

Targeting- What does it entail?



Photo 1: A baraza taking place at Kangitesiror village in Turkana West to share information on Phase 2 registration.

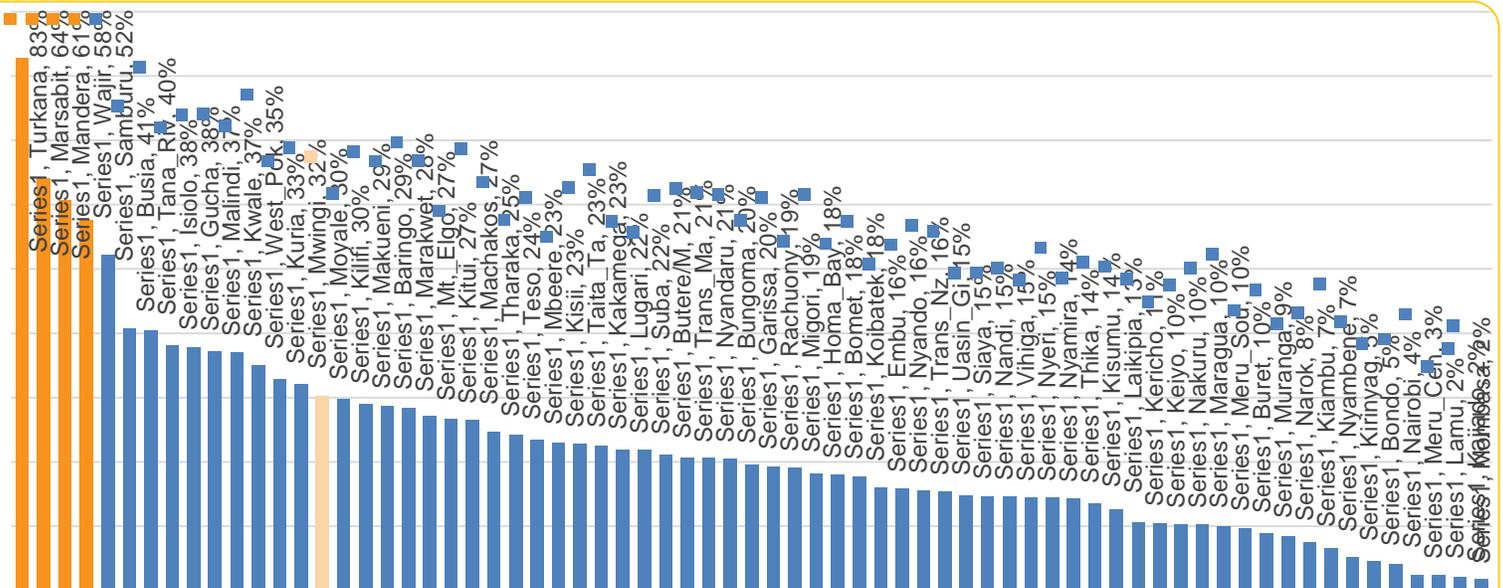
This document highlights the decisions made and the process followed on HSNP2 targeting. It gives an account of how: i) Poverty was measured ii) The PMT score cut off of Kshs. 409.3701 (estimated adult equivalents per capita monthly consumption) was derived iii) The decision on the 100,000 eligible households and their distribution across the four HSNP Counties of Turkana, Mandera, Wajir and Marsabit was arrived at

Targeting of HSNP2 100,000 Households

HSNP- a poverty based programme

The four counties of Turkana, Marsabit, Mandera and Wajir were chosen for the Hunger Safety Net Program (HSNP) because they had the highest poverty and extreme poverty rates measured in KIHBS¹ 2005-06. At that time Moyale was a separate district and now has been incorporated into Marsabit, but as can be seen from the graph below it wouldn't have qualified if it had remained a separate entity.

Figure 1: KIHBS 2005-6 extreme poverty rates across the Districts



HSNP2 households' registration process

Between December 2012 and June 2013, a total of 375,000 households were registered across the four Counties.

Households eligible for HSNP registration were defined as:

1. All residents of dwellings other than prisons, hospitals and army barracks.

¹ Kenya Integrated Household Budget Survey is the first among the series of integrated surveys to be undertaken to support M&E activities of the ERS, PRS, MDGs, Vision 2030 and other public policies and programmes. The survey is designed to provide numerous indicators needed to measure, monitor and analyse living standards and poverty in Kenya

2. Those persons living in the streets or refugee or internal displaced persons camps were registered only if they are accepted by local government officers as resident in the community.

Should not include:

1. Members of the Kenyan Armed Forces who reside within a military base.
2. Households presenting themselves for registration not in their location of normal residence.
3. Any household members not excluded by above conditions that are not Kenyan citizens.

