

Special Themes Report:

Emergency Payments

January 2017

HUNGER SAFETY NET PROGRAMME: PHASE 2 EVALUATIONS

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The Special Themes series allows HSNP to explore topics of interest in a systematic way. The Programme Implementation and Learning Unit (PILU) determines the topic from questions or concerns raised through other monitoring tools, field observations or current policy issues. The findings are based on multiple open-ended interviews with recipients, implementing agencies and county and national staff. This allows observers to triangulate data and provide colourful insights. Reports are led by Oxford Policy Management (OPM), an independent consultancy firm.

MAIN OBSERVATIONS

1. The steps in the emergency payment process entail identifying the emergency, preparing the payroll, communicating the date and the selection of households, paying recipients and monitoring.
2. Identifying the emergency (using the vegetation condition index, VCI) is generally smooth though there is still some misunderstanding—even resistance—regarding the use of the VCI as the trigger.
3. Preparing and processing the payroll takes around 3 weeks. Funding has generally been reliable.
4. There is scope for improving the process for communicating the recipient list and date to all stakeholders. Information flows through two different streams to the local level and does not always reach recipients. In January chiefs were told about the payment date but did not know who was eligible for it so could not inform their communities on time.
5. Pay agents are faced with questions about why some households have been left out. Several stakeholders expressed a preference for spreading the money more thinly.

OPM undertook a study on the emergency payment process in this cycle. In November 2016 the vegetation condition index (VCI) showed that there was severe and/or extreme drought in parts of Wajir, Mandera and Marsabit. This triggered an emergency payment which was released on Friday 23 December. OPM interviewed stakeholders at the national and local level to understand how the payment is triggered and processed, and to get the experiences of the pay agents and the emergency payment recipients ('Group 2' households). Note that this is not an in-depth evaluation of the emergency payment mechanism: in line with all previous thematic monitoring reports it collates the views gathered at the local level during three days of fieldwork, complemented with three interviews at national level (see the end of the report for the fieldwork summary).

Overview of the emergency payment

The principle of the scale-up

During times of emergency, such as drought, HSNP can scale up its transfers to a larger proportion of the HSNP community, providing cash transfers to greater numbers of households (up

to 75% coverage). The scale up is identified using the National Drought Management Authority's (NDMA's) VCI. Emergency payments are triggered when HSNP sub-counties are in severe or extreme drought status or in other cases of emergency such as El Niño. Households are then selected from HSNP's management information system (MIS) using the existing wealth ranking scores, identifying the next poorest with an active bank account in the affected sub counties. County allocation is made to all sublocations in all subcounties that are in 'moderate', 'severe' or 'extreme' drought using the following formula (Table 1):

Table 1 Formula for redistributing county drought allocation

Percent	Distribution
20	Equal Share (to all sub-counties)
40	Drought Status based on VCI status (ratio: moderate = 1; severe = 2; extreme = 3)
40	Population (Group 2 population; Group 1 are not part of any scale up operation)

Source: HSNP.

The emergency payment process

The steps in the emergency payment process are listed in Table 2 below. We review each in turn to show broadly how well they are working, to illustrate the perceptions of key informants and communities about the different stages and to identify opportunities for improvement.

Table 2 Steps in the emergency payment process

	Step	Who is responsible
Identify emergency	Receive the VCI data	NDMA national level
	Verify if payment is triggered	NDMA / PILU / Independent consultant
Prepare and process payroll	Calculate the total emergency payment	NDMA / PILU / Independent consultant
	Redistribute the total payment allocated to each county	
	Develop the list of recipients entitled for payment, prepare payroll	
	Process emergency payment payroll	FSD
	Transfer funds to FSD (quarterly transfers)	DFID
Communicate date / selection of households	Inform PILU of payment date	FSD
	Inform HSNP staff of payment date, amount of entitlement, locations triggered, recipients	PILU
	Inform chiefs of payment date, amount of entitlement, locations triggered, recipients. In some cases post materials with the relevant information.	PILU / HSNP programme managers
	Inform pay agents of payment date, amount of entitlement, locations triggered.	PILU and Equity Bank
	Hold barazas to share information about the emergency payment, including the list of recipients, with whole community	Chiefs
Pay	Disburse transfer to emergency payment recipients	Equity Bank
Monitor	Field monitoring	Programme staff / external evaluators

Source: OPM, from HSNP documents and discussions with stakeholders.

