

Operational Monitoring Report

November 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. It is not clear to the research team why record-keeping among pay agents is so variable, and in particular why almost no pay agent in Wajir keeps records of their payments. We recommend that HSNP looks into this for the purposes of improving accountability.
2. Pay agents near the main towns serve much higher numbers of recipients than those in more remote areas. Whether they serve a large or small number of households, pay agents tend to face similar issues with needing to hire help and finding it difficult to serve their usual customers for a while.
3. From a recipient perspective, the programme experience appears to be running well in the locations visited this round. Most people report having no complaints or problems over the last year.
4. A large number of respondents report not knowing how much money they expect to get when they arrive at the pay point.

Fieldwork summary

This report monitors the payment cycle that began on 5 November. Fieldwork took place over the first three days of the cycle. We visited Turkana Central; Laisamis in Marsabit county; Mandera West and Banissa in Mandera county; and Wajir East, Wajir West and Eldas in Wajir county (Table 1).

Table 1 Summary of fieldwork, November 2016

| County | Subcounty | Pay agents | Recipients |
|--------------|-----------------|------------|------------|
| Mandera | Mandera West | 4 | 32 |
| | Banissa | 2 | 16 |
| Marsabit | Laisamis | 6 | 48 |
| Turkana | Turkana Central | 6 | 48 |
| Wajir | Eldas | 1 | 8 |
| | Wajir East | 1 | 17 |
| | Wajir West | 4 | 22 |
| TOTAL | | 24 | 191 |

Source: OPM / RGA.

The locations in Turkana Central were mainly located around Lodwar town and so were generally larger and more urban than previous rounds. The locations in Marsabit and Mandera were more remote, with some lacking network. Wajir experienced some security issues in Arbajahan which resulted in 12 casualties during our operational monitoring and as a result, the monitoring teams could not reach the pay agents in that locality.

The pay agents' experience

After a year of monitoring, most pay agents report being satisfied with their involvement in HSNP and often report it being beneficial to their business through an increase in trade. A common complaint is the cost of travelling to Equity Bank Branches to collect money: even with the increase in commission they often state they still come to a loss when paying out the HSNP funds. Another common issue is related to liquidity, with pay agents often reporting the need to delay payments in order to travel to obtain funds for the payments. Finally, pay agents are a good source of information for beneficiaries, providing them with updates regarding HSNP and the payment dates.

Record-keeping

We would like to draw PILU's attention to the issue of record-keeping by pay agents. This is a vital step in encouraging accountability by the pay agents and Equity Bank as to how—and to whom—the HSNP transfers are distributed. We noted in the September monitoring report that three-quarters of the pay agents we have interviewed in Wajir have never received training on how to keep records of disbursement. Our November monitoring round has confirmed this trend. This is markedly different to the other three counties.

We have also noted previously that many agents in Wajir are not actually keeping records, whether they are trained or not¹. There is a large disparity between the numbers of agents keeping records across the counties (Table 2 below). The pay agents located in Wajir are responsible for just under half of all the pay agents who declare that record books are not available, and a similar proportion of all those who do not agree to show the interviewer their records. The latter may include some for whom the records do not exist. In fact, of the 40 agents we have interviewed in Wajir across all monitoring rounds, only four have ever shown us the books recording their transactions. This is concerning as there are therefore no records of payments for these agents.

Table 2 Interviewer access to pay agents' records across all monitoring rounds

| Availability of records for last payment round ¹ | No. of interviewed pay agents | | | | |
|--|-------------------------------|-----------|-----------|-----------|------------|
| | Turkana | Marsabit | Mandera | Wajir | Total |
| (1) Yes, records available | 36 | 28 | 24 | 4 | 92 |
| (2) No, agent does not agree to show records | 4 | 4 | 10 | 17 | 35 |
| (3) Agent states books are unavailable | 4 | 9 | 8 | 18 | 39 |
| (4) Not applicable (new agent, no previous records) | 0 | 0 | 0 | 1 | 1 |
| TOTAL | 44 | 41 | 42 | 40 | 167 |
| Therefore records inaccessible or don't exist (%) ² | 18% | 32% | 43% | 90% | 44% |

Source: OPM / RGA. Note: (1) Interviewers ask, 'May we take a few minutes to look at your record books to understand the pattern of payments over the last couple of months?' (2) This is the percentage of respondents who refuse to show record books or who say they are unavailable, as a proportion of all interviewed pay agents for whom we would expect record books to exist.