An individual household was defined as:

1. A person or a group of people living in the same compound (fenced or unfenced) ·
2. Answerable to the same head
3. Sharing a common source of food and/or income as a single unit in the sense that they have common housekeeping arrangements (that is, share or are supported by a common budget).

What information was collected during the registration?

Two components of the registration were required:

1. The communities view of each member household's well-being compared to the other households within the same community- community based wealth ranking;
2. Answers to a series of simple to answer questions on household and household member characteristics that were used to estimate per capita adult equivalents monthly consumption. Consumption is the data used by Governments for estimating whether a household is poor or not and how poor that household is. This estimating of consumption within HSNP context is referred to as a proxy means test (PMT²).

Why and how 100,000 household beneficiaries to receive support?

The funds available from the Government of Kenya, DFID and AusAid for the HSNP Phase 2013-2017 are currently sufficient to make regular payments to 100,000 beneficiary households over the four-year period. Should more funds become available; the number of households can be increased by a simple extension of the methodology used to identify the poorest 100,000 households.

How were the 100,000 beneficiary households selected?

The results of the registration process produces two values for each of the households registered:

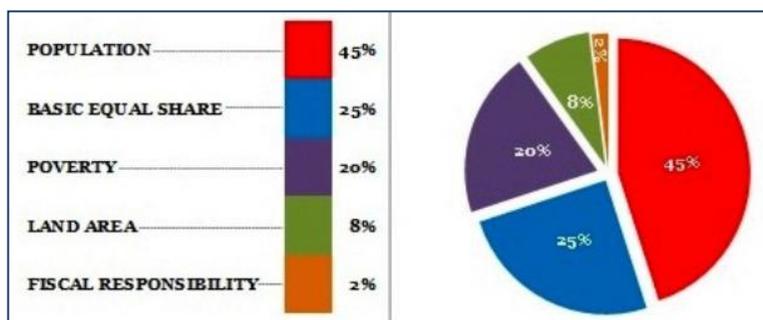
1. A household's PMT score in Kshs.
2. Community Based Wealth Ranking where a household's wealth group membership number (1 =very poor, 2 = poor, 3 = middle, 4 = better off) was used for households in Turkana, Wajir and Mandera (enumeration

² **Proxy Means Testing** generates a score for applicant households based on fairly easy to observe characteristics of the household such as the location and quality of its dwelling, its ownership of durable goods, demographic structure of the household, and the education and, possibly, the occupations of adult members.

administered by Save the Children, World Vision and Oxfam), and as an individual house ranking in Marsabit (enumeration administered by CARE).

STAGE 1: Distribution of households across the Counties:

In order to determine the quotas for each county, a modified version of Commission for Revenue Allocation³ (CRA) formula was applied. A strategic decision was made to use the CRA formula to enhance equity amongst the Counties. The original CRA parameters are as follows:



NDMA suggested a practical modification by increasing poverty to take up the 10% taken up from the land area and fiscal responsibility resulting in a 3 indicator weighting comprising of:

- 25% Basic equal share,
- 45% Population
- 30% Poverty

A detailed breakdown of how each parameter was calculated to determined specific quotas is discussed below.

(i) 25% Basic Equal Share Allocation

Based on this revised CRA formulae, each county received an equal share of 6, 250 – 25% of 100, 000 divided by 4 - beneficiaries as shown in *Table 1* below. The poverty rate used is the **standard absolute poverty rate**⁴, for which the **rural poverty line**⁵ is Kshs.1,562. Population is the actual population surveyed through the HSNP 2 registration process.

Table 1: 25% Equalization share

County	Share	Households
Turkana	25%	6,250
Mandera	25%	6,250
Wajir	25%	6,250

³ A parliament sanctioned formula for revenue allocation

⁴ Is a level of poverty as defined in terms of the minimal requirements necessary to afford minimal standards of food, clothing, health care and shelter

⁵ Rural poverty rate is the percentage of the rural population living below the national rural poverty line

Marsabit	25%	6,250
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Table 2: 45% population allocation

County	HSNP Registered Households	HSNP Household Population	CRA 45% population allocation
Turkana	137,713	632,935	14,391
Mandera	89,882	533,062	12,120
Wajir	91,689	521,055	11,847
Marsabit	55,701	292,085	6,641
Total		1,979,137	

Notes for calculating population allocation:

1. *HSNP Registered Households- are all the households registered during the mass registration for HSNP2.*
2. *HSNP Household Population- is the total number of members within the registered households.*
3. *CRA 45% population allocation- e.g. **Mandera is $533,062/1,979,137.00*45,000= 12,120$***

30% Poverty allocation

The HSNP2 budget can only support at the 100,000 households. The **HSNP PMT cut off for the 100,000th household** is Kshs **442.6098** this was derived at by:

1. Sorting households from the lowest PMT score (poorest) to the highest PMT score (richest).
2. Selecting the 100,000 households with the lowest PMT score. The PMT score of the 100,000th household was Kshs. 442.6098.