Identifying the emergency

The VCI data, which are disaggregated to the subcounty level, are an early indicator of drought. Calculations are produced twice a month by Boku University in Vienna. The data, which reportedly come promptly, are checked by the technical team from NDMA, PILU and an independent consultant against the rules in the standard operating procedures, to determine whether a payment is triggered. The spreadsheets are said to be mostly quick to prepare, with just occasional delays in the process of approving the trigger.

Some key stakeholders seem not to have fully accepted the primacy of the VCI as the mechanism for determining whether there is a drought, even after two years of use. For some people there remains a doubt about its credibility for two reasons. First, the early warning information collected routinely by the NDMA can sometimes show a different distribution and severity of drought impact, since the agency uses four different sets of indicators to assess a drought situation: biophysical (eg. rainfall and vegetation), production (of crops and livestock), access (eg. purchasing power of pastoralists) and utilisation (eg. nutrition). VCI was recognised by one respondent as being a valuable early indicator, but one that did not preclude the need to look at other socioeconomic indicators to understand fully the consequences of drought. Second, there is still some scepticism about how the VCI calculations work: in particular, their ability to ignore the *Prosopis juliflora* 'mathenge' trees when calculating vegetation cover. The VCI does ignore this unconsumable vegetation but some respondents still believe it is affecting the results. When an area misses a full allocation of emergency payments because it is classified as in 'moderate' rather than severe or extreme drought, some blame the inaccuracy of the VCI:

'In my own opinion, there is need for improvement in the way selection is done. Apart from the VCI, NDMA also collects some information on the situation on the ground. However these information are not used to determine who gets the payment. I think the VCI should be a step in determining the drought level but not the final decision. We know of evergreen plants that cannot be consumed by humans or animals and could be the reason for the areas to look green.' Key informant, HSNP.

These views were expressed even by a respondent who has been involved in the process since the outset, so it is not simply a matter of unfamiliarity with the programme by new joiners. However, they were not universally shared: another key informant noted,

'According to me it is most effective way [to select households], by the use of VCI, it discourages biasness, though other stakeholders should be consulted to add more input on the method.' Key informant, HSNP.

Preparing and processing the payroll

Once there is agreement that a payment is to be triggered, PILU itself calculates the total value of the amount to be paid out, redistributes this total allocation among geographical areas according to the formula cited above, then draws up the list of people in each location who will be eligible for the emergency payment, which is sent to FSD. For now emergency recipients are still selected using the information from the MIS that was collected in the registration process undertaken at the start of Phase 2. There has been a recent redesign of the targeting tool which is anticipated to solve a lot of the inclusion and exclusion errors with the Phase 2 targeting, especially those arising from

the design of the proxy means test that is used as a basis for the wealth ranking. Improvements have been made with the data collection process, monitoring, supervision, training and analysis.

Once the list of eligible households is sent to FSD, thereafter FSD requires 15 working days to prepare a payroll prior to payment. Table 3 below shows the activity timeline for FSD's emergency payment process. This includes checking that all the recipients listed are able to be paid; checking that the money is available to pay them; and alerting pay agents and branches of the expected payment.

The Phase 2 emergency payment has been 100% funded by DFID. According to stakeholders this has meant that payment has been reliable, predictable and on time. FSD makes quarterly projections for payments to DFID, and payments are also released quarterly, so funds are usually available for the emergency payment.

Table 3 FSD's emergency payment process

Days required	Activity
Day 1–4	FSD confirms with Equity Bank whether the emergency payments recipients list provided by PILU are all active accounts PILU also sends a separate list of active accounts, using which FSD and Equity Bank confirm whether there are newly activated accounts to be added.
Day 5–6	PILU approves the final payroll
Day 7-10	This final payroll is checked for duplication, completion, status (active or not) whether the correct amount is reflected before it is sent to Equity Bank. FSD confirms that it has money in the account FSD does internal checks which include checking that there are no risks to approval of the payment, reviews monthly reports from the bank which indicate levels of access, availability of agents to support the payment process and any other issues areas of risk. Paper work and payment is then approved
Day 9–10	Equity Bank requires the funds to be sent to 5 working days before payments to allow them to prepare float at the branches and notify pay agents Set up emergency payment points if necessary
Day 10-15	FSD approval.
Day 10–11	Payment date communicated once instructions are given and confirmed once Equity Bank receives payment instructions from FSD. Date is set in liaison with Equity Bank

Source: OPM, from discussions with stakeholders.