¹ See eg. the first monitoring report, September 2015.

Our interviewers note that pay agents in Wajir often report not having received record books from Equity Bank and that the distribution of the record books is rarely followed up. We are not clear whether there is a rationale for pay agents in Wajir not to keep programme records, such as concerns about security. We would recommend HSNP to explore and resolve this with Equity Bank.

The payment process

The majority of pay agents (19/24) continue to state that they believe participating in HSNP is beneficial, something which is consistently reported across payment rounds. Additionally, almost all the pay agents interviewed in this round report being able to serve their regular customers along with HSNP recipients, albeit with a variety of difficulty. Likewise, very few report safety concerns in this round, which is lower than the numbers reported in previous rounds of monitoring.

As the pay agents sampled in Turkana Central were predominantly based around Lodwar town, they were typically serving larger numbers of recipients. This can be seen by comparing the mean number of recipients served by the pay agents in the previous payment cycle. In Turkana Central the average number of recipients attended to by our interviewees is just over 1,000, compared to 450 in Mandera, 118 in Marsabit and 62 in Wajir. As you would expect these larger pay agents all run extended opening hours across the first few days of the payment cycle, and most hire extra help to cope with this demand. The majority of these larger pay agents also state that they typically struggle to serve their normal customers during the first few days². However, we see that pay agents who serve smaller numbers—fewer than 100 recipients—tend to report a similar experience: most of those that we interviewed remain open for extended hours (six out of eight) and five reported hiring extra help. This may be due to the fact that these pay agents are smaller businesses and therefore find the additional demand of serving HSNP recipients as burdensome as the pay agents who serve larger numbers. There is little difference between the number of pay agents reporting they feel unsafe, with both larger and small pay agents rarely stating safety as a concern.

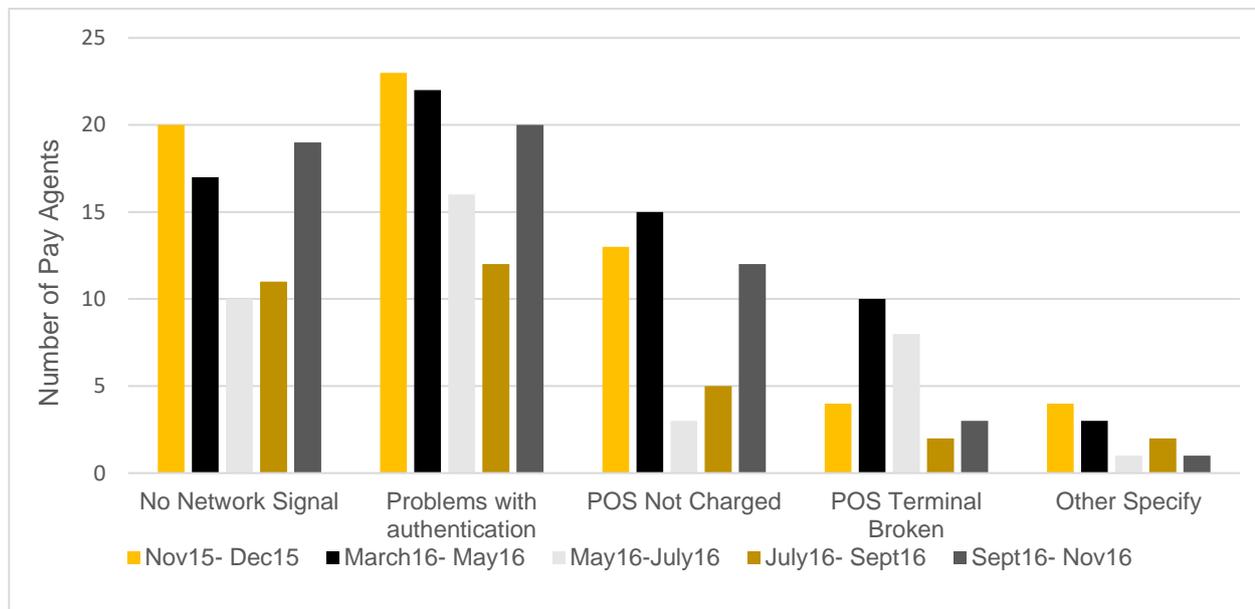
However, there are some observable differences in the experiences of these different sized pay agents. The pay agents with a larger clientèle report more frequently that they have experienced days where the number of recipients exceeds the cash they have available. Likewise, given that these larger pay agents are typically located nearer a large town, they on average visit the bank to withdraw cash more often. This is probably driven both by convenience and additional demand. This may also explain why these larger pay agents do not express greater concern over safety, as they may be collecting cash more frequently compared to the smaller pay agents in more rural areas. In just one instance on this occasion one of the larger pay agents in Lodwar reported security as a concern for the recipients as a few had been pickpocketed after receiving their payments and he also reported to money being stolen from his counter while dealing with the large chaotic crowd. Respondents suggested it might be beneficial to provide training to the extra staff that is hired to help cope with this demand, or to pay rights committee members to assist with dealing with these large crowds.

