

# Operational Monitoring Report

March 2017

## 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. There is a belief among some pay agents that the programme will be ending in March. We recommend that communication be extended to pay agents about the continuation of programme to clarify this.
2. The payment process is operating smoothly, with some known issues around lack of network, the need for pay agents to travel to collect cash in advance of the payment and authentication issues continuing to arise.
3. Though routine payments to Group 1 households were made on the expected date (after having arrived early during the last round), recipients continue to face uncertainty around when their payment is due.
4. The communication to Group 2 households occurred on the day of payment, meaning that some pay agents did not have advance warning of the cash required to meet their caseload, and some recipients were not aware of their eligibility without visiting pay agents directly.

### Fieldwork summary

This report monitors the regular payment to Group 1 households on 5 March, as well as the experience of Group 2 households who received an emergency payment made on 28 February in Mandera and Wajir. Fieldwork took 4 working days starting on 5 March. We visited Banisa and Mandera North in Mandera County, Laisamis and Saku in Marsabit County, Tarbaj in Wajir and Turkana North in Turkana County (Table 1).

Some security issues were reported in Mandera North (especially Banisa), where clan fighting occurred in border areas. The situation was calmer before the fieldwork teams were due to visit. The implications of the drought were apparent to the field teams. In Wajir our team observed long queues at the dried up water pans in Tarbaj, where the government was providing water to the communities, and in Turkana North and Laisamis we also witnessed dead animal carcasses on the way to the pay agents. In Marsabit, the government has intervened with a destocking programme, buying animals from the community and providing the healthy meat back to them.

Due to the need for pastoralists to travel increasingly long distances to find water for their livestock in some regions, some recipients are not able to come into town to collect payments. In both Wajir and Mandera, the monitoring team encountered pay agents who were travelling beyond the pay point to make payments.

**Table 1 Summary of fieldwork, March 2017**

County	Subcounty	Pay agents	Recipients
<b>Mandera</b>	Banisa	2	24
	Mandera North	4	24
<b>Marsabit</b>	Laisamis	4	32
	Saku	2	16
<b>Wajir</b>	Tarbaj	6	48
<b>Turkana</b>	Turkana North	6	48
<b>TOTAL</b>		<b>24</b>	<b>192</b>

Source: OPM / RGA.

## The recipient experience

Recent monitoring rounds have highlighted that the timing of routine payments to Group 1 households has become increasingly unpredictable, leading to greater uncertainty among recipients as to when payments will be made.

This round of routine payments saw a return to the usual disbursement date of the 5<sup>th</sup> of the month, though respondents continue to experience a lack of surety over when to expect it. As in the previous round, a large number of respondents reported learning of the payment date from pay agents, neighbours or friends (101 people altogether), rather than saying that they know when to expect the payment without needing to be told (43 people). This is again associated with many people learning of the payment date with very short notice. 104 of 148 Group 1 respondents reported learning of the payment date only within one week or less of it occurring, and a further 24 only learned about it after the date had passed. Lack of certainty about when the payment is going to be made poses difficulties for respondents in planning ahead for how the money can be used. We do note that the numbers of respondents who report being unsure of the date of payment or learning of it at short notice are slightly lower than in the previous round, which may imply the start of a recovery in the perceived predictability of payments. However, whether this is in fact the case will only become evident over further rounds.

Otherwise, the payment process is generally shown to be working smoothly. Most recipients travelled for less than one hour to collect the transfer and waited for less than 30 minutes. In the great majority of cases, there was enough cash at the pay point for the recipient to withdraw the desired amount. Cases of pay agents charging a commission or fee to beneficiaries continue to be relatively commonplace, affecting 53 of the 192 surveyed recipients. As discussed in previous reports, this mostly seems to arise due to the need for pay agents to cover the costs that they incur during the payment process in collecting the cash. Nonetheless, recipients' reported satisfaction with pay agents is very high.

The number of respondents reporting any problems or concerns about the programme is relatively low, but complaints still do occur from time to time. Among the complaints that the monitoring team encountered this round, the most common issues were around problems with bank cards. There are indications that the complaints handling system is functioning well, as all 24 of the respondents who had raised feedback or complaints in the past one year reported being satisfied with how their complaint or feedback was handled.

A distinctive feature of the beneficiary experience in recent months has been the onset of severe drought in some regions. Although the monitoring data does not explicitly pose questions that seek

to understand how the drought has affected local communities, there are some indications in the data that suggest worsening conditions. In earlier rounds of operational monitoring it was uncommon to find any households reporting that they were worse off in terms of ownership of assets and livestock health since they started receiving transfers. Yet since around the middle of 2016, the numbers reporting worsening conditions have been broadly increasing round on round. In the current reporting period, 59 respondents reported worse asset ownership and 48 reported worse livestock health.

