

Operational Monitoring Report

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HUNGER SAFETY NET PROGRAMME: PHASE 2 EVALUATIONS

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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. It highlights good practices and innovations, as well as challenges and opportunities for improvement. It covers 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 and is carried out by Oxford Policy Management a third party consultancy organisation.

GOOD NEWS

The programme implementers that we met are largely trying to do their best to run this complex intervention to achieve the best outcome for its intended recipients, finding a range of solutions to overcome some of the challenges presented by the programme's design and intended implementation.

TOP THREE OBSERVATIONS / CHALLENGES

1. **Opening hours.** The disbursement cycle starts on the 5th of every other month. Most agents we contacted were closed on 5th July; many were also closed on the 6th and/or the 7th.
2. **Commission.** A critical concern reported by pay agents is the low commission per transfer insufficient to incentivise them to collect cash or pay the assistants that some use to deliver the transfers.
3. **Information.** Recipients do not feel well informed about the timing or value of any payments they can expect. The recent launch of the emergency payments has compounded the confusion.

Fieldwork summary

The first round of operational monitoring, covering the payment cycle starting on 5 July, served as a pilot for the research team to test and refine the questionnaires and develop a procedure for selecting pay points and respondents. **Error! Reference source not found.** reports the number of sites visited and interviews undertaken. As agreed, precise locations remain anonymous.

Summary of fieldwork

Indicator	Marsabit	Wajir
Date of fieldwork	Sun 5–Tues 7 July	Mon 13–Weds 15 July
Sub-counties visited	Saku, North Horr, Laisamis	Wajir East, Giriftu
No. of pay points visited	14 (10 were open, 4 closed)	4
Pay agents interviewed	10	3
Recipients interviewed	40	5

*HSNP estimates it has in the region of 350-400 agents serving its 100,000 Group 1 households and also serving the additional recipients of the emergency payment, when triggered.

The recipient experience

Awareness of the payment process

Few recipients are certain as to when money should be credited to their account, or how much is due to them. Several reported that they could collect payment once every two months but were unsure of the date. Some 17 of our 45 respondents learnt about the availability of their most recent transfer from a friend or neighbour, often when the informant had tried their card in the point of sale machine (POS) on the off-chance and succeeded in getting a transfer; a further 10 had not heard from anybody but had tried out their cards themselves.

The introduction of the emergency payments has generated confusion as recipients hear that households are being credited at other times of the month. Non-recipients hear that people whose cards have previously 'not worked' now have 'started working' and many queue to check their own cards even though they have not been told they are eligible for a transfer. In some instances this has caused the queues to be longer in the first three days of payment.

Opening dates

In July the 5th of the month fell on a Sunday. Most agents that we could reach physically or by mobile phone in Marsabit county were not paying that day, either because they were closed or because Equity Bank was closed and they could not obtain cash. Many were then also closed for at least part of Monday as that was the first day they could travel to the bank to collect cash; some paid what they had available on Monday and closed on Tuesday to fetch more. In itself it is not problematic that many agents are closed on Sundays: the recipients were not turning up disappointed at the closed store on the 5th, either because they did not know that the 5th was the first day of the payment cycle or because they would not expect the pay points to be open. But it is useful for HSNP to be aware of this if it is expecting that recipients are relying on obtaining payments on a particular date each month.

We visited pay points in Wajir the week after the start of the payment cycle, on 13-15 July. The agents we interviewed there reported already having finished paying most of their recipients; by this second week there were no queues.

Collecting the payment

Most recipients that we spoke to—40 out of 45—collected their payment from their nearest pay point. A few of the five who went further claimed malpractice by their nearer agent, declaring that he forced them to buy goods instead of providing them with cash; on follow-up with the agent, he reported that the recipients had willingly taken goods on credit on the understanding that the debt would be deducted from the next HSNP payment, and that they were avoiding repayment. We would expect these types of disputes to be picked up and resolved by the rights committees.

