

Operational Monitoring Report

March 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).

NOTE—DELAYED PAYMENT IN MARCH 2016

The HSNP transfer to Group 1 recipients—households who receive financial support every two months—is routinely paid on the 5th day of every other month. This payment was delayed in March for the first time since routine monitoring began under Phase 2. No households received the March payment on 5 March, or throughout the monitoring period (up to 8 March).

Instead of monitoring the efficiency of the payment process, our teams monitored the implications of the non-payment. We asked: who knew the payment would be delayed, and how were they informed? What were the consequences for households and pay agents? How has the delay affected perceptions of the programme? And what lessons can be learned to improve operations in the event of a future delay?

Fieldwork summary

We interviewed 22 pay agents and 64 recipients between Friday 4 and Tuesday 8 March. We also consulted with local chiefs and ward administrators in the interview locations to find out their degree of awareness of the delay, and the feasibility of involving them in communication activities. In Turkana West the area sampled for interview included Kakuma, the main town in the subcounty that has an Equity Bank branch, as well as another town on the main road and many small rural locations up to 90 km off the road. In Wajir and Mandera, too, the teams interviewed pay agents in the main town of the subcounty, and others in more remote locations up to 70 km from the road, some outside network coverage. One agent interviewed in Wajir was a mobile agent. In Marsabit the interviews were mostly in small towns and rural areas some 180 km from the nearest Equity Bank branch.

Table 1 Summary of fieldwork, March 2016

Indicator	Turkana	Marsabit	Wajir	Mandera	Total
Sub-counties visited	Turkana West	North Horr	Tarbaj	Banisa	4
Pay agents interviewed	6	6	4	6	22
Recipients interviewed	35	11	9	9	64
Other respondents¹	2	2	1	-	5

Source: OPM / RGA. Note: (1) 'Other' includes Equity Bank representatives and rights committee members. (2) In all counties we also explored the knowledge of chiefs and assistant chiefs about the delay, during the interviews for the special study on chiefs which accompanies this report. Those are additional to the number of interviews listed here.

Awareness of the delayed payroll

The HSNP team in Nairobi—the Programme Implementation and Learning Unit (PILU) and their counterparts—concluded at a meeting with government colleagues on the afternoon of Thurs 3 March that funds would regrettably not be able to reach Group 1 recipients in time for the planned disbursement date of Sat 5 March. The PILU sent an email on Thurs 3 March to Equity Bank. On the morning of Sat 5 March the PILU sent a text message to a list of partners for whom it had telephone numbers, including chiefs and assistant chiefs, pay agents, PILU and Equity Bank staff. The message stated that, owing to unforeseen circumstances, the March payment would be delayed.

Text messaging was effective but late

Sending an alert by text message is an effective way of communicating with the field. Many of our respondents—pay agents, assistant chiefs and chiefs—had received the message either directly from the PILU or had been forwarded it by Equity Bank. In Banisa, Mandera, the message was passed onto agents via their WhatsApp group on 4 March.

However, the message arrived late. Messages sent by phone take time to reach all programme areas. Some agents that we interviewed in towns, who tended to start paying early in the morning when they had long queues, were already attempting to pay on Sat 5 March before they received a text alert and before the bank branch was open, and became aware of a problem only when the first several people whose cards they swiped all had a balance of zero. Further afield, in remoter locations from where agents travel to the bank around the 5th to collect cash, some agents had already set off for the bank unaware that the payment was delayed. Naturally, the level of awareness among implementing partners was poorest in places that had no mobile network signal. The benefits of early messaging were evident in one location in Wajir where the agent had received the message in the evening of 3 March, in time to communicate it together with the chief at the mosque. At that location the pay agent had closed his shop and nobody was waiting at the time of the interview.

Assistant county commissioners and deputy county commissioners—the chiefs' immediate bosses—are in the habit of finding ways to communicate with the chiefs even when network coverage is absent. It would be useful to include these people to receive the text message alerts, since they are mostly based in urban areas with better network signal, so that they can start a process of contacting the chiefs in the event of needing to pass on a message about a delay.

