

Operational Monitoring Report

January 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. Routine payments to Group 1 households were made several days earlier than expected, which took stakeholders and recipients by surprise.
2. Group 2 households learnt that there was an emergency payment in late December but there was no communication as to which precise households would receive it.
3. Erratic payment dates have caused a collapse in recipients' sense of certainty about when they would receive the transfer.
4. It is very rare that we come across pay agents who have enough liquidity to last a whole pay cycle without having to travel to a bank branch to collect cash (only 15 out of more than 200 to date).
5. It might be valuable in a future phase to consider having a roving representative from the Bank who can give in-field support to pay agents, in addition to the branch-based HSNP representative.

Fieldwork summary

This report monitors the regular payment to Group 1 households that was due on 5 January, but that this time round was made early, on 30 December. We also pick up respondents from Group 2 households who were collecting the emergency payment that was made on 23 December in Wajir, Mandera and Marsabit. Fieldwork took 4-5 working days starting on 3 January in Turkana and on 4 January in the other HSNP counties. We visited Moyale and Saku in Marsabit county, Mandera West in Mandera County, Turkana South in Turkana County and Wajir South in Wajir County (Table 1).

Table 1 Summary of fieldwork, January 2017

County	Subcounty	Pay agents	Recipients
Mandera	Mandera West	6	48
Marsabit	Moyale	4	32
	Saku	2	16
Turkana	Turkana South	6	48
Wajir	Wajir South	6	48
TOTAL		24	192

Source: OPM / RGA.

The locations visited were evenly split between urban and rural locations. One location in Moyale and another in Wajir South did not have mobile network support, making it difficult for the community to get updates not only on HSNP but also other general information from county administration. The markets in these locations varied in size, with those in urban areas having bigger markets selling more variety in goods and diversified businesses such as tailoring, repair shops, solar charge and airtime shops while the rural areas had smaller markets with basic household goods on sale and not much else in terms of business. Security in the areas visited was fine apart from one location in Wajir South which is 6km from the Somalia border and is known to have conflict from time to time.

The recipient experience

Emergency payments

During this round of operational monitoring emergency payments were being distributed. This meant that 31 of the 192 recipients interviewed were emergency payment ('Group 2') recipients. The special theme report for January 2017, that accompanies this report, explores in depth the experiences of the emergency payment recipients so we do not discuss it extensively here. In brief, the communication did not follow the usual process in this round, with chiefs not holding barazas as no list of recipients was provided. The emergency recipients therefore mostly found out about their eligibility for a payment by approaching the pay agent directly, much as the Group 1 recipients also did this time (see below). This information was provided with very little notice: almost all the recipients said they were informed of the payment less than one week in advance. Additionally, the emergency recipients interviewed reported not knowing much about the programme and the payments.

These emergency recipients also stated that they would use the money almost exclusively for food and clothing, with few suggesting they would use the money for anything else. They showed less likelihood of planning to spend the transfer on paying off debts, health clinic and school fees than the Group 1 recipients. This could be linked either to the small size and unpredictable timing of the emergency payments, the fact that unlike regular recipients they have no access to credit, or the fact that food during emergency period is more likely to be scarce and more expensive.

