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HUNGER SAFETY NET PROGRAMME – M&E PAYMENTS MONITORING REPORT

Final Draft

HSNP M&E Component: Oxford Policy Management (OPM) and
Institute of Development Studies (IDS)

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Preface / Acknowledgements

The authors would like to thank all the individuals who have contributed to undertaking the HSNP M&E survey fieldwork and in producing this baseline report.

They include: the M&E study team, the HSNP Secretariat and other management consultants of the HSNP who have provided support and cooperation in the inception and data collection phases; the Ministry of State for the Development of Northern Kenya and Other Arid Lands and DFID for their support in the evaluation design; the staff members of Research Solutions, both past and present, and in particular the M&E survey field teams who undertook the data collection for this baseline report, usually under challenging conditions; and last, but not least, the respondents who generously gave their time for interviews.

All opinions expressed, and any mistakes, remain the responsibility of the authors.

Key Findings

This report outlines the findings of an analysis of the payments delivery of the Hunger Safety Net Programme (HSNP).

1. Payments Monitoring Form interviews conducted between September 2009 and October 2010 reveal that the HSNP payments system appears to be performing well.
2. More than 98% of beneficiaries have received a smartcard, have received payments and have withdrawn the cash they want.
3. A small minority (2%) claimed that the paypoint agent charged them a fee, while 6% claimed they were required to buy something or were charged extra in an Agent's shop when they collected their payments. 6% also reported delays in payments, and 11% had to go to a paypoint more than once to collect their full payments. Such cases should be followed up.
4. Over 90% of beneficiaries collected their HSNP payments at zero expense, but 8% paid around Ksh 200 (almost 10% of the transfer value) for costs such as transport.
5. For those who walk to paypoints the average walking time is one hour each way, but as many as 17% (26% in Turkana) walk for 4 hours each way. The average waiting time at paypoints is 2½ hours, but in Turkana it is 4 hours, compounding the inconvenience for those who have already walked long distances. Since waiting times are much less (averaging 47 minutes) in Wajir, there are clearly important operational lessons to be shared across districts. Security and personal safety around collecting payments and returning home is a concern in some areas.
6. Most beneficiaries interviewed have correct knowledge of the payment amount (Ksh 2,150) and the payment cycle (every 60 days). But only 8% know that they can save money on their smart-card.
7. Two-thirds of beneficiaries (86% in Mandera) were told they could only collect their money at one specific paypoint (which is not correct), and one in five (68% in Mandera) were told they have to collect their payment on one specific day. These issues are concentrated in one district, and can therefore be largely addressed by intervening locally.

Table of contents

Preface / Acknowledgements	iii
Key Findings	iv
Table of contents	v
List of tables and figures	vi
Abbreviations	vii
1 Introduction	8
HSNP overview	9
Monitoring and evaluation approach	11
1.1 Scope of the M&E payments monitoring report	12
2 Payments system	13
2.1 The Payments Delivery Mechanism	13
2.2 Beneficiaries and recipients	14
2.3 Beneficiaries' experience and perception of payments system	17
3 Conclusion	19

List of tables and figures

Table 2.1	Nomination of recipients	16
Table 2.2	Beneficiary awareness of payments system	19
Table 2.3	Smartcards and payment receipt	21
Table 2.4	Costs of payment collection	22
Table 2.5	Distance to paypoint and queuing	22
Table 2.6	Payment collection and security	23

Abbreviations

ASAL	Arid and Semi-Arid Lands
CBT	community-based targeting
DFID	Department for International Development
DR	dependency ratio
GoK	Government of Kenya
HH	household
HSNP	Hunger Safety Net Programme
ID	identification
IDS	Institute of Development Studies
Ksh	Kenya shillings
M&E	monitoring and evaluation
MC	Managing Consultant
MIS	Management Information System
NGO	non-governmental organisation
OMR	operational monitoring report
OPM	Oxford Policy Management
PMF	Payments Monitoring Form
PSU	Primary Sampling Unit
QPS	qualitative panel survey
SP	social pension

1 Introduction

The first phase of the DFID-funded HSNP (2008–2012) aims to deliver regular cash transfers to 60,000 poor and vulnerable households in 13 ASAL districts within the greater Mandera, Marsabit, Turkana and Wajir districts in northern Kenya. The programme operates under the Ministry of State for the Development of Northern Kenya and Other Arid Lands and is delivered by a number of contracted service providers.

