

OPERATIONAL MONITORING BRIEF

November 2015

Overview

Operational Monitoring Reports provide qualitative feedback every two months on the operations of the Hunger Safety Net Programme (HSNP) from the perspective of recipient households and pay agents. They cover mainly procedures relating to payments and case management. Each round of monitoring will take place at a different set of pay points across the four HSNP counties. In this round of monitoring, 23 pay agents and 191 recipients were interviewed between 5 and 7 November 2015.

Key findings from the routine monitoring

- The good news is that many agents interviewed report being satisfied with their involvement in the HSNP and can make the programme work alongside their regular business as traders. A significant portion, though, are struggling, especially when the cost of travelling to an Equity Bank branch to collect cash cancels out the profits they make from their commissions. These struggles could be of concern to HSNP if the dropout rates of pay agents are substantial, having a negative impact on the caseloads of remaining agents and increasing the distances recipients need to travel to reach an agent.
- The HSNP model expected that agents would have enough of a float from their regular activities to meet the demand for withdrawals. We find, however, that most agents report having made more than one trip to a bank branch especially to collect cash for HSNP during the last payment cycle.
- Almost without exception, we continue to find that recipients are withdrawing their entire balance at once and are not asked the amount they would like to take out. Some 76 households that we interviewed in this round said they did not know the amount of the transfer that they should be receiving.
- Almost half the respondents interviewed this cycle were Group 2 (emergency payment) beneficiaries which may explain the greater than usual informal feedback about the process of emergency payments and observed confusion among some recipients as to who was now eligible and for what amount. Nearly all pay agents confirmed that queues were longer than was normally the case. Nonetheless, most agents had been informed about the extra payment in the two weeks leading up to the disbursement date, and most had not yet needed to turn people away owing to unexpectedly low cash reserves from dealing with a larger crowd.
- Both Group 1 and Group 2 recipients reported prioritising using the cash payment to purchase food and pay off debts.

For follow-up by the PILU, FSD and Equity Bank

In each monitoring round, we have found that the number of active pay agents in each subcounty we visit is much smaller than expected according to the most updated lists. This gap may be a factor contributing to the liquidity constraint of pay agents, since those that remain active may have to serve more beneficiaries than they had originally planned. If data remain unavailable from FSD we recommend that HSNP programme officers telephone the pay agents in their subcounty to find out when they last made a payment under the programme; and if they did not pay out in November, whether the reason is resolvable (eg. a broken machine). Reinstating inactive pay agents is likely to improve the experience of other pay agents as well as of beneficiaries.

Special themed study on account opening, activation and card distribution

OPM conducted a special themed study between 3 and 20 November 2015 on the processes for opening and activating bank accounts and distributing debit cards to recipient households. Key informant interviews were conducted with rights committee members, smart pay agents, and recipients activating accounts as well as with Equity Bank officers, FSD and PILU staff at county and national level. A total of 51 interviews were conducted.

As of November 2015 Equity Bank had opened accounts for 96,000 of the HSNP's 100,000 target Group 1 recipients, of whom 84,000 had activated their accounts and been paid. Of the remainder, about 11,000 households had no ID card and 3,000 had an invalid ID card. The National Drought Management Authority (NDMA) and its partners are planning a 'mop-up' operation starting in January 2016 to aim to reach 100% account opening and activation.

Account opening

- Across all the counties the account opening stage of the process is not a major concern. Rights committees receive few complaints on this and report that the people initially left out were mostly nomadic households who, on their return, have gone to a branch and opened an account easily.
- Good practices adopted by Equity Bank include assigning account numbers to all accounts, even those with incomplete documentation, and allowing the documents to be sent afterwards; and permitting households to open their account from any location, without having to return to their village of residence.
- For the 'mop-up' activity in January we advise ensuring that there are sufficient staff for the exercise and that they have received refresher training on avoidance of clerical errors such as mistyping of names which can delay the opening of individual accounts; and running a clear communication campaign to maximise knowledge that this is the last opportunity for eligible households to join the programme.

Card distribution

- The distribution of cards has also been largely successful, especially during the mass registration exercises when most households received theirs. Recipients can withdraw money even without a card, provided their account is activated, by presenting a temporary 'white slip' that confirms their eligibility. This has mostly been effective for allowing recipients to get their transfer without being held up by logistical challenges of issuing the cards. Occasionally the white slips have resulted in confusion about a household's eligibility status.
- Low rates of distribution of cards are reportedly concentrated in certain areas. The challenges relating to distribution are: a lack of information on Equity Bank's scheduling of visits to distribute cards; poor beneficiary turnout by recipient households who may have competing priorities on the scheduled day; logistical errors whereby cards taken for distribution have belonged to another area; and poor treatment of HSNP beneficiaries in bank branches which can put them off going to collect their card themselves.

Account activation

- A major positive innovation by Equity Bank this year has been the introduction of 'smart agents', authorised to photograph identity documents using smartphones and forward them to Equity Bank for approval so that households do not have to travel to the branch themselves to activate their account.
- Rights committees report receiving more complaints about account activation than about account opening or card distribution.
- Suggestions to improve efficiency of the smart agent system includes improving the distribution of smart agents throughout the county; addressing the hardware and software issues with the phones; providing further training to agents about how the software works; and keeping agents updated on progress of applications they have passed to the bank.

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