Operational Monitoring Report

July and September 2016

HUNGER SAFETY NET PROGRAMME: PHASE 2 EVALUATIONS

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 takes place at a different set of pay points across the four HSNP counties and is led by Oxford Policy Management (OPM), an independent consultancy organisation, in partnership with Research Guide Africa (RGA).

MAIN OBSERVATIONS

1. Pay agents in the most remote HSNP locations are disadvantaged four times over. They have less liquidity from their own trade, they are less able to make repeated journeys to the bank and so withdraw larger sums in fewer trips, they then carry these larger amounts over very long distances, and as a result they are more likely than elsewhere to feel unsafe.
2. Pay agents in Wajir consistently report receiving less training on the HSNP than in other counties.
3. For the recipients in remote locations it was very common to be deducted a portion of the transfer or to be required to accept some of it in food rather than cash.

Fieldwork summary

This report covers two rounds of operational monitoring for the payment cycles that began on 28 July and 9 September respectively. Fieldwork took place over the first three days of the payments. These were the delayed payment cycles that should have begun on 5 July and 5 September. In July we visited Turkana South, Moyale, Wajir East and Mandera East, whilst in September we visited Turkana North, North Horr, Wajir North and Mandera West (Table 1).

Table 1 Summary of fieldwork, July and September 2016

County	Subcounty	Month	Pay Agents	Beneficiaries
Mandera	Mandera East	July	6	48
	Mandera North	September	6	48
Marsabit	Moyale	July	6	48
	North Horr	September	6	48
Turkana	Turkana South	July	6	48
	Turkana North	September	6	48
Wajir	Wajir East	July	6	50
	Wajir North	September	6	48

Source: OPM / RGA.

The locations visited in North Horr in September were typically remote, with North Horr town itself being around 200km—and a four and a half hour drive—from Marsabit town where the nearest Equity Bank branch is located, and others being much further still. Likewise, the locations visited in Turkana were remote, often being over 100km away from Lodwar and lacking network coverage. The locations in Wajir and Mandera were less remote and had no security issues, whilst most places had network.

The pay agents' experience

Training

Nearly all pay agents that we have interviewed, not only in these two most recent monitoring rounds but throughout the evaluation period to date, report having received some kind of training on the HSNP. Most commonly, as one might expect, this has focused specifically on the process for making payments, though even here some agents report not having received training. A consistent pattern across all rounds is a lack of training regarding the programme goals: in the latest round only six out of 24 pay agents stated they had any training on the purpose of HSNP. This lack of understanding of the programme itself may explain, for instance, lack of awareness of the emergency payment among newer pay agents: five pay agents across the two rounds were unaware of the emergency payments, all having been operating for less than two years. Additionally, the proportion of pay agents having received training on issues such as case management, the payment process and record keeping was low in September compared with the earlier rounds, with only 13 out of 24 pay agents reporting having had training on case management. This appears to be driven by geographic location as many of these pay agents are located in more remote areas such as Illeret or North Horr.

Table 2: Pay agents interviewed with training by topic, across all rounds (%)

	Programme Goals	Payment Process	Case Management	Record Keeping
Turkana	37	84	74	68
Marsabit	57	97	80	86
Mandera	67	92	89	86
Wajir	21	77	29	29

Source: OPM / RGA. Note: These figures are not statically representative of all pay agents in the programme; they refer only to the agents that we have interviewed to date.

As can be seen from Table 2 above, the area on which most pay agents report not having received any training is on the programme goals. It is also apparent that pay agents in Wajir consistently report receiving less training across all the topics, particularly in case management, record keeping and programme goals.

