner workshop (widows, orphans, people living with HIV and AIDS, disabled, etc.) partners selected recipients from within their own client lists or beneficiaries. Partners also engaged with the communities to go beyond their own client lists. The extent of this varied.

At one end of the scale, one partner mobilised barazas to identify community workers who could act as selectors. These barazas were largely attended by community leaders, but some recipients remember them as the places where they selected the selectors. These selectors then acted independently to identify 2-3 most vulnerable people in each village. Each selector worked in 10 or so villages. Although their task was an extremely difficult one given the short time-frame and small numbers of beneficiaries they were allotted, the selectors appeared to make genuine efforts to go house-to-house to locate the most vulnerable people in each village.

At the other end of the scale, another partner restricted selection to those known to either its own staff or the staff of its sub-partners. Selection was devolved to these staff who were each responsible for selecting 5-10 recipients. Leaders focused their efforts on existing beneficiaries or clients and engaged in much less house-to-house work.

The other partners in fieldwork areas had a more mixed approach, combining selection from their own client lists with house-to-house selection carried out by community leaders. Very often, nevertheless, these leaders would focus primarily on constituents of both organisations.

Once selected, recipients went through a registration process. In practice, the registration process for each partner was in some cases disorganised resulting in some invited households leaving unregistered, and some not invited being registered. This naturally led to bitterness amongst those not selected. There were some reports during the interviews alleging that partner staff requested for payment to register people for cash transfer.

A rigorous validation process of selected recipients did not generally take place. In Mathare and Kisumu, there was a form of validation process that involved some visits to the home of selected recipients to check their vulnerability using the criteria set out in the partner workshop. However, these validations were carried out by the same group that had conducted the initial targeting, and few or no changes were made to their initial selection. In Rarieda, names were checked by local administrators (elders and Chiefs) but changes were not made because it was impossible to argue that those selected were not vulnerable. Although community validation barazas were envisaged in this rural area, it would have been impossible to call a community validation baraza when only 2-3 households were selected in each village, and partner staff recognised this. Most partners considered validation by community leaders to constitute 'community validation'.

5.2 Targeting the Business Grant

The programme sought to target business grants on those recipients of the food transfer who had livelihoods before the elections. The large majority of recipients to the food transfers (71%) also received a business grant. Interviews indicated some level of confusion as to who was to be targeted by the business grant and who was not. They highlighted the difficulty of excluding anyone from receiving the business grant since inactive people are extremely rare.

In agreement with Concern, new recipients for the business grant were selected who had not been recipients of the food transfer because the profile of food transfer recipients was not suitable for entrepreneurship.

5.3 Summary

In selecting so few households in each community, the targeting process included large exclusion errors by design. These errors were slightly exacerbated by implementation that focused on those close to partner organisations and their associated staff, which included very vulnerable individuals (e.g. on home-based care programmes), other clients of the organisations and well connected individuals. Since so much of the community was poor and vulnerable and affected by the violence, inclusion errors by design were likely to be low, and implementation did not significantly add to these errors.

6 Distribution mechanisms

The evaluation attempted to examine the appropriateness and effectiveness of the MPESA distribution mechanism through perceptions of recipients and non recipients. Two particular aspects were assessed: whether recipients perceive cash as a better alternative to food security than food and whether the MPESA delivery mechanism is preferred to other mechanisms of delivering cash available in Kenya at that time.

The MPESA system of cash distribution directly to phones was extremely popular with both recipients and partners. Partners felt that the MPESA system was secure, safe and efficient, reducing significantly the transaction costs on them. They felt that cash was preferable to food, since food distribution can lead to difficult clashes between individuals due to its very public nature. Recipients much preferred cash to food, and MPESA to other systems, because cash is fungible, and because MPESA is secret and direct.

Transfers made by nominees or partners handing out cash occurred for 26.26% of households. In these cases there was significant scope for misuse and diversion that was not overcome by rigorous oversight and accountability mechanisms.

The variation in amounts was justified by the price variations and the large differences in family size, but caused problems for recipients because they did not know what they were supposed to be receiving reducing transparency with the recipient, reducing recipient ability to make complaints based on facts and reducing recipients' ability to plan.