At this cut-off, the poverty headcount rate for the four counties varies very significantly as shown below.

Calculating HSNP2 County Poverty index⁶ based on the HSNP PMT cut off

HSNP is using the HSNP2 generated poverty index from the recently collected data in the four Counties. The poverty index is the most up to date as compared to the poverty rates provided by the KIHBS 2005/6.

⁶ Is the standard of living in a particular county

Table 3: HSNP2 Poverty Index

County	HSNP2 Registered HHs below Kshs. 442.60989	HSNP Registered Households	HSNP2 Poverty Index
Turkana	77,545	137,713	56.309
Mandera	10,136	89,882	11.277
Wajir	12,957	91,689	3.225
Marsabit	9,369	55,701	16.820

Notes: To calculate the HSNP2 poverty index used for 30% poverty allocation

1. *HSNP2 registered HHs below HSNP PMT cut off 442.60989/ HSNP registered households *100 e.g. Mandera's HSNP2 poverty index is $10,136/89,882*100= 11.277\%$*

Table 4: 30% Poverty allocation

County	HSNP2 Poverty index	30% poverty allocation
Turkana	56.309	19,277
Mandera	11.277	3,861
Wajir	3.225	1,104
Marsabit	16.820	5,758
Total	87.631	

Notes: Calculating 30% poverty allocation

1. *Example for Mandera $11.277/87.631*30,000= 3.861$*

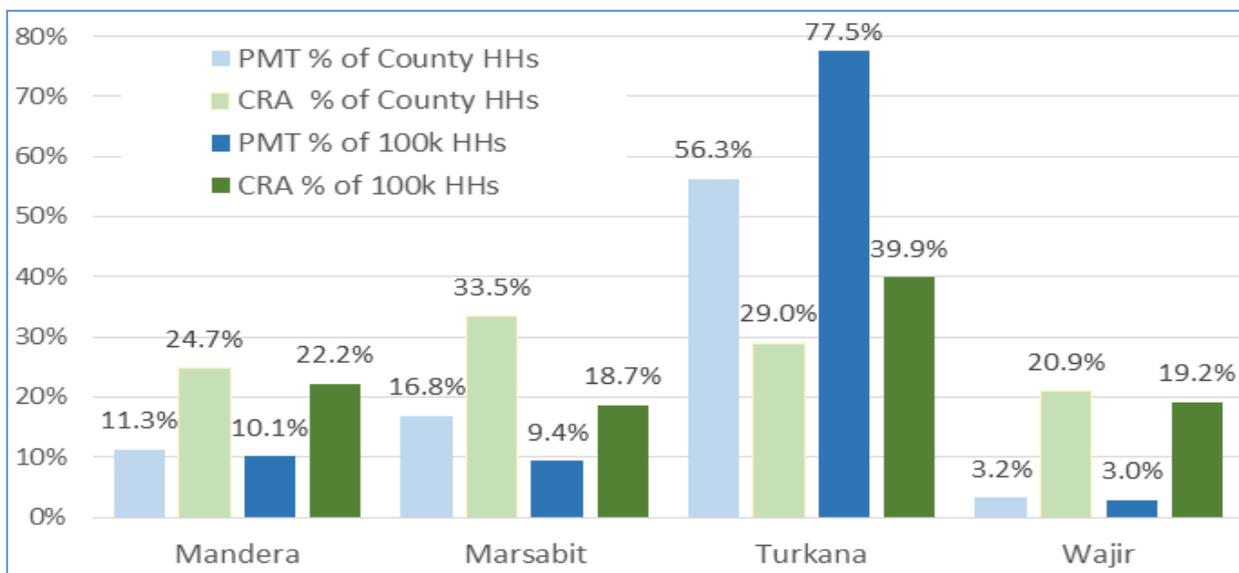
Table 5: HSNP2 CRA County Allocation

	25% Equalization	45% Population	30% Poverty	Total allocation
Turkana	6,250	14,391	19,277.08231	39,918

Mandera	6,250	12,120	3,860.62010	22,231
Wajir	6,250	11,847	1,104.06135	19,201
Marsabit	6,250	6,641	5,758.23624	18,649

The impact of this changing County level PMT score cut-off in terms of the number of households to be enrolled by HSNP is shown in Figure 3. The proportion of county's households that is now targeted with the incorporation of the CRA formula varies between a maximum of 33.5% in Marsabit to a minimum of 20.9% in Wajir, compared to the PMT formulation alone which had a maximum of 56.3% in Turkana and a minimum of 3.2% in Wajir. Also, the use of the CRA formula resulted in a similar shift in terms of the distribution of the households across the four counties, with the CRA formulation resulting in 3 counties receiving a similar percent of the 100,000 available households (*Mandera 22.1%, Marsabit 18.7% and Wajir 19.2%*) with Turkana now to receive just under 40% of the programs households see *Figure 3*.