The payment process

The July and September monitoring rounds demonstrate just how different the experiences of pay agents are with respect to their location. In July, where we visited locations closer to larger towns such as Moyale, Mandera and Wajir Townships, agents typically reported being able to collect cash in under two hours at an average cost of less than KES 1,000, and making on average just over three trips during one cycle. Contrastingly, in September we visited some more remote locations such as Illeret, and others, who face greater challenges in collecting the cash. Agents from this round reported being able to collect cash in under six hours at a much larger average cost of just under KES 4,000. The average across all rounds is KES 3,197, which highlights how collecting the cash is both time consuming and expensive for pay agents, especially in September, with six agents spending over KES 5,000 (around $50) to collect cash. Finally, the average number of trips made in this cycle is two, which is probably due to the longer travel time and larger costs. This also implies they carried larger sums of money during these trips, increasing the risk associated with each trip.

Whilst most pay agents in the July monitoring round could continue serving their normal customers in the previous pay cycle, over half (13 out of 24) of those interviewed in September said that it had been difficult to do so for the July payment. This could be due to the delay in payment, resulting in larger number of beneficiaries arriving on the same day. It also could be due to the fact that more pay agents in the earlier round had hired extra help to help with the HSNP payment process. Additionally, there is still a proportion of pay agents across both rounds that experience days where the number of beneficiaries exceed their cash reserves (five in July and nine in September).

In line with previous rounds, the most commonly stated issues are that of network and authentication, although the proportion of pay agents reporting these issues has dropped throughout the programme's duration. However, around half of pay agents interviewed in July and September are still reporting these problems. For example in Lowarenk, Turkana North, there are many cases of finger prints not working. Beneficiaries also reported a range of issues to pay agents, one of which was authentication, although the proportion of pay agents reporting this concern has decreased over the payment cycles. The two most common complaints officially put forward by the pay agents are related to issues with the equipment or the commission being too low. Across the two rounds five complaints out of 16 in total were related to equipment issues, whilst three out of five complaints in September were related to commission. This could be related to the remote locations visited where pay agents have few clients and therefore do not have sufficient liquidity to pay recipients. As a result they need to travel each month to withdraw money and therefore incur larger travel costs. Even the higher commission for agents who are further from the bank may not be sufficient to compensate.

There is a consistent pattern across the rounds of a small proportion of pay agents reporting having been robbed, with four pay agents interviewed in September stating this. This is coupled with just under half (9 out of 24) reporting that they feel unsafe when collecting the cash. This may be driven by the more remote locations visited this round, where the fear of being robbed or attacked is greater among pay agents. For instance a pay agent was robbed in Turkana during the May cycle, which has resulted in increased concerns among pay agents. To counter this pay agents have come up with different strategies, such as collecting cash before or after the expected time, or paying beneficiaries at their houses. Equity Bank is also reported to have come up with an insurance scheme against theft for pay agents but not many agents are aware of this. The team interviewed a pay agent in Turkana who took out insurance and was robbed a few days later but was shy to make a claim as he thought it would look suspicious.

The recipient experience

In these latest rounds the number of recipients reporting being charged a fee to access their money was relatively high (40 in July and 66 in September). In Turkana, a pay agent required recipients to take KES 400 of food. This is a common pattern across the subcounties visited in September, with pay agents also deducting cash in Marsabit, Mandera and Wajir. This may be driven by pay agents avoiding the inconvenience of handing out small change, given the new transfer value of KES 5,400. Recipients could be reminded that they need not withdraw the full amount and will not lose the KES 400 if left in their account. In Marsabit there were several examples of pay agents only giving half of the payment in cash, with the other half given in the form of goods. It is therefore unsurprising that the main complaint by the recipients was related to deductions being made by pay agents. In these situations the pay agent is typically trying to make the programme work, either through covering travel costs to get money, or distributing the cash they have available by limiting each recipient to cash in convenient denominations.