It is useful to note briefly the level of understanding of this stage of the process. The county stakeholders generally understand the basics about the targeting and selection process of emergency payments. The chiefs that we spoke to seemed mostly to understand the process of selecting which households would be eligible within any given location, but less so the process of identifying the locations that would be in receipt of the payment. Many requested to have a refresher training from HSNP on these topics to enable them to clearly disseminate the information to community members.

Communication

Once the payment is confirmed and a date set, there begins the process of communicating the plan to chiefs, pay agents, recipients and non-recipients. Four pieces of information must be communicated to the field whenever there is an emergency payment:

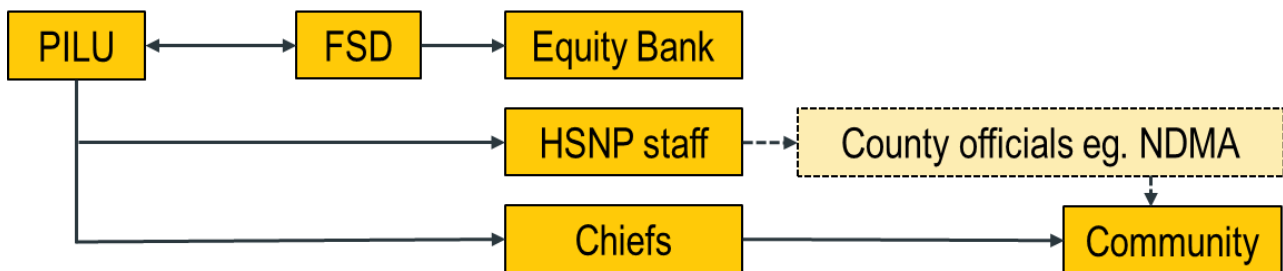
1. **Which locations** will receive a payout
2. **Who** is eligible for the transfer (ie. a list of the recipient households for the specific payment)
3. **How much** they will receive
4. **When** the payment will be made.

This information flows in two separate streams (Figure 1):

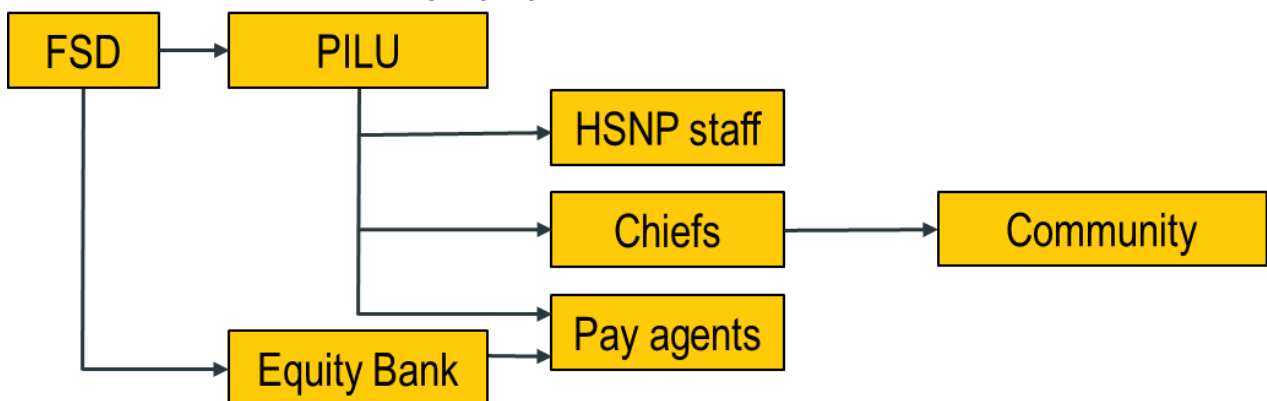
- For the first three pieces of information—on who is eligible where, and for how much—PILU is responsible for working out the detail and communicating it, first to FSD so that they can prepare the payroll, and later to HSNP programme managers and chiefs in the field. In turn, the chiefs are expected to hold a baraza to inform the community. Pay agents are not officially given any communication about the precise recipients, though sometimes this is shared informally with them by chiefs.
- The final piece of information—the date of the payment—is worked out by FSD and communicated to the field by PILU through mass text messaging. FSD, through Equity Bank, also inform the pay agents directly of the payment date; so in principle the pay agents should receive this information from two different sources. Again, the chiefs are responsible for informing the community.