The recipients that we spoke to who had received a message about the delay tended to hear it either on arrival at the pay agent, or from the chiefs. In one location in Marsabit that had no chief, a rights committee member spread the word. In other instances information was spread informally by a village elder, by other traders or by neighbours who had tried their cards and been unsuccessful. In Tarbaj, Wajir, several respondents in different locations had heard news about the delay en route to the pay point but had wanted to come anyway to double-check with the agent.

I didn't know that payment hadn't started, because on the fifth I heard my neighbour saying that people had waited for the agent but he had closed. I only came today [7 March] and found the same thing. (Recipient, Tarbaj subcounty, Wajir).

If this is to happen again they should inform us early enough to avoid some of these problems. They should use other methods of dissemination to the beneficiaries, like a baraza, rather than leaving it to us [pay agents] to do the work of dissemination. They should also let us know what to do. Right now we don't know whether to take the money back. If they tell me suddenly to pay I won't have liquid cash. (Pay agent, North Horr subcounty, Marsabit).

Many other recipients had not heard a message, especially on 5 and 6 March. In many rural locations there is no active pay agent: in those places recipients rely on hearing news back from the town, including from passing motorbikes or other vehicles, or directly from the chief, as to whether the payment is ready. In the most remote location we visited, some 90km off the tarmac road and 60km from the nearest mobile phone signal, both the assistant chief and recipients remained unaware of the delay even on Sunday 6 March as no word had reached them.

Uncertainty as to how to respond to the message

Programme implementers, having heard that the payment would be delayed, were uncertain what to do with the message they had received as it did not contain specific actions other than to wait for further information. Our interview teams found that recipients were gathering around pay points as normal on Sat 5 March, since at that time they had not heard about a delay. The mood among recipients at the pay points was more one of confusion than anger: people waiting were reliant on the pay agents to tell them what to do, but pay agents themselves did not know whether to advise households to stay nearby or to go home:

The agent just told us there was no money in the accounts but he didn't give us a reason (Recipient, Banisa subcounty, Mandera).

In Turkana West several agents that we interviewed assumed there must simply be a glitch owing to the 5th falling on a weekend, and recommended to recipients that they stay around town until Monday 7. By Monday 7 it was becoming apparent that the funds were still not available and at that point the agents were generally advising those who had been waiting to return home.

Some of the chiefs and assistant chiefs who had received the text alert wished to call a public baraza, while others were hesitant. A public baraza can take a few days to organise, especially when it entails reaching pastoralist households. Chiefs' options were either to call one hastily, knowing that many households might not be able to make it, or to arrange one for a few days' time in order to allow more people to attend and hear the message simultaneously from an official source, but with the risk that an unofficial message might have reached households beforehand. We found examples of chiefs taking each of these measures. One respondent preferred not to call a baraza at all because he felt he was insufficiently informed to respond to the queries that would arise, such as the reason for the delay and the date to which the payment was deferred.

Consequences of the delay for recipients

Any delayed payment, of course, poses risks to household well-being. Several whom we spoke to expressed anxiety that their children might be prevented from attending school on account of overdue fees, traders might pursue them for non-payment of debt or they would be obliged to rely on neighbours for food:

I haven't had anything to eat since yesterday so I'll have to borrow food till the money comes. In previous cycles I've used the cash to buy flour and oil and to sell it on as a business. If I'd been told earlier that the money wasn't going to come I wouldn't have sold off the stock, I'd have kept it to eat for myself. (Recipient, Turkana West).

Right now we're expecting the kids' school to chase them out of school to prompt us to pay. If they are chased and we don't have fees they'll be out of school. There are others who fully depend on the money and have taken food on credit. These ones will suffer the most. (Recipient, North Horr, Marsabit).

The longer the delay, the more likely these risks are to materialise. The uncertainty about the rescheduled payment date was increasing the general level of concern because it meant that households were unable to reassure their debtors when the money would be available.

The more immediate and permanent negative consequences of the delay were caused by the late communication: many recipients had wasted journeys to pay points, expending money, time and the goodwill of the people they lodged with. These consequences are compounded by the scarcity of active pay agents compared with the HSNP's desired coverage. Recipients who lived a short walk from a pay agent were able to return home and said they would either keep coming back to check or wait to hear from their neighbours that the money was now available.