Concern aimed to distribute phones to those recipients who did not have phones in an attempt to reduce the number of people receiving funds through a nominee. Recipients who received phones found them useful though there were reportedly some glitches around phone distribution.

6.1 Cash vs food

Recipients everywhere preferred cash to food or other inputs because with cash they were able to respond to their most pressing needs, whether these are food-based (i.e. buying the food that they want and need at that time) or related to other expenses (such as school or health costs, or business investment). This conclusion is further supported because respondents displayed great variety in what they spent the transfer on – ranging from filling holes in their houses to buying grains. Some quotes from each area set out this strong conclusion clearly:

> *When you give me food actually you are not helping because there is no way I will eat comfortable with my kids staying at home with me because of no school fees or walking in tattered clothes. So it is rather get cash, this can help me get the basic family needs.94*

[94] Direct recipients FGD, Rarieda

You know with money you are able to meet various family needs like clothing, schooling and medication, but with food you only meet one need…Actually with food you are only given a one or two types especially cereals, so when you want to eat something like vegetables you are not able to and also you have to balance. You cannot live on one type of food daily… There was this flour given to people by the X and people complained that it did not taste very good. So cash donation is good because you will buy what is edible to you.95

Even in Mathare, where recipients were compelled to spend the transfer on food, they preferred to receive cash so that they could meet their own tastes:

They may not know what we like. For instance they may buy us westernized food which we do not like or even bring us rice which we rarely take. But when we did our own shopping it was easier to buy our preferred meals e.g. Maize flour.96

6.2 MPESA

Recipients were also very clear in their preference for MPESA, even in rural areas where network is patchy and amongst the elderly who are not confident in using phones. No significant problems with MPESA were reported. There were sporadic occasions when the network was not functioning, and single instances of shops lacking credit, but despite these small problems the view of MPESA was extremely positive. Again, this is best expressed in the recipients' words:

With M-pesa you are able to receive the transfer directly on your phone. Which makes it easier and safer instead of someone receiving money on your behalf then later on issuing because you cannot know if the transfer you are given is the right amount.97

The M-pesa method should be used because the recipient is able to receive her transfer directly.98

M-pesa is the best means of collecting money since it is a secret that you do not share with someone else .No one knows when you have money on your phone. Therefore it is very secure.99

Recipients also found phones useful for other purposes:

Yes, when we had other issues like business we could communicate to business partners using our phones.100

[95] Direct recipients FGD, Kisumu

[96] Nominee recipients FGD, Mathare.

[97] Direct recipients FGD, Rarieda

[98] Direct recipients FGD, Rarieda

[99] Nominee recipients FGD, Mathare

> *That phone is like your office… It really helped me because I did not have a phone before. My phone was stolen in January on my way to work one morning and since then I have never owned a phone and so I was so grateful. That phone has helped me so much and it is the one I have even today.101*

While there appeared no problem with the agents or with Safaricom, the MPESA system ran into problems when people lost their phones or when the transfers bounced back to Safaricom without the recipient realising. A second problem arose because some recipients felt that they needed to provide a number during registration, and gave someone else's number or an incorrect number. This created problems for the system because it took time to untangle this and resend transfers. The timing of the transfers was delayed, and recipients were confused and sometimes suspicious.

Concern received phones for distribution after recipients had already been registered either directly or through a nominee. Given the high levels of need, Concern proceeded with transfers while phones were being procured. By the time phones reached beneficiaries, some or all of the transfers had concluded. In some cases where the phones arrived before the end of the transfer, the change in phone number had not been affected in the system and the cash continued to be transferred to the nominee. In other areas, the rationale for phones distribution was unclear probably in part because recipients were not always honest about their phone ownership to start with.

6.3 Nominees and partners

Cash distribution through nominees and partner staff was problematic and should be considered very carefully in future programmes. Nominees, whether identified by the intended recipient or whether a partner staff, did not always provide the full transfer to the intended beneficiary. This was exacerbated by the variation in amount according to market prices making it difficult for beneficiaries to know the amount to which they were entitled. Partner staff did not always produce signature sheets and often the value of signature sheets is questioned when the recipient was illiterate.

One interviewee reported that their nominee – their cousin – took their last transfer and never delivered the balance. There seems relatively little that recipients can do about this, other than turn to the partner organisation for support. With nominees also vulnerable, and with no legal framework to use, it is difficult to enforce full payment.