All but two recipients that we talked to had walked to the pay point; reported travel times ranged from just a few minutes up to six hours, with the average being about 1 hour. The experience of queuing to collect money varied. Some were able to stop by their local store and collect their payment in a few minutes; this was often the case in communities where there were few recipients, or where people were unaware of the payment date and therefore were not queuing.

In contrast, in a large urban centre with a big population and only one pay agent we observed an unregulated two-pronged queue (one for men, one for women) of dozens of people who waited for several hours in the sun; payments were only made until around 12.30pm and then, after some further hours of waiting to see if more cash would be distributed, recipients were turned away until the next day.

Recipients recognised the value of being able to walk to collect their money locally, without incurring transport costs and without having to join the large queues in the urban centre. For this reason we found a community where recipients had willingly set up an arrangement with their local

storekeeper to pay him KES 100 per transfer as additional commission, to incentivise him not to cease payments on account of his low commission as he had wished to do; respondents reported that they would much rather pay the KES 100 to their neighbour than pay KES 1,000 to spend all day travelling to the larger town and queuing hours for the same payment.

Nearly all recipients reported that the pay agents treated them with civility. We found several instances where pay agents were assisted by one or two extra people to enable payments to be processed smoothly.

In Marsabit or Wajir, no recipients interviewed expressed any concerns about their security when collecting or returning home with their cash.

Payment amounts and use

At the start of the payment cycle, on 5 July, the bi-monthly amount collected by regular HSNP Phase 2 recipients increased from KES 4,900 to KES 5,100. Few recipients noticed the increase, as most were unaware of how much they should receive.

GOOD PRACTICE 1

In the most orderly site we visited, three people were serving recipients and two rights committee members—the chairman and one other—were present at the pay point, which was a small room used solely for the purpose of the payment.

One rights committee member stood at the entrance to the room and collected the debit card of each recipient that arrived, adding it to the bottom of a pile as a way of ordering the queue. Recipients were then sure of being called forward in turn, so could sit wherever convenient in the vicinity.

Once called, the recipient rotated around the three people in the room to use the point of sale device, record their fingerprint in the Equity Bank book and receive their cash.

This made for a very smooth experience for the recipients. Those disbursing the payments expressed reservations that while delivering this efficient service the pay agent's assistants and rights committee members went home without compensation for their day of voluntary work; having lost a day's wages since they were working for free; this was not considered sustainable.

Almost all of our 45 respondents simply collected whatever cash they were handed by the pay agent, either without querying their balance beforehand, or else requesting the agent to withdraw all the funds in their account but without knowing whether what they were given was indeed the full amount. At one pay point recipients initially had KES 5,100 debited from their accounts but received only KES 5,000 of it, the agent taking the other KES 100; at another pay point, each was debited and paid KES 5,000 and the remaining KES 100 was left in their account as it was inconvenient for the agent to distribute the KES 100 notes.

Only one recipient that we spoke to checked his balance with the agent before withdrawing the cash; and even he withdrew the whole amount—even though he wished to keep some savings—as he did not realise he had a choice. Among other recipients whom we asked if they knew they could leave some of their money, there was some

misconception that the money would revert to the government if they did not collect it.

We asked respondents how they proposed to spend the cash that they had collected. Nearly everybody planned to use some of the money for food, and about half planned to use some for school fees and educational materials. The top five answers from this payment cycle were:

1. Food
2. Education
3. Paying off debts
4. Health
5. Business

The pay agents' experience

The value of participation

Among the agents we talked to in Marsabit and Wajir there was a strong sense that the commission of around KES 25 per transfer, with no transport allowance, was too little even when only one person was paying out, let alone when three or four people were organising the process at a pay point. We understand from Equity Bank that several agents in Marsabit had given up or declared that they wished to withdraw from the programme, increasing the burden on the agents that remained. This is understandable since a round trip of, say; KES 1,000 on public transport by a pay agent to collect cash from the bank cancels out his or her commission from 40 recipients. Solutions to this among the pay agents that we observed included:

- An agent deducting KES 100 from each recipient with their agreement, as above
- An agent taking KES 100 from each recipient without their knowledge
- An agent processing every transaction in two halves so as to double the commission earned.