Many households are one or two days' walk from the nearest pay point. Often they make the journey on foot, though a few we spoke to had spent money on transport to arrive at the pay point. Recipients now commonly know that the 5th is the expected payment date, so some had already made their journeys prior to the disbursement date in order to be at the pay point on the 5th. When we interviewed them on the 5th, 6th and 7th they were often torn between returning home empty-handed, and having to invest the time to travel again on a future date, or waiting around but eking out for several further days the cash they had brought to live off:

When I pick my money from here I don't incur any expenditure because it's a 30-minute walk from my home, but when I go to Tarbaj or Lafaley it's when I take a motorbike which will charge me around 400 shillings to and from. I was planning to go to Tarbaj town now to see if I'll get paid. (Recipient, Tarbaj subcounty, Wajir).

I came for the payment with 400 shillings to survive on [*for the journey from a location about six hours' walk away*]. I travelled down two days ago and am staying with relatives. I've been skipping meals to make it last and I've only got 50 shillings left [*as of the afternoon of Sat 5th*]. (Recipient, Turkana West).

The consequences in terms of time lost were considerable. A few respondents had other business to do in town so did not object to returning at a later date. More commonly, respondents had made the trip especially to collect their transfer, so it was inconvenient and costly to return. In one urban centre we found that many relatives of recipient households had also travelled to the pay point, hoping to receive a share of the money once it had been collected. The number of fruitless journeys was therefore more than just those made by the designated recipient in the household.

Being away from home for long periods unexpectedly also presents a risk to some recipients' livelihoods. Turkana West has a high incidence of rustling. Here, two respondents expressed the fear that their herds were left unattended during their long absence as their wives and children were not able to look after the animals owing to insecurity in the surrounding area. The option of having the women travel to collect the transfer, so the men could stay at home, was not felt to be safer as the women would have to walk through insecure areas to reach the town. In this instance the men had left their town on Thurs 3 to be at the pay point for the 5th; as they planned to stay until Mon 7 to see if the payment would come, they would be away for a full five days. If their town had an active pay agent—two are named on Equity Bank's list, but neither is operational—this risk would have been eliminated.

One agent in Turkana West observed that he generally always advised recipients who lived a day's walk away to check from others whether the money was available before they started their journey. This seems to have been effective, as our interview team went to a remote location served by his pay point on 5 March and found that many recipients had not yet set off to collect their money as they had not heard it was ready. If HSNP payments become less reliable in their timeliness

this may become more common, such that households do not fetch their money on the first expected day of payment but instead collect it once they are certain it has arrived.

Consequences of the delay for pay agents

For pay agents the most significant consequence of the delay was that many had already travelled to an Equity Bank branch and withdrawn cash from their accounts in expectation of paying households, and now did not know whether to hold onto or return the cash. These amounts can be huge, posing a big security threat to the agent. Typically, a pay agent might withdraw KES 1 million at a time (\$10,000), which is enough to serve just under 200 recipients. In North Horr, Marsabit, some pay agents reported having withdrawn more than this. Agents who are more popular or who live a long way from the bank branch are more likely than others to report having taken out a substantial sum of money. At the same time the agents that are far from a branch face the greater dilemma about returning the cash owing to the distance and expense involved in depositing it at the branch and taking it out again later. In Mandera, five out of the six pay agents we interviewed had incurred expenses for transport, food and accommodation in travelling to Elwak or Moyale to collect their cash: the sum amounted to between KES 6,000 and KES 10,000 (\$60–\$100) each.

Agents that operated in the same town as an Equity Bank branch did not face the same problem. They either said they would just pop back to put the money back into their accounts, or else reported that they had not got around to withdrawing any cash on the 5th as they had enough money in their own float to last them for the first couple of hours until the bank branch opened, by which time they had already realised there was a problem with the payment.