The evaluation did not find strong evidence for diversion of funds by partner staff. Scope for diversion was nevertheless evident in interviewee accounts. Those receiving from partner nominees acknowledged that they were not always given printed forms to sign and that they "were not sure" if the transfer amounts were correct.[102] Individuals in the group made this clearer:

> *When I received the message from the rest, that the transfer I would travel to Kalandini there are this people seated at a table*

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[100] Direct recipients FGD, Kisumu.

[101] Direct recipients FGD, Mathare

[102] Nominee recipients FGD, Rarieda.

then they would call my name they give me my transfer. So what I was given at is what I took so I could not tell whether I was given all of it or less because I never even went to school. So someone can easily take advantage of my illiteracy because I could not read what was written on those forms.[103]

I could not tell if I was receiving all the amount or less, what I was given is what I took and was grateful for it.[104]

[103] Nominee recipients FGD, Rarieda.

[104] Nominee recipients FGD, Rarieda.

7 Implementation Challenges

Implementation of the PEVR programme as originally designed faced a number of additional challenges often necessitating a modification from the programme as originally designed. Below is a description of these challenges and modifications.

7.1 Food transfers

The basic design for the food transfer of providing three transfers over three months was provided to 85% of households. The design was modified for 169 recipients affected by HIV and AIDS where it was agreed recipients should receive six transfers. Another modification of the design mentioned above was the decision to give the business grant to recipients who had not received the food transfer due to the lack of business skills among those selected for the food transfer. These three groups account for 95% of recipients.

Recipients who received one, two, four or five transfers fell into three main categories (see Table 4.2):

1. They had been selected and after an initial verification had been found not to meet the criteria and were thus replaced by others who better met the criteria. By this time transfers had already commenced.

2. They dropped out of the programme either by moving away, changing phone number or being unreachable by a mobile signal

3. Technical difficulties with the mobile technology – funds bounced back and the recipient could not be located, phone numbers had been reallocated by Safaricom without the recipient knowing due to infrequent use, etc.

Table 7.1 provides the breakdown of the number of transfers given. When phone numbers were incorrect or had been discontinued by Safaricom, the transfer bounced back causing a delay while the problem was rectified. This often required locating the recipient and reregistering them for the MPESA transfer. Some interviewees commented on the problems caused by the delays making consumption smoothing and planning difficult for recipients.

Table 7.1 Food transfers received

Number of food transfers	No. HH receiving	Total food grant	Average food grant
0	450	0	0
1	179	8838	8838
2	157	10185	5093
3	5485	11393	3798
4	42	15179	3795
5	41	20380	4076
6	169	47616	7936

7.2 Business transfers

Business grant amounts varied from planned amounts. Allowing for some data entry error and eliminating all amounts received by less than 10 households indicates 24 different amounts received for business grants by 10 or more households. For each of the different types of activity, there are a range of different grants given. Traders are given amounts ranging from Ksh 1000 to Ksh 8000. Plant cultivators are given amounts ranging from Ksh 1000 to Ksh 6000. Artisans are given amounts ranging from Ksh 1800 to Ksh 12500. Animal keepers are given amounts ranging from Ksh 2000 to Ksh 6500. Table 7.2 illustrates the distribution of the business grants.[105]

Table 7.2 Business grants

Chosen Activity	Number given	Average business disbursement (Ksh)	Planned disbursement (Ksh)
Artisan	263	4533	5,000
Animal keeper	110	4931	6,000
Cultivator	609	5407	5,000
None	2106	4214	
Trader	1616	3935	3,500
Transporter	28	4625	6,000

[105] This table was calculated by removing all households not receiving a business grant, and then grouping, on the basis of chosen activity, the remaining 4732 households into 6 groups. The total grants for each group were summed and divided by the number of households in each group to get the average disbursement for each group.

Finally some business grants were transferred significantly after the other food transfers. This was done mainly for farm related grants to enable the grant to arrive at the beginning of the planting season but because it did not come at the same time as a food grant households often spent it on unaddressed food needs.

7.3 Communications

Communications between all levels (Concern-partners, partners-recipients) was a weak spot of the programme.