Figure 2: Impact of changing number of households per county when moving from PMT to CRA formula



STAGE 2: HSNP allocations per village

Combining PMT and CBT information to identify actual households within villages

Determining the County cut off used to distribute HHs across the villages:

1. List all the HSNP2 registered HHs from the poorest to the better off e.g. in Mandera, listing all the 89,882 households from the first to the last based on their PMT score.
2. Locate the 22,231st household (*the last cut off*) HH in Mandera and note it's PMT score.
3. The PMT score of the 22,231st household in Mandera is what is used as the County cut off used to determine quotas within and across the villages.

4. The process is repeated across the other 3 Counties *see table 6*.

Table 6: County PMT cut off

County	County Allocation	County PMT Cut off
Turkana	39,918	320.38614
Mandera	22,231	600.17462
Wajir	19,201	708.14606
Marsabit	18,649	576.27075

Distribution within the villages:

After distribution of the households across the Counties, the program selected eligible households within the villages using the following parameters:

- Household Ranking in the village
- PMT Cut off for the County

Household Ranking in the village

Ranking was calculated to list all households in the village in order from the poorest to the well-off using two main parameters: **i) Average PMT_CBT** and **ii) PMT Score**

Average PMT_CBT

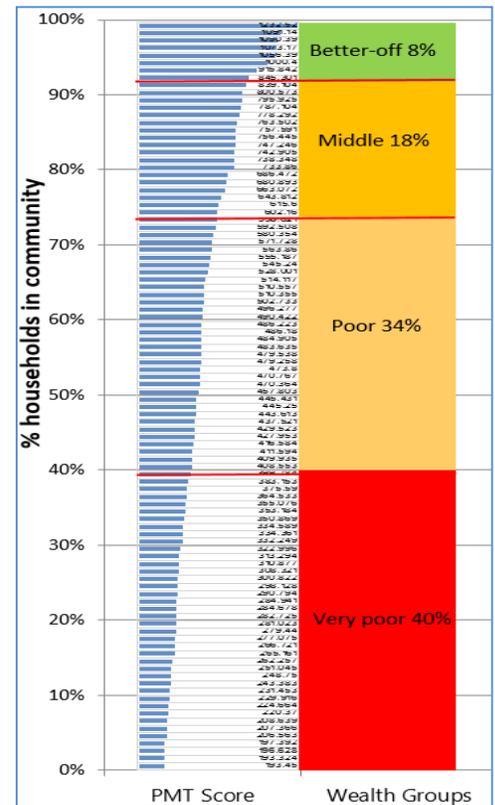
Figure 3: Example of coding PMT by wealth group

It was calculated from averaging the **Community specified Wealth group** and the **PMT calculated wealth group**. The PMT calculated wealth group was defined for each village using the minimum PMT score and maximum PMT Score to generate four wealth groups.

Example: Using a sample village data with x number of HHs where the HH with the lowest PMT score is 322.5 whereas the HH with the highest PMT score of 1200;

Table 7: Household ranking within the villages

PMT_score	PMT_Wealth Group	CBT Wealth Group	Average PMT_CBT	Ranking
322.5	1	2	1.5	1
615	2	2	2	2
907.5	3	1	2	3
1200	4	4	4	4



Notes:

1. **The PMT score** of was broken into **four wealth groups** to correspond with the CBT ranking by the communities where; 1= very poor, 2= poor, 3= middle 4= better off see *figure 4*
2. **Average PMT_CBT** was used to:
 - a. Address cases of extreme discrepancies between the PMT and CBT wealth ranking of HHs;
 - b. Enable the two methods validate each other;
 - c. Streamline cases where the PMT was ranking households with orphans as better off whereas this was not the case as validated by the community members.
3. **Ranking of HHs** using the average PMT_CBT per village

Final Household Selection

To select the eligible households across the County

1. Go to a given County e.g. Mandera with an allocation of 22,231 households;
2. Select a given village within Mandera and count the number of households with Mandera’s County PMT score of **less than or equal to 600.17462**;
3. If we get 2, 20 or 300HHs, use the **average PMT_CBT ranking** and select from 1-2 or 1-20 or 1-300 as the case might be;
4. **Move to the next village**, apply the same and in all other villages across Mandera.
5. The total number of households selected across the villages less than or equal to PMT cut off of (600.17462) will total 22,231 households.

6. The same process was repeated across all the villages in the other 3 Counties.