

Operational Monitoring Report

May 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 continue to experience challenges with authentication but are finding ways of dealing with the issue.** Several pay agents report using a special cleaner to wash recipient hands, so that the thumbprint will more easily register on the first try.
2. **Many pay agents in this round report ever having ‘lost’ money** related to improper distribution or bookkeeping.
3. **Recipients are increasingly aware of to whom to turn with a problem.** Where in earlier rounds recipients indicated they did not know where to register a complaint, in later rounds, many more now indicate they would go to Equity Bank.

Fieldwork summary

We interviewed 24 pay agents and 192 recipients between 5 and 10 May 2016, the first official days of the new payment cycle for the regular transfer (the 'Group 1' recipients). All recipients interviewed were from Group 1. We did not come across any instances of households collecting an emergency payment during this monitoring round.

Table 1 Summary of fieldwork, May 2016

Indicator	Turkana	Marsabit	Wajir	Mandera	Total
Sub-counties visited	Turkana East, Loima	Laisamis, Saku,	Wajir South	Mandera South	4
Pay agents interviewed	6	6	6	6	24
Recipients interviewed	48	48	48	48	192

Source: OPM / RGA.

The pay agents' experience

The monitoring exercise asks pay agents about their experience of participating in the programme during the last completed pay cycle, which for this round was 5 March–4 May 2016. The March payment was delayed by two weeks.

For the March payment, half of all pay agents interviewed indicated that they struggled or were unable to serve their regular customers during the first few days of the HSNP payment cycle. These figures were slightly higher than in previous rounds. Despite the notification of the late payment, recipients still wanted to check their balances while agents continued their regular flow of business.

Similar to previous rounds, well over half of all agents continue to report issues getting and keeping a network signal and keeping their point-of-sale (POS) machines charged. Furthermore, nearly all (22 of 24 agents) report problems with authentication where the thumb print is not initially accepted. Here the issue appears to be with the sensitivity of the machine. Recipients with callouses on their hands struggle to get the machine to register their print. To mitigate the problem several agents now report using some type of chemical to clean hands prior to authentication.

Nearly half of all agents (11 of 24) report ever having 'lost' money during the process of payment. This is higher than in any of the other reporting rounds. Anecdotal reasons for losing money include:

- Allowing purchases on credit. As shopkeepers, some agents allow recipients to purchase food on credit. However, in some cases when the pay date arrives the recipients go to another agent to collect the full amount, avoiding paying back what is owed to the first agent; or the agent may fail to update records about the loans he or she has given, and may end up paying the same person twice. To mitigate this risk, some agents allowing purchase on credit now hold on to the recipients' cards until payday.
- Capacity of assistants during busy periods. Several pay agents hire extra help to manage the large flow of recipients, especially at busy times such as during a seasonal concentration of people grazing their cattle near a certain paypoint. Indeed, about one-third of agents whom we have interviewed to date report serving greater than 500 HSNP clients in a payment cycle, with similar numbers reporting hiring extra help. However, these part-time staff may not be as good with cash distribution and bookkeeping. For instance, one agent described a helper giving a recipient KES 5,500 rather than KES 5,100. As a result, when the pay agent tallies the figures at the end of the day he finds money is 'lost.'