With regards to pay agent complaints, the most common complaint raised is related to long travel times associated with collecting the cash. These pay agents are located in Wajir and Mandera, with two of them having to travel seven hours one way to collect cash. Travelling such distance is costly both in terms of finance and time. As for the issues the pay agents report experiencing, the most common remains network signal and authentication, as can be seen in Figure 1 below. This

² Those who have served over 500 recipients in the last payment cycle. Of the seven pay agents, five are located in Turkana, whilst the remaining two are in Mandera.

is also in line with the most frequent complaint raised by recipients, who often complain about issues with authentication as a result of biometric failure. Indeed, many of the pay agents and recipients, especially the older generation who are more prone to this issue, have requested to have PINs issued instead of using a fingerprint.

Figure 1 Pay agents experiencing problems in the last payment cycle



Source: OPM / RGA. Note: Remember that data are not statistically representative in each round, so variations may be driven by factors such as the remoteness of the locations visited in that round rather than because of any programme-wide trends.

Another issue that is raised by some pay agents, as mentioned in earlier reports, is the difficulties in getting change in order to pay the recipients the correct amount³. This does not affect all agents equally within the same county. One pay agent in Turkana reported asking recipients to bring 100 shillings with them, allowing the pay agent to pay 5,500 KSH and avoid the need for smaller change.

There are also some interesting issues related to the emergency payment, with one pay agent in Mandera being unaware of the emergency payments, despite being a pay agent for over two years. Additionally, the most common issue reported by pay agents regarding the emergency payment is a lack of understanding by recipients.

The recipient experience

From a recipient perspective, the programme experience appears to be running well in the locations visited. No recipients reported being unaware of the payment date, with the pay agent or friends being the main source of information. The majority reported travel times of under an hour (131 out of 191) and queuing times of under 30 minutes. Across all four counties, no recipients reported concerns about safety and only one recipient reported someone trying to steal their HSNP cash. There remains a large proportion of households not knowing the balance of their account, with 81 of our 191 respondents being unaware in this round.

³ See eg. the May 2016 special theme report on pay agents' experiences with cashflow.

The reported spending patterns remain consistent, with food and school fees being the most common use of the HSNP cash. Some recipients reported spending or saving the HSNP cash to purchase larger assets, with two purchasing motorcycles and one purchasing an animal cart. Finally, as reported in the previous round of monitoring, the process surrounding updating household information appears to be working well, with 17 recipients updating information, 15 of whom received feedback confirming the update.

The successful running of the programme is highlighted through the fact that very few recipients are registering complaints about the programme, with only three out of the 191 recipients we interviewed this round reporting having done so. It is possible, however, that this number is artificially low as a result of the cultural tradition of not complaining, and a lack of knowledge of where to raise complaints or perhaps a sense that any assistance is a bonus rather than an entitlement. (besides, of course, the fact that many are satisfied with the programme). Almost all of the respondents who were aware of the rights committee stated their role as being to help with complaints; however, very few listed them as the place they would now turn to in order to register concerns or complaints. Many stated they would turn to the Equity Bank branch to register concerns or complaints. Finally, there has been a large increase in the number of recipients reporting they would turn to the pay agent to update their information, with over 150 stating this.

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