Partners in some cases seemed not to fully understand their role in the programme and did not communicate particularly well with recipients. Partners felt Concern did not always communicate well with them causing confusion and in some cases tensions with recipients.

A complaints mechanism was not well established or communicated enabling recipients to question their entitlement in a protected environment.

Because it was impossible to explain to recipients in a clear way the method of calculating the value of their transfer, recipients were uninformed of the value of their transfer and tended just to be content with what they were given. This made them less likely to complain or raise problems. Whilst there were clear advantages from the variation in amount, especially by family size, the accountability problems caused by not knowing the amount arguably offset this.

8 Conclusions and recommendations

8.1 Conclusions

The evaluation shows that the design of the transfer was very appropriate for the post-emergency setting, and was effective at linking relief and development. In particular, the innovations introduced by Concern (indexing the transfer to local prices and household size, and the MPESA distribution system) were both generally popular with recipients and effective. This finding is in line with findings from evaluations of similar programmes, including the pilot.

The evaluation has identified a number of trade-offs that need to be considered moving forward:

1. Promoting businesses vs. supporting the very vulnerable. Business development implies focusing on the dynamic and entrepreneurial. Very vulnerable households are typically neither. The business development model needs to be reconsidered for these (bed-ridden, very elderly) individuals and households.
2. Empowering recipients through M-PESA based cash transfers vs. caring for the needy. A similar problem, the most needy struggle to collect cash and are reliant on carers to provide for them (including collecting their cash, and buying their food and medicines). M-PESA-based cash transfers have been reviewed very positively in this programme. But are M-PESA cash transfers the right approach for individuals in full-time care, who are not aware of what they are receiving? Possibly, but it seems more sensible to consider their needs and support structures more broadly, and how to support these structures in ways other than cash.
3. Calibrated transfers vs. simplicity. Varying the transfer sizes by price and household size is sensible, particularly in long-term programmes where price changes are likely to be a significant concern. But this makes it much more difficult for recipients to understand their entitlements. A possible solution is to have annual adjustments for inflation rather than monthly adjustments, and intensive publication of the changes.
4. Timeliness vs. clarity of communication. The programme needed to begin in order to address very real food insecurity concerns, but the speed at which it was implemented caused problems of communication impacting on the quality of implementation. Future programmes could take more time if possible, but preparations could be made for clear communication briefs in emergency programming.
5. Transparency vs secrecy. While transparency in targeting and programme design is highly desirable from the point of view of accountability and community acceptance, particularly around targeting, being entirely open about the transfer can create security problems for recipients seeking to hide their transfers from others.
6. Independent targeting vs. community acceptance. Involving community leaders in targeting risks selecting the same recipients time and time again, but not involving them may put the entire programme at risk should they reject it. Requiring a house-to-house approach seems crucial to capture the poorest, and community leaders could be involved in a supervised validation stage.

8.2 Recommendations

It seems clear that MPESA is a suitable approach and direction for delivering humanitarian assistance, but some adaptations to the PEVR could be made going forward. This represents a brief list that could be explored further:

- Consider greater oversight of targeting process and tighter geographical targeting
- Retain varying amount of transfer by household size and for inflation but consider the fiscal implications of indexing the transfer to inflation over a long period, and consider the most appropriate time period for indexing given rapid changes to market prices but administrative costs of regular monitoring.
- Ensure that recipients clearly understand that transfer values may vary.
- Ensure that all recipients have registered sim card and/or phone prior to starting payments
- Food transfers alone provide fewer options for sustainable impact. Where possible couple food transfers with a livelihood package
- Consider not using cash transfer for those who cannot use MPESA even after training and sim distribution – food support or alternative care support should be considered
- Clear communication to partners on aims, targeting process, transfer purpose to ensure they can deliver effective training and target effectively
- Adequate and ongoing training for first time users of MPESA
- Training for business grant
- Emphasis on clear communication to recipients on amount, number of transfers, and how to complain
- Consider an alternate complaints mechanism (phone number to text/leave messages run by Concern?)
- Consider a lessons learned workshop with partners

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Annex A MPESA

Kenya is the first country in the world to use mobile phone for cash transfer. The service, called M-PESA was developed by Safaricom in partnership with Vodafone. Concern Worldwide has pioneered the use of M-PESA for bulk cash transfers as an emergency distribution mechanism. The cash transfer system was selected as an effective mechanism for this recovery programme based on its previous success in the Kerio Valley in Rift Valley Province in Kenya, early 2008.