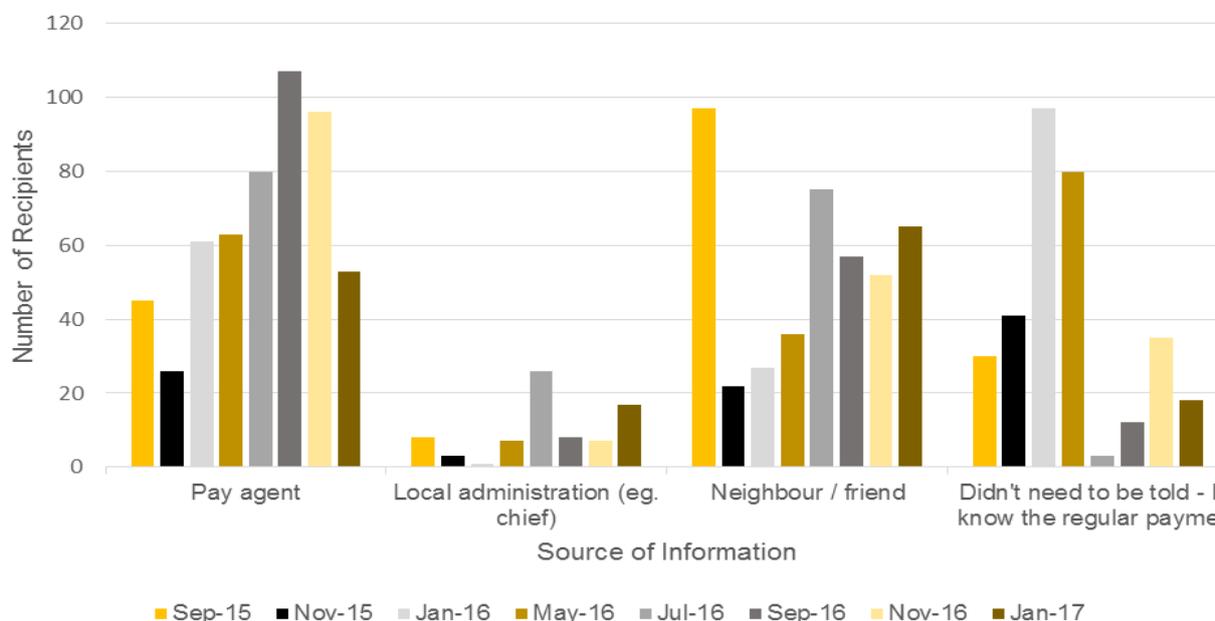
Routine payments

Until early 2016, routine payments to Group 1 households under Phase 2 of HSNP were reliably on time. During several early rounds, when our teams asked recipients how they found out their payment was ready, the most common answer was, 'I don't need to be told, I know when the collection date is'. Since then payment dates have been erratic: several payments have been late, while the most recent one was early. The delays in the disbursement over the course of 2016 appear to have resulted in a collapse in households' sense of familiarity with the disbursement date. This can be seen in Figure 1 below. From July 2016 onwards there has been a sharp decline in the number of recipients reporting they did not need to be told payment dates as they already knew. The pay agent has become a primary source of information about the disbursement date, which suggests that many households are simply turning up at the paypoint to ask if the money is available; this is coupled with an increasing trend in recipients finding out from neighbours or friends.

For the latest round there is a large decrease in the number finding out from the pay agents, perhaps because they, too, were taken by surprise by the early payment date (30 December 2016 as opposed to 5 January 2017); word seems to have spread via the grapevine since neighbours and friends became the most common source of information. The information surrounding the most

recent payment date appears not to have been communicated clearly, not only for the regular payment but also for the emergency payment¹.

Figure 1 How recipients find out the payment date, by monitoring round



Source: OPM / RGA. Note: This shows the four most common answers. Other possible answers include: HSNP programme officer; HelpAge/ Rights committee member; radio; nobody told me and I didn't know; and other.

Furthermore, the majority also found out about the payment less than a week in advance. As a result, very few recipients picked up their transfer on the first available date, with only 41 out of 192 recipients doing so. Likewise, 75 recipients stated that the reason for not collecting the payment on the first available day was due to being unaware of the payment in advance. In this round, some of the sublocations visited have poor network. Whilst the notice given was similar in these areas, a larger proportion reported not picking the payment up on the first day as they were unaware of the payment date in comparison to those regions that do have network.

In this round just under half the recipients reported being charged a fee for withdrawing their transfer, with this behaviour occurring predominantly in Mandera and Wajir. There were a handful of cases in Marsabit and none in Turkana.

Although, the monitoring teams are not involved in case management, they routinely encounter recipients with complaints and updates. There are many recipients with issues (change of recipient especially) typically complaining about the slow pace in resolving complaints or updates with some having issues unresolved since 2015. Although these cases are fewer and fewer over time, there is still a need to look into resolving the very old cases.