This section of the baseline report¹ presents findings on the delivery of cash transfers between September 2009 and October 2010². As the baseline survey was being carried out prior to any payments being received by beneficiaries, the payments monitoring took place in sub-locations where beneficiaries had been paid. These sub-locations therefore were not included in the 48 evaluation sub-locations. The sub-locations where the payments monitoring took place were chosen purposefully, to allow the payments monitoring to be completed in a maximum of 2 days. Therefore the sub-locations chosen were either neighbouring to where baseline survey was being carried out that month, or on the route back from that evaluation sub-location to the district centre, or near the district centre, for logistical convenience.

Data were collected from a total of 40 non-evaluation sub-locations³. In each sub-location, 20 beneficiaries (primary household representative, i.e. HHR1) were randomly selected for interview from a list of all beneficiaries in that sub-location extracted from the MIS.⁴ Beneficiaries were interviewed using a specially designed Payments Monitoring Form (PMF).⁵

¹ Two complementary reports to this baseline report provide an assessment of (1) HSNP targeting performance (HSNP M&E Targeting Report, June 2011, OPM/IDS), and (2) a broad range of household characteristics of HSNP beneficiaries and non-beneficiaries (HSNP Baseline Report, June 2011, OPM/IDS).

² The first payments were made in February 2009, prior to the start of the M&E fieldwork

³ A full list of these sub-locations is available in Annex 1. Only 6 sub-locations were available for monitoring in Marsabit because of the low number of sub-locations targeted and only 10 sub-locations were monitored in Wajir because of insecurity issues

⁴ An additional 20 beneficiaries were selected as potential replacements in case the sampled households couldn't be found.

⁵ Unfortunately, for the first quarter of PMF data collection there was a problem with the MIS list provided to the M&E MC for the random selection of PMF respondents: the list turned out to be a list of primary recipients rather than beneficiaries (i.e. HHR1). This was a problem because the Payments Monitoring Form was designed for the respondent to be the beneficiary, and many key questions do not make sense if asked to anyone other than the beneficiary. In order to salvage some useful information from the PMF data, the primary recipient list was laboriously cross-checked (using both manual and automatic name matching techniques) with the beneficiary list which was subsequently provided once this error had come to light. Following the cross-checking, all non-beneficiary primary representatives, i.e. individuals on the primary recipient list who are not beneficiaries, were stripped out of the Q1 PMF data set and the PMF weights were adjusted taking account the total number of primary recipient beneficiaries in each sub-location. The consequence of this is that the beneficiary sample is somewhat skewed towards primary recipient beneficiaries, and this should be considered when interpreting the results.

This introduction briefly describes the HSNP, outlines the approach being used in the monitoring and evaluation and sets out the structure and contents of the payments baseline report.

HSNP overview

The HSNP delivers long-term, regular, guaranteed cash transfers to poor and vulnerable households. It is one element within a broader DFID-funded social protection programme, the goal of which is to reduce extreme poverty in Kenya. The purpose is to support the establishment of a government-led national social protection system delivering long-term, guaranteed cash transfers to the poorest and most vulnerable 10% of households in Kenya.

The project is in two phases. The principal objective of Phase 1 is to implement a cash transfer programme in Mandera, Marsabit, Turkana and Wajir that will:

- successfully target the poorest and most vulnerable households; and
- reduce food insecurity and promote asset retention and accumulation in these households.⁶ This would be evidenced by:
 - Household consumption expenditure sufficient to cover adequate food intake for all members of the household;
 - Reduced reliance on food aid;
 - Reduced rates of malnutrition;
 - Increased mean value of assets held by the household; and
 - Increased livestock holdings.
- Contribute to the evidence base on the impact of cash transfer programmes and inform the development of a scaled-up cash transfer programme in Phase 2. Specifically, it should identify:
 - the most effective mechanism for targeting the poorest and most vulnerable households;
 - whether the Phase 1 programme is effective in reducing food insecurity; and
 - the likely cost of a scaled-up programme.

A second Phase of HSNP is under preparation and is due to start in 2012 and continue for five years.