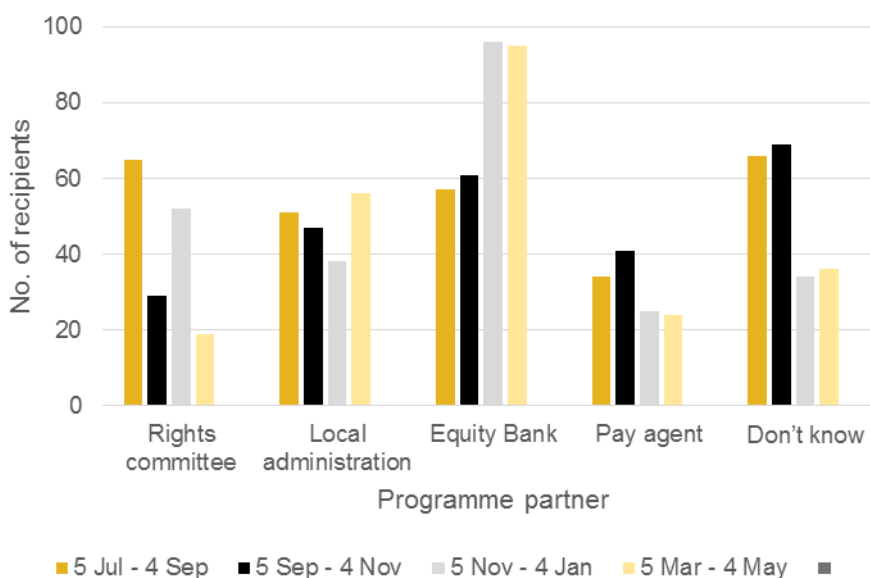
The recipient experience

The data suggest that recipients continue to accept whatever amount of transfer is offered to them. Of the 192 recipients that we interviewed in this round, two-thirds (120) withdrew the full KES 5,100, while nearly all the remainder withdrew KES 5,000. This slight shortfall, observed in the sub-counties we visited in Marsabit, Mandera and Wajir, maybe indicative of the inconvenience to some pay agents of finding small change for recipients (see the accompanying special theme report on cash flow). While recipients may still accept the amount offered, their knowledge on account balances appears to be improving. Indeed, the number of recipients reporting not knowing the balance in their account is trending downward from 82 recipients in September 2015, to 44 in May 2016.

In this round, 28 recipients indicated they paid a token of appreciation to the pay agent. Of these, 27 were located in Wajir South. The explanation provided for this rise appears to be related to bad weather. Due to heavy rainfall some pay agents reported being reluctant to go to the branch to collect money. According to the agents, recipients agreed to contribute KES 100 to help cover the transport charges for a 4-wheel drive vehicle, as normal public transit was disrupted by the flooding. Without this assistance, the recipients would have needed to wait much longer to get their money, so they were willing to pay.

We see a changing pattern around to whom recipients will turn to raise a complaint or issue. In earlier rounds a large number of recipients did not know where to register a complaint or would look to the rights committees. In later rounds however, a large number of recipients indicate they would turn to Equity Bank (see Figure 1). Similarly, recipients appear to be moving away from using rights committees to update household information, turning increasingly to local administration. For example, in September 2015, 65 respondents said they would turn to a rights committee member to update information while 51 would turn to local administration. In May 2016 these figures were 19 and 56 respectively. This shift suggests that the intended policy shift in programme focal point away from the rights committees and towards local chiefs may be occurring as anticipated.

Figure 1: To whom recipients would turn to register a complaint or issue



Source: OPM / RGA. Note: Excludes respondents who reported 'Other', such as HSNP officers.

When asked how they plan to use the payment, recipients top three responses have remained consistent across the rounds of reporting: food, school fees, and debt repayment.

Despite the challenges pay agents raise in dealing with a large number of recipients, from the recipient perspective the payment process appears to work efficiently. Three-quarters of the recipients interviewed (145 of 192) indicate spending less than half an hour in the queue. The number of recipients reporting short queue times has been steadily increasing over successive rounds of monitoring.

FOR FOLLOW-UP

At one location in Mandera, a pay agent noted a few recipients who in the past regularly received a payment but for the last two cycles their cards have been empty. The agent lodged a complaint to the agent supervisor, forwarding the recipient names, but has not yet received feedback.

One supervisor, also in Mandera, observed a pay agent swiping cards and not giving the recipients their money. When the the observers started to ask questions he claimed network issues. It is possible that the difficulty relates to the cash flow issue described in the special theme report that accompanies this monitoring report.

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