M-PESA service does not require users to have bank accounts. It simply requires registration at an authorized M-PESA agent by provision of a Safaricom mobile number and an identification card. Once registered, the user can buy digital funds at any M-PESA agent and send that electronic cash to any other mobile phone user in Kenya by SMS instruction, even if they are not Safaricom subscribers. The recipients can either redeem it for conventional cash at any M-PESA agent outlets or buy Safaricom airtime for themselves and other subscribers. An M-PESA enabled mobile phone can also function as an electronic wallet and can hold up to €500 (€1=Kenyan shillings100).

M-PESA is designed to transfer cash from one person to another person. Because the maximum limit of transfer is €700 per day and €350 per transaction, it was necessary to develop a system which allowed an organization to have the bulk transfer capacity that would enable it to reach hundreds of its target beneficiaries simultaneously. In response to this need Safaricom developed a customized M-PESA product for Concern. The process had to adhere to Central Bank regulations designed to control money-laundering so Safaricom invested time to learn about Concern and its activities before developing partnership with Concern.

Safaricom set up Concern as a corporate user of M-PESA and enabled Concern's computers to access the M-PESA administrative website. It is from this website that the disbursement was done. Money for disbursement was then deposited into Concern's M-PESA account, including service charges. Next, the list of beneficiaries was entered into a database that could be uploaded into the M-PESA system. The key feature of the database was name of beneficiary, amount due and mobile phone number. Safaricom staff trained Concern on using the M-PESA system for bulk payment and generating relevant reports.

Withdrawal of funds by beneficiaries was facilitated through the use of Agents, who were either stationed at the centres or would travel further a field to assist in cash distribution. Their role was to register beneficiaries and process cash withdrawals for both registered and non registered M-PESA beneficiaries. Withdrawal of cash was facilitated through presentation of an original identification card by the owner of the phone who was either a direct beneficiary or a nominee on behalf of the beneficiary. About 15% of the beneficiaries did not have original identification cards and ended up using a nominee.

Safaricom gave support in terms of the basic operations of M-PESA like enrolment, replacement of SIM cards, registration process at the Safaricom shops, and acquiring a PIN. All program partners were asked to survey and identify agent shops within their targeted areas of operation. Safaricom organized for the agents to have enough money and increased their number in the targeted areas. Safaricom office in Nairobi also assigned a designated a customer care person to handle the issues raised by the beneficiaries through the partner organizations.

Annex B Terms of Reference

Programme End Evaluation of PEV Recovery Programme 2008-09, Kenya

Terms of Reference

Background

The announcement of the closely contested 2007 Presidential Election results on 30th December sparked off violence never witnessed before in the history of Kenya. The extent of the violence, its widespread nature and the vicious attacks on ethnic lines took the world and especially humanitarian agencies by surprise. The violence shook the country's foundation and left in its wake a humanitarian crisis of unprecedented proportions, as over 1500 lost their lives, more than 300,000 others were rendered homeless and over 500,000 left in dire need of emergency assistance. Concern in partnership with churches and NGOs provided support to the IDPs living in the formal and informal camps, host communities, IDP in transit, and people affected by endemic cattle rustling in the North Rift. Concern's responses to emergency can be divided into two phases: Phase 1: Early January to end February and Phase 2: early March to end June. During the first phase, a total of 165,144 beneficiaries received relief support: 23,448 in Nairobi; 87,456 in Rift Valley and 87,456 in Nyanza. At total of 78 children were treated for severe acute malnutrition in Nairobi and Kisumu slums, while staffs from 7 health facilities were trained in prevention and management of severe acute malnutrition. A total of 279,343 beneficiaries supported in the second Phase of the programme: 18,890 in Nairobi; 31,178 in Rift Valley and 29,246 in Nyanza. A total of 29 severely malnourished children were treated in Nairobi while an estimated 200,000 acutely malnourished children have benefited indirectly from the intervention in Nairobi, Nyanza and Western province.