Phase 1 selected 60,000 beneficiaries to receive regular cash transfers every two months for three years⁷. At the time of writing, payments have so far been delivered to 56,000 households. The initial value of the cash transfer was KES 2,150 every two months – which

⁶ It is anticipated that the programme will also have positive impacts on a range of indicators of well-being and wealth, such as resilience to shocks, health and education uptake, and access to financial services and resilience.

⁷ A further 9,191 households were selected using the same targeting mechanism and were randomly selected into the control group. These households will start to receive transfers two years after selection.

was 75% of the value of the World Food Programme (WFP) food aid ration in 2006.⁸ The transfer value is planned to increase to KES 3,000 in 2011 to bring the HSNP in line with other cash transfer programmes in Kenya.

Overall, Phase 1 is operating in around 150 sub-locations⁹ out of a total of 434 secure sub-locations in the four greater districts. The evaluation is taking place in 48 out of the total of around 150 sub-locations¹⁰.

Targeting started in October 2008 and is due to end in July 2011. In each of the sub-locations where it operates, the programme implemented one of the following three mechanisms for selecting beneficiaries for inclusion in the programme:

- **CBT:** The community collectively selects households they consider most in need of the transfers up to a quota of 50% of all households in the community.
- **DR:** This selects households in which household members under 18 years, over 55 years, and disabled or chronically ill make up more than a specified proportion of all household members.
- **SP:** This selects any individual aged 55 or over.

Transfers for selected households under CBT and DR targeting are of the same value for any size of household: KES 2,150 per household. The SP selects individuals, and each individual identified by the programme as being aged 55 or over receives KES 2,150. This means some households in SP areas receive multiple transfers if they contain more than one member aged 55 or over.

The targeting process took place only once in every programme location, and took place over two months in each location. There will be no graduation or retargeting in Phase 1, although households and individuals will leave the programme if they choose to leave, move out of the HSNP area, or die. Targeting and subsequent case management are implemented by the HSNP Administration Component led by Oxfam GB.

Selected households and individuals are given a Smartcard with which they or two nominated representatives can collect cash at any time from a range of paypoints (mainly *dukas* – small shops) across the four districts. If beneficiaries do not wish to collect the cash, it will remain in their account as a saving (no interest paid). The payments system is designed and implemented by the HSNP Payments Component (Equity Bank) in coordination with Financial Sector Deepening Kenya.

A 'Social Protection Rights' component provides a mechanism through which individuals can express grievances over the targeting process during the two-month period, and complain about any aspect of the programme's operation during the three years of Phase 1 payments.

⁸ Due to subsequent food price inflation, when the programme started this was worth around 1/3 of the WFP food aid ration.

⁹ A sub-location is a geographical area corresponding to a specific official administrative unit. Each district is subdivided into divisions and these in turn are subdivided into locations. The programme is being implemented by sub-location, with the targeting taking place within each sub-location in which the programme operates.

¹⁰ The programme is being implemented slightly differently in the non-evaluation sub-locations, and this report describes the programme as it operates in the sub-locations where the evaluation is being undertaken.

A Citizens' Service Charter sets out the programme's standards. The HSNP Social Protection Rights Component is led by HelpAge International.

A Management Information System records information on the targeting and case management process, and is currently being developed to include the payments and complaints made. By the end of Phase 1 it will contain records of each household and individual who registers for the programme and each household and individual who is selected by the programme.

Evidence on targeting, impact, cost, and programme effectiveness is generated principally by the HSNP Monitoring and Evaluation (M&E) Component, led by Oxford Policy Management (OPM). The results from the first year of this fieldwork are presented in this report.

The five HSNP Managing Consultants are coordinated by the HSNP Secretariat. The Secretariat is also responsible for taking final programme decisions, maintaining close links with and approval from the Government of Kenya, and informing DFID about programme progress.

Monitoring and evaluation approach

The overall objectives of the monitoring and evaluation component are to:

1. **Assess targeting performance:** Has the programme succeeded in identifying and enrolling its target population?
2. **Assess programme impact:** Has the programme had a positive welfare impact on beneficiary households and their communities?
3. **Assess operational performance:** At an operational level, is the programme functioning effectively and in line with its design? In particular, are cash transfers reaching recipients?
4. **Assess cost-effectiveness:** Is the programme operating efficiently? Do the programme's impacts justify its cost?

Answering these questions is intended to inform national social protection policy development and the potential scale-up of the programme, i.e. should the programme be scaled up and what features of the design and implementation might need to be modified or strengthened?