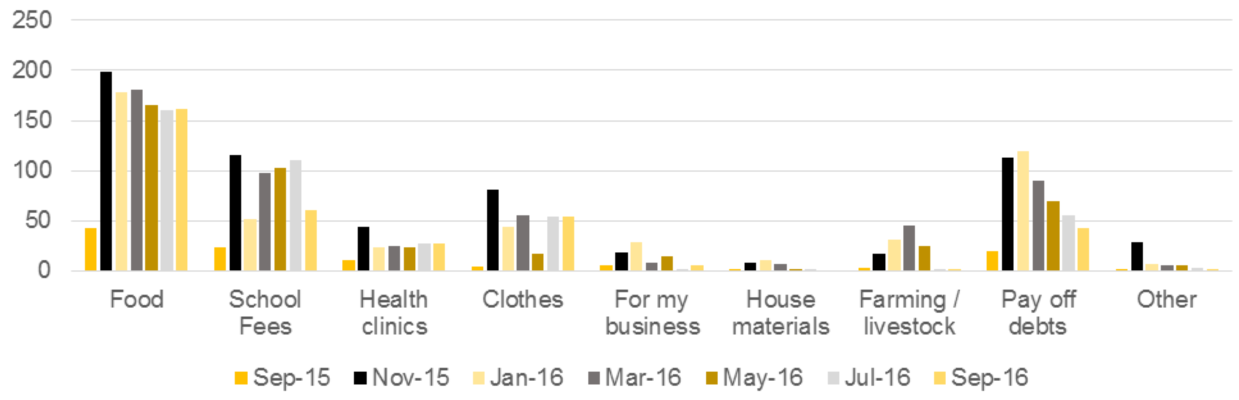
Given the lengthy delay for the payment in July, it was important that information on the delay was effectively communicated with both pay agents and recipients. The communication for the July cycle was successful. For example, in Turkana the HSNP programme manager contacted chiefs to ensure they were informed of the payment date and reminded them to inform recipients, which resulted in announcements being made at churches and barazas. For the other counties communication was conducted through either SMS or WhatsApp; programme managers and chiefs received an SMS from HSNP Nairobi, and Equity Bank contacted pay agents through SMS or WhatsApp. However, this was not communicated as clearly with recipients. The main source of information about the payment date across both rounds was the chiefs. This information is often quite short notice, usually a week or less prior to the payment. This is challenging for recipients, especially those who have to travel large distances to reach the pay agent. In some instances recipients travelled back and forth several times while waiting to find out if the payment was ready. As noted in our review of the delayed payment in March, there is a large opportunity cost associated with this as recipients both incur costs for this travel and are also unable to continue with their daily livelihoods. There was an increase in the number of recipients collecting the payment on the first day for the July cycle, which is probably related to the fact the payment was delayed by almost a month.

There was a noticeable leap in recipients using *matatu* or motorbike to reach the pay agent in July (30 and 33 respectively), reflecting the fact that the July round visited more towns. The majority of beneficiaries continue to walk to the pay agents. Most also have a travel time of under 1 hour, although across the two rounds 44 respondents were travelling between two and five hours, whilst five recipients in Marsabit were travelling over five hours.

Regarding the payment itself, there has been a steady decrease in the number of beneficiaries reporting they did not know the balance of their account across the previous rounds. However, this increased again in September, with 89 out of 192 recipients stating they were not sure of the balance of their account. This could be linked to the increment; meaning recipients were not completely clear of the amount they were due to receive.

The planned use of the money remains relatively in line with other rounds (Figure 1). Recipients predominantly plan to spend the money on food, school fees and to pay off debts. There is a drop between July and September on the number of beneficiaries who plan to spend the money on school fees. This could be driven by the fact that May marks the start of the second term of school and so school fees will be due by then. Additionally, across the rounds the number of beneficiaries paying off debts has decreased, and this trend continued in July and September.

Figure 1: The planned use of the HSNP money, across all monitoring rounds



Source: OPM / RGA.

Finally, there is an increase in the number of beneficiaries updating their information, which in previous rounds was almost non-existent. Across the latest two rounds, 59 beneficiaries reported updating their information, all of whom received feedback that their information was updated. This can be attributed to the fact that there was communication about replacement for those who did not give their ID details or change of recipient details in time.

Authors: Alastair Haynes, Caroline Riungu and Clare O'Brien (OPM).