We also find a small increase in the number of households reporting that they will use the money for expenses related to housing materials and health clinics, both being higher in the current and previous round than in any earlier round. This may reflect particular costs associated with drought. However, we note that there are no discernible changes in the amount of time that households report having to spend travelling to access cash. This suggests that if there has been any increased displacement or mobility of households associated with drought conditions, this has at least not led to an increased burden of travel among those collecting cash. The payment provider may be able to advise HSNP whether there has been any increase in the number of households not collecting their payment at all.

## The pay agents' experience

This payment round revealed a continuation of many of the same trends in the experience of pay agents that have been found in the past. One key issue to note is that there is a belief among some pay agents that the programme will be discontinued in March, causing some agents to be reluctant to provide credit. It is not clear to the monitoring team how this belief was formed, or what information it was based on. It is recommended that communication be made to all agents to clarify that the programme is being continued.

Regarding routine payment operations, as previously reported most pay agents do not have sufficient reserves of cash in advance of the payment being made to meet demand. The burden of acquiring additional cash is found to fall mostly on pay agents themselves, as most of those interviewed said that they needed to travel to collect more cash. To some extent the costs of acquiring cash are passed on to recipients in the form of a commission or fees. Liquidity constraints, together with the short notice with which the emergency payment was communicated, may be factors in explaining why the majority of pay agents interviewed in this cycle only started to make payments on the 10<sup>th</sup> day or later in the last completed pay cycle.

A lack of network to operate point-of-sale machines continues to cause delays in the payment process at some locations. The monitoring team met with one pay agent in Wajir who has to travel around 10–15 km away from the pay point to locate enough signal to operate his machine. For agents living in areas with known network challenges, it would be better if they could be equipped with boosters or PoS machines that operate via a satellite connection to overcome network shortages.

Other technical faults with PoS machines remain a source of grievance among some pay agents. Currently most have to travel to the Equity Bank branch to resolve them or come up with their own solutions. One agent in Wajir hired their own technician to mend a faulty POS machine. Our suggestion to have one Equity Bank staff member who could travel around the county helping to address technical issues with machinery could help resolve these issues faster, and reduce delays in payments.

We continue to observe low rates of record keeping among pay agents. One reason why this may be the case is the lack of incentives on the part of pay agents to maintain up to date records. There are no penalties attached for not keeping records, and when agents are facing long queues their priority is to serve the waiting customers rather than taking time to update the record books. The lack of adequate records raises a risk that there could be fraud affecting the payment process (for example, pay agents claiming that beneficiaries have already received their cash entitlement when they arrive at the pay point). However, though we are not able to verify this, the team has not encountered cases of fraud or mismanagement during the fieldwork.

Though, pay agents continue to report satisfaction around their involvement with the programme, with the great majority reporting that participation in the programme is beneficial to them.

## Emergency payments

An emergency payment was distributed on 28 February, and 37 of the respondents interviewed this round were recipients of this payment.

A key reported issue with the previous emergency payment in January was a lack of prior communication about the list of eligible recipients. This led people to learn of their eligibility by visiting pay agents directly rather than through the usual means of chiefs informing community members at barazas. This time, the list of eligible members was shared with chiefs. However communication procedures were not entirely restored, since communication only occurred on the day of payment and barazas were only held in Turkana. This meant that some pay agents did not have enough cash ready on the payment date, and the majority of recipients still reported learning of their eligibility for the payment directly from pay agents (33 out of 37), rather than from chiefs or local leadership as is the normal process.

Despite the late communication of the payment, the majority of agents that were interviewed were able to manage the disbursement without having to turn anyone away due to low cash reserves or only permit partial withdrawals. Yet emergency payments do still place additional demands on pay agents compared with the routine payment process. Similarly to previous emergency payments, the most common issues reported by pay agents regarding the February payment were longer than usual queues and more problems with bank cards.

Some pay agents also cited beneficiaries' lack of understanding of the emergency payment process as a key challenge. The monitoring team encountered cases of pay agents facing queries from community members around the inclusion criteria for emergency payments. It may be worth the programme considering how to support pay agents to respond to these questions, or providing additional information to Group 2 households to improve their understanding of the targeting and payment process. None of the emergency payment respondents interviewed reported having ever received any explanation or training in the process of getting money.

## Recommendations

Below are some recommendations based on the findings from this round of operational monitoring:

- PILU should aim to communicate with pay agents about the continuation of the programme, to mitigate the belief that the programme is soon ending.
- There is still a need to improve communication of the list of households eligible for an emergency payment, so that this is sent in advance of the payment and allows chiefs enough time to pass the information on through barazas.

- Delays in the payment process could be reduced if Equity Bank supervisors and technicians were able to travel into communities to a greater extent. This would help to partially offset the costs faced by agents in travelling to the branch to collect cash, as well as improve the responsiveness of Equity Bank to ad hoc complaints of malfunctioning equipment.
- Pay agents serving communities where there is low network would benefit from satellite-enabled PoS machines, or boosters to ensure they can deliver cash to all customers.

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