The overall M&E strategy and key monitoring indicators for the HSNP are outlined in the M&E Strategy Document which was developed in consultation with the Secretariat and other MCs at the beginning of the programme (HSNP Monitoring and Evaluation Strategy (OPM, IDS and RS, 2009).

The evaluation is based on a community-randomised, controlled design, which makes the findings of the impact evaluation extremely robust. Sub-locations were randomly selected for inclusion in the evaluation, after exclusions on the grounds of insecurity. Following the beneficiary selection process, half were randomly assigned to be 'treatment' sub-locations and receive the programme payment immediately after the baseline survey had taken place in that sub-location. The other half was assigned to be 'control' sub-locations, where selected households will begin to receive transfers after two years.

This report and the evaluation as a whole draw principally from the quantitative survey and qualitative fieldwork. The quantitative survey comprises:

- A household panel survey conducted on an annual basis (baseline, year 1 follow-up, year 2 follow-up) covering 5,280 randomly selected households in the 48 evaluation sub-locations, also sampled at random.
- Quantitative community interviews conducted annually (baseline, year 1 follow-up, year 2 follow-up) in the same 48 randomly sampled sub-locations.¹¹

The data gathered in the quantitative survey provides the basis for the targeting analysis and assessment of the situation of households in programme areas that are set out in the other baseline reports. It will also provide the basis for both the impact evaluation and the assessment of the operational performance of the programme.

As explained above, the findings set out in this report draw on data collected from non-evaluation sub-locations and are therefore not representative of the overall project. They only give an indication of how effectively payments are being delivered to beneficiaries.

1.1 Scope of the M&E payments monitoring report

Section 2.1 of this report provides an outline of the payments mechanism. The results from ongoing payments monitoring of the payments system are presented on:

- Information around the beneficiaries and recipients of the project (section 2.2)
- The experience and perception of the payments system by beneficiaries (section 2.3)

This report only reports on the viewpoint of beneficiaries and does not present a system analysis of the payments delivery mechanism, as per the ToR of the M&E Component of the project.

¹¹ The respondents for the community interviews are a mixed-gender group of community members (Chief, elders, and others).

2 Payments system

2.1 The Payments Delivery Mechanism

The HSNP operates in a vast and harsh environment with a very low population density and where infrastructure is weak. Mobile phone networks are incomplete across the area although they have expanded since the programme began. Electricity is only available in district centres, which are powered by huge generators.

The 60,000 households targeted in Phase 1 of the programme are scattered over the whole programme area. In order to serve them with regular payments every two months, Equity Bank (supported by FSD) developed the agency model, which is supported by the establishment of Equity branches in the district centres to help with cash flow. The agency model contracts around 150 *dukas* (small shops), which have met specific criteria set by Equity Bank, including being in a fixed settlement in a secure area. Most importantly, these *dukas* have sufficient liquidity to pay an approximate number of recipients each month¹². A direct payment of commission is made to the agent's account for each payment that he makes to a recipient. Therefore commission payments vary according to the number of payments that the agent has delivered.

Payments are made using a Smartcard. The Smartcards contain a microchip with the biometric fingerprints of the two nominated recipients of each beneficiary (one of whom may be the beneficiary; see section 2.2). Cash is transferred electronically to the Smartcard and can be redeemed at any time at any of the agents using fingerprint scanning on Point of Sale devices (POS). Where electricity is not available, the POS are run by solar power. Solar panels were provided to *dukas* without electricity by Equity on a costing sharing basis. Those POS devices working offline are taken by the Agent to the mobile network every month to reconcile the accounts.

There are several advantages to this system, which include i) provision of a store of value (saving a portion of the transfer on the card), ii) auditability, iii) minimisation of losses through fraud, corruption and poor coordination with other operational components, and iv) provision of a minimum service whereby Recipients can make at least two withdrawals and balance checks per payment cycle. The network of POS also allows for the future delivery of additional financial services to both recipients and the broader local community.

The benefits to the Recipients are that payments are brought closer to them and Recipients collecting their payment from an agent are dealing with a local member of their community who may better understand their needs than an outsider. Where solar panels have been installed the agent may start to deliver phone charging services to the community. If the agent's business grows, he may also start to offer more lines of stock.

¹² The *dukas* were classified according to the remoteness, available infrastructure and security. Each *duka* is allocated