Figure 1 Communication flows for the emergency payment

Communication flow 1: Location, recipients, value of emergency transfer



Communication flow 2: Date of emergency payment



Source: OPM, from discussions with stakeholders. Note: Dotted lines show unofficial communication flows

The communication process for emergency payments varies at the county level depending on how the county office disseminates this information. For instance, radio spots for communicating emergency payments information comes from government funding, but this is known to delay and is not always used. In January the county drought coordinator for Marsabit made a radio

announcement about the emergency payments, whereas this was not done in Wajir or Mandera counties.

The proposed list of emergency payment recipients is known to PILU about 10 days before payment is made (see Table 3 above) but normally the list is shared with county programme managers only once the date of the emergency payment is known. The programme managers are then tasked with the responsibility of ensuring all the relevant chiefs are provided with this list and that they disseminate this information to the community members. Communication during this December–January payment period had several challenges:

1. Communication about the payment date by FSD was done late. This did not give PILU enough time to share out information before payments were already made.
2. The list of emergency payment recipients was not disaggregated by county or location. It was therefore not shared with the chiefs because they would not have been able to pick out the beneficiaries in their location.
3. Chiefs, in turn, did not hold barazas to inform the community of the payment dates, recipients or amount as they lacked information on who was to receive the payments. Out of the 10 chiefs we interviewed only one held a baraza and four others reported having spread the message informally.

'I didn't share the communication as I was waiting for the list. I told some that payments were coming. The message on emergency payments came in from HSNP on the 28th via SMS, reporting that, "Payment of drought emergency is ongoing, KES 2,700 for the month of November, please inform Group 2 households. For more on which households are eligible, please contact NDMA".' Chief, Moyale

While the pay agents should have received communication about the emergency payment from two sources, only five out of the 16 we interviewed in the first week of January had received communication from either source, HSNP or Equity Bank. The rest heard from neighbouring agents, community members and the monitoring teams well after the start date.

A drawback of a system that relies on the sending of mass text messages is that information does not reach those areas without network coverage. Furthermore, not all pay agents and chiefs are on the communications list and therefore did not get this information through SMS. Agents and chiefs in areas without network coverage are expected to receive the messages in a rather organic fashion, by word of mouth from others nearby; the communication may, indeed, get through in this way but there is no requirement for any individual to be responsible for ensuring that they get it, nor for ensuring it arrives in time for agents to prepare the cash before recipients start approaching them to collect their transfer.

A solution to this issue was proposed in an earlier monitoring report, in which an assistant county commissioner observed that he and his staff were based permanently in offices in main towns of the county that were likely to have network coverage, and that they had long established systems for getting messages out to unconnected areas: they could therefore receive the text messages and pass the information on. It is not clear to us whether this recommendation has been taken up.

Payment

The majority of pay agents started making the payments after 1 January 2017. It is only in Wajir that agents were reported to have started on 23–24 December 2016.

The pay agents we interviewed report that, on the whole, the emergency payments are beneficial to their business but there is need for improvement in its implementation to make their work easier, especially the need to share out the emergency recipients list. Other challenges reported by the 16 pay agents in relation to the current emergency payment are summarised in Table 4.

Table 4 Challenges raised by the 16 pay agents who had made emergency payments in this pay cycle

Challenge	No. of agents reporting
Disruption of business activities	6
Hostile community members not getting payment	6
Network issues / biometric challenges	4
Insecurity	1
Had to pay some disabled / elderly households in their homes	1

Source: OPM, from interviews. Note: Data come from the 16 pay agents in Marsabit, Mandera and Wajir who were making an emergency payment in the January pay cycle.

In every emergency payment cycle community members, especially those who are not eligible, crowd at the Equity Bank branches, pay points and chiefs office with questions as to why they have not received payment, highlighting the lack of understanding surrounding the emergency payments. They sometimes raise complaints about why other needy households are left out whilst better off households are selected, the infrequent nature of the payments, the method by which drought is identified and the value that some consider is insufficient to cushion them from a shock as intended. Some may have an idea of the VCI selection but this is normally viewed as biased as they believe it has failed to capture drought in some areas. Many emergency recipients believe that they receive payment over others due to luck. Pay agents from previous monitoring rounds as well reiterate the similarity in households' livelihood status and there is a general concern that the funds are not reaching a lot of needy households.