Non-HSNP payments

Our interviewers encountered some confusion this time among emergency recipients as to whether they were receiving an HSNP transfer or another benefit under the National Safety Net Programme, NSNP. It was reported in the field that there had been an NSNP cash transfer made to the Equity

¹ The issue of communication for emergency payment is explored more in the January special theme

Bank cards for some emergency recipients, totalling KES 8,000 and separate from the KES 2,700 HSNP emergency payment. We could not find evidence of communication on this transfer, nor have we been able to verify it with either HSNP or NSNP. A spokesperson for the NSNP suggested that this might be related to the cash transfer for orphans and vulnerable children (CT-OVC). If it is the case that the bank account is now starting to be used for multiple transfers, it may be valuable to follow this up in a future monitoring round to understand the impact of the change in process.

The pay agents' experience

Although it was anticipated that traders would be able to generate enough float to make payments with minimal travel to the bank branches, we have found that this is not the case: through the rounds of monitoring over the last 18 months, nearly three-quarters of the agents we have interviewed—147 out of 204—have reported having to travel to the bank branch to collect cash in readiness for the start of the payment cycle that was getting underway². Most of the rest travel to collect cash at some point in the cycle, even if not during the first week: only 15 agents have reported that they never had to travel to collect money during the previous full payment round.

The pattern we found in this monitoring round is similar. In this cycle, 17 out of 24 pay agents report having already travelled to collect cash for the start of current payment, and an even greater number had travelled to collect cash at least once over the previous full payment cycle. Most reported making between one and three trips over the last two-month cycle to collect cash. Many state the travel time as being burdensome: this is unsurprising given that two pay agents travelled over six hours one way to collect cash, whilst seven reported travelling between four and six hours.

This issue of burdensome travel has also been reported by recipients and pay agents as well as other local stakeholders as a main reason why pay agents charge commission (average KES 100-300 per beneficiary). In a lot of the cases where we have encountered this, we have found a collective agreement between the agent and recipients to charge the commission, as individually it would cost recipients a lot more in transport fares. However, it should be noted that some pay agents still charge commission even when there are no or very little transport costs incurred. Moreover, the payment value is not designed to include a component for commission to the pay agent by households.

On issues with the payment equipment, the most common issues remain consistent with previous rounds, with authentication and network signal being the main issues reported by the pay agents: out of the 204 pay agents ever visited 162 and 143 (well over half) have reported having these issues respectively.

As mentioned by the emergency recipients, very short notice was provided to the pay agents regarding the emergency payments. The pay agents also reported the main issue associated with the emergency payments is the longer queues than usual. This may be contributed by the fact that the emergency payments may not have been communicated effectively and so individuals may be checking their cards when they have not received a payment. Likewise, as these recipients generally have not received any training regarding the process—none of the 31 Group 2 households we interviewed in January had had the process of collecting payment explained to them—they may require greater attention from the pay agent, contributing further to longer queues.

On record keeping, our interview teams continue to have difficulty finding consistent evidence that pay agents are recording HSNP payments in the way intended by the programme. In Wajir, almost

² We interview pay agents in the first week of the payment cycle.

all pay agents reported not having record books and most of them are using a copy of the payment receipt for record keeping. In a few cases our teams have found an agent using an exercise book as the record book, although this is not consistently completed whenever payments are done. In the other counties as well, some agents have not been served with record books and we find this case more common in locations that are far from the bank. Once again these agents have resorted to using the receipts as their reference.

Many of the pay agents remark that it would be beneficial to have pay agent supervisors visit their pay points to discuss programme progress and challenges, especially dealing with issues to do with commission, biometric failure and network connectivity (including replacement of broken point-of-sale machines). In follow up questions with pay agents most state that they rarely get visits from Equity Bank supervisors although they do follow up with them on the phone in the event of any problems. This might suggest that in a future phase of the programme there would be a value in having a continually roving field officer as well as the HSNP representative at the branch.

Recommendations

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

- PILU's communication on emergency payment should aim to go out earlier, including a specific list of households eligible since it varies from one payment to the next. The programme managers should then ensure that chiefs are able to relay the message through barazas.
- The issue of agents charging of commission is still on going although its become an acceptable practice. There needs to be a wider stakeholder discussion on how to resolve this issue.
- Equity Bank needs to provide record books to all pay agents especially in Wajir.
- Equity Bank supervisors need extra hands to enable them to go and do field monitoring operations of pay agents.

Authors: Alastair Haynes, Caroline Riungu and Clare O'Brien (OPM).