Concern piloted the use of M-PESA for bulk cash transfers during the post-election emergency in early 2008 in the Kerio Valley, one of the most remote parts of Kenya. This was externally evaluated and a wider cash transfer programme was rolled out to up to 7,000 families.

Although M-PESA was used in an emergency cash transfer programme, this model could be replicated in development contexts for a variety of social protection activities.

The Post Election Violence Recovery Programme was designed in-line with the National Peace Accord signed by the two political parties, the Early Recovery Strategic Framework for Kenya and lessons from M-PESA cash transfer. The recovery programme focused on immediate humanitarian assistance to victims of violence with special attention to food insecure households.

- The principle objective of the recovery programme is to enable severely affected rural and urban populations in Nyanza, Nairobi and North Rift Valley to mitigate the negative impact of post elections violence and resume productive roles in the national development process.

- The specific objective is to meet short-term food security needs of IDPs and returnee/resettled households, thorough the provision of targeted food aid.

The recovery programme which started in August 2008 is targeting a total of 7,351 households with an average of 6 (six) members per household which represents about 44,106 poor and vulnerable people who are still experiencing the consequences of the post election violence in Nairobi slums, Kisumu slums, rural Nyanza, Kitale and Eldoret. On average Ksh 600 is being sent monthly by using M-PESA to each member of the family for a period of 3-6 months to enable them to buy food. The food support element was calculated to provide a food basket comprising of basic food items like maize, beans, sugar, salt and oil designed to meet 50% of the calorific requirements of household members. Local market prices were used to determine the cash amount to be sent to families through their mobile phones. In addition to food security, restoration of livelihoods has provided both for on and off-farm income generating activities. Concern is implementing the programme in partnership with NGOs and Faith Based organizations.

Objective of the Evaluation

The key objective is to evaluate the appropriateness and effectiveness of the strategy (e.g., cash transfer) and the approach (e.g., partnership, M-PESA) Concern has taken to achieve the programme objectives. The other associated aspects of the evaluation are as follows:

- ***Overall assessment:*** Assessment of the achievements of the programme objectives inline with the log frame. Is the programme being implemented in such a way as to give good value for the money spent to achieve the desired standards and outcome? How effective is the programme in reducing future vulnerabilities?

- ***Targeting:*** How effective was the identification process both for target group and target areas? How effectively partners followed agreed selection tools/criteria? What was the level of involvement of community in the selection process? What were the challenges the partners faced in the selection process?

- ***Cash transfer:*** How effective was M-PESA based cash transfer compared to other forms of distribution such as food, voucher scheme, cash distribution, etc.? How effectively the cash amounts for every household was determined? Was this appropriate? How secure is the M-PESA based cash transfer?

- ***M-PESA:*** Was the type of delivery mechanism (M-PESA) chosen the most efficient use of resources? Did beneficiaries face any structural and social problems with the use of M-PESA? If yes, how did they overcome the problems? What were the implications of the problem? What are the immediate impacts of introducing communication technology to the target group?

- ***Timeliness:*** Was the programme implemented in the best timeframe to optimize recovery as a consequence of the post election violence.

- ***Partners' experience:*** What have been the challenges in relation to implementing the programme? What lessons have they learned as an organization concerning the programme? What is the impact of the partnership relationship - on the partners and on the beneficiaries?

- ***Overall impact:*** What positive change and real and tangible benefits have been realised by the beneficiaries as a result of the programme? Is there any evidence of negative impact with regard to any aspect of the programme?

- ***Future direction:*** Whether the M-PESA based cash transfer programme is a suitable approach and mechanism for delivering humanitarian assistance and recovery interventions within the Kenya context?

Evaluation Methodology

Although it is generally the responsibility of the evaluator to decide on the concrete evaluation methodology the following are recommended:

- Desk reviews of the relevant documents including the evaluation report of the pilot project.
- Participatory studies with the beneficiaries.
- Interviews with partner staff members
- Triangulation of study finding with the community, partner organizations and Concern staff members.
- Presentation of the study findings to partners and Concern.

Expected Outcome/Deliverables

Produce an evaluation report consisting of executive summary (not more than 3 pages) and the main report (not more than 30 pages) (A4 Page size, 1-inch margins, single line spacing and 11 Times New Roman font size).