It appears that these agents are trying to make the system viable: they recognise the value of the service, especially for the elderly and others with limited mobility, and are doing what they can in order not to be forced to withdraw.

Patterns of payment

Pay agents have a variable caseload. We reviewed the number of payments recorded in the books issued by Equity Bank to its agents for the last full payment cycle, from 5 May to 4 July, where the record books were available (in Marsabit all the agents we visited had record books; in Wajir three out of the four pay agents visited did not). The number of recorded payments ranged from around 20, to close to 200, and up to 2,000 or more. This included transfers made to recipients of the emergency payment, for which a new payment was issued on 29 May.

We had expected to find most recipients turning up in the first day or two of the payment cycle, potentially causing long queues and/or liquidity problems. However, the record books generally showed that only a minority of people collected their money on the first day. This ties in with the observation noted above - they do not know when the first day of payment is.

This lack of information on the part of recipients among agents that we visited, both about the date of payment and about the fact that they can choose how much money to withdraw, has the unintended consequence of reducing the liquidity pressures on the pay agent. This is not to suggest that recipients should continue to be misinformed, but rather to alert that when the dissemination of information improves, difficulties with the liquidity of agents may increase.

During this pilot visit liquidity appeared to be less of a concern among the pay agents than we had expected. In part this is because Equity Bank at a local level had some practical solutions to enable agents to make payments, such as allowing certain agents to have overdrafts for the first few days of payment while waiting for money to come in from recipients. The main challenge in relation to liquidity goes back to the issue mentioned above, that agents are not reimbursed for travelling to collect the cash, and so may be reluctant to make special trips to collect more. Nine

GOOD PRACTICE 2

The Equity Bank record books used for noting payment have insufficient space for thumbprints next to the name of the recipient. Three agents that we saw were innovative in using a cardboard cut-out, cut to fit the height of the line, so that the thumbprint could fit. We suggest that this easy practice could be disseminated more widely if the books themselves are not expected to change their format. This will improve record keeping and accountability, eliminating other problems that we observed such as thumbprints spreading across several lines, or agents not requesting recipients to sign after receipt.

out of the 13 agents we interviewed said that they needed to travel to pick up the cash that they used for transfers.

Complaints, suggestions and updates

The procedure for registering complaints, suggestions or updates is little known to either recipients or pay agents. When asked whom they would turn to for these matters, just eight of our 45 respondents said that they would report to the rights committee or to HelpAge or its partner NGO, and three suggested the HSNP programme officers or the NDMA. Another 10 said they would talk to their local administration such as a chief or county or sub-county official. Eighteen respondents said they could not think of anyone that they could report to.

NEXT STEPS

As a result of this first, pilot round of operational monitoring we have observed a number of aspects of HSNP operations that we will continue to explore closely in the coming monitoring rounds. On the part of the recipients we will pay particular attention to their understanding of the programme, including their knowledge of when they can collect their money, how much they have in their account and the fact that they can choose how much of it to withdraw. In relation to the pay agents we will continue to identify the consequences of the lack of reimbursement for travel costs and the low commission, and to understand their strategies for staying in the programme in spite of these challenges.

Nearly every pay agent suggested that their first port of call in the event of wishing to report any feedback, complaints or suggestions about the HSNP would be an Equity Bank representative; only one mentioned the rights committee.

Some of this lack of information may be due to the limited visibility of the rights committees. Of all the pay points that we visited in Marsabit and that were open in the first three days of payment, when one might expect relatively higher attendance by recipients than at other times, only one had rights committee members present.