HSNP recipients' views on emergency payment

During this payment period there was a lot of confusion for the HSNP Group 2 recipients as the National Safety Nets Programme's (NSNP's) Cash Transfer programme for Orphans and Vulnerable Children (CT-OVC) also gave funds to households directly into the same Equity Bank accounts. The recipients we spoke to who had benefited from the NSNP programme and the HSNP emergency payments were not aware of it and did not know where it came from and could not differentiate between the two amounts.

The majority of the emergency recipients we interviewed reported finding out about emergency payment by chance when they were in the town. They also did not have to travel far to the pay point (average of less than 20 mins).

According to our respondents there is a general sense of discontent among the many Group 2 households who never receive emergency payments (25% of the population) and those who have received only one or two payments. They lament that they should never have been given the card as it is useless to them and gives false hope.

'I feel, if there is payment for Group 2, everyone with the smart card apart from regular beneficiaries should be considered for payment

because this area people face the same challenge, you cannot say this household is better than the other.' Pay agent, Wajir South.

Monitoring

Finally, field monitoring of the payment is done by both external evaluators and, occasionally, the HSNP programme teams. We understand that the HSNP's own supervision of the emergency payment is less frequent than they would like owing to budgetary constraints; and that one option that has been tried has been to incorporate monitoring of these payments into the data collection exercises done by the NDMA's teams for early warning information. If useful we can follow up at a future date to explore more the effectiveness of this process.

Future planning

Stakeholders themselves put forward some suggested alterations to any future design of the emergency payment process, that they felt might further enhance its acceptability. Many of these have already been considered at the times of previous programme design and redesign, but there remains a sense that they have not fully been resolved. Many are connected with spreading the benefits more widely, even if more thinly. In this respect they reflect the perception that there is little difference in the situation of households who are included or excluded from the emergency payment. Requests included:

- revising the budget quotas to reach more households in neighbouring subcounties where emergency payments have not been triggered;
- possibly reducing the amount of transfer to reach all households;
- making the emergency payments seasonal e.g. twice a year during the driest months and paying off everybody;
- simplifying the re-allocation formula and then automating it;
- considering supporting VCI with other assessments to gain political acceptance; and
- considering having another distinction level, 'Group 3', for the 25% of the population not likely to receive emergency payments.

These will, of course, have trade-offs: reaching more households in 'moderate' drought areas will reduce the amount of resources going to areas in severe or extreme drought; while reaching more households will reduce the impact per household as the transfer value would be lower.

Recommendations

From the perspective of the research team, some immediate ways forward that might be possible even within the current programme design include:

1. At the national level, FSD and PILU could coordinate to agree on the payment date and communicate the date to the local level before disbursement of funds.
2. PILU can share the recipients list for emergency payments to the chiefs without waiting for the confirmation of the payment date as the final payroll list is known a few days in advance of the payment date and it requires some time to get the lists to the chiefs. This would avoid the problem experienced in January whereby chiefs knew the payment date but did not know who was eligible to collect a payment.

3. Communication channels between PILU at the national and county level could continue to be improved, eg. through collection of missing phone numbers of chiefs and pay agents and through the inclusion of assistant county commissioners or others in the main towns. If possible, HSNP programme managers could follow up whether chiefs have disseminated emergency payment information through barazas.
4. Finally, refresher training to county stakeholders and community members on the targeting and selection of emergency payments recipients would be beneficial. If possible, this could incorporate the use of Information Education Communication materials with key messages of how the selection and targeting process works at pay points and chiefs' offices.

Research methods

OPM field teams and RGA team supervisors conducted interviews with county drought resilience and response officers, HSNP programme managers, chiefs, pay agents, HSNP emergency and regular recipients and at the national level, PILU team leader and operations manager and NDMA contingency planning and response manager.

Table 5 Summary of fieldwork, January 2017

Stakeholder	Turkana	Marsabit	Mandera	Wajir	TOTAL
Chiefs	-	2	4	4	10
HSNP programme manager	1	1	1	1	4
County Drought Resilience / Response officer	1	1	0	1	3
Pay agents	-	4	5	6	15
Group 2 households	-	9	3	10	22
Group 1 households	-	11	7	11	29
PILU team leader and operations manager					2
FSD programme manager					1
NDMA Contingency Planning and Response Manager					1
Total					87

The emergency payment was not triggered in Turkana for the month of November, therefore we did not do local interviews in Turkana.