The unclear communication of the delay had an immediate negative effect for some agents as they are the first line of contact for beneficiaries. For example, a pay agent in Marsabit explained that his business was disrupted while recipients insisted he made phone calls to find out what was going on. Another reported being a little disrupted by people coming back repeatedly to check the latest status of the payment. In Tarbaj subcounty, Wajir, and in Banisa subcounty, Mandera, traders reported having closed their shop to stop the flow of people coming to ascertain what was happening:

I'm forced to close down now because if I open the shop they will flock expecting me to check their cards... It's bad that now I'm forced to close, I'm not selling anything, therefore it's a loss to me; but the moment I open it's the same issues I'll be sorting out. (Pay agent, Tarbaj subcounty, Wajir)

Some pay agents who were also traders did not report strong feelings about the impact of the delay on their own business. For example, one agent was simply pleased to have his Saturday freed up. Another trader was sufficiently well established that the business generated by HSNP recipients was relatively marginal:

I don't think there's any issue for me. I've been working the last 20 years and I don't feel that the credit I give them [*HSNP recipients*] affects me if there are delays. (Pay agent, North Horr subcounty, Marsabit).

However, two of our respondents who had smaller businesses and had given out goods to recipients on credit were worried about the effect on their ability to trade. They were concerned that they would be unable to replenish their stock until the money came in.

Perceptions of the programme

Until March the HSNP had established a reputation for consistently timely payments and clear messaging that the payment date would always be the 5th of every other month (among Group 1 recipients, at least, though the water is muddied somewhat by the erratic disbursement—as it seems to communities—of Group 2 payments). Repeatedly recipients told us how they had been taught to count two months, then count to the fifth day. The delay in the March payment has dented this reputation and created disappointment and uncertainty which may take some time to repair. To some extent, then, the reputational damage now is a consequence of the programme's previous efficiency.

In most cases recipients did not intend to complain about the delay. Several acknowledged that the delay was unlikely to be the fault of the pay agent, and there was no-one else immediately around to turn to. In North Horr, Marsabit, respondents said they would not know who to complain to; in Turkana West, in contrast, there was widespread knowledge that the rights committees or the chiefs would be the appropriate people with whom to lodge a complaint, though none of our respondents were expecting to make a complaint. A few had made enquiries about the reason for the delay, such as to the chief. In general, among those that knew of the delay, they were either sufficiently appreciative of the programme to date that they did not wish to stand out by objecting, or they did not expect that complaining would achieve anything.

The surprise of the funds not being available on the 5th gave rise very rapidly to rumours that, perhaps, the money was drying up and the programme would soon end. In Marsabit, there were several calls made to the Equity Bank branch HSNP supervisor on whether the payment was completely over. This was also the case in Mandera. This type of concern was already being quashed by some recipients who were advising their friends and neighbours to wait for the official story rather than spreading rumours. The swift payment of the delayed transfer should reassure recipients on this point.

It might be useful for the HSNP to issue a formal message via the chiefs fairly soon to explain the reason for the delay, reassure communities about the continuity of the programme and offer guidance as to what to do in the event of an administrative delay in future. This guidance could include a recommendation to people living far from a pay point to wait a day or two for confirmation that the money has been released before setting off on the journey to collect it.

RECOMMENDATIONS

- 1. Alert about non-payment.** We advise that the HSNP selects a cut-off date of either the 1st or 2nd of the month when a payment is due. If the money is not known to be available by that date the PILU should send a text message on that date to all relevant stakeholders—HSNP staff, Equity Bank, pay agents, chiefs and assistant chiefs, and assistant county commissioners—informing them that there may be a hold-up in releasing the funds, and encouraging them to spread the word among recipients not to start walking to the pay point until they have heard that the funds are available.
If it turns out that the funds are available after all, at least recipients will be able to collect it on or soon after the 5th. This is preferable to having them expend time and money on unnecessary journeys. An early announcement will also enable pay agents to avoid holding very large amounts of cash insecurely without knowing when they can pay it out.
- 2. Expand mailing list for text messages.** The text message system is effective. Continue to expand the mailing list of numbers of people who can be contacted if needed, to include as many chiefs and assistant chiefs as possible, and also assistant county commissioners.
- 3. Be explicit in the message about how people should respond,** such as whether recipients should wait a day or two or should come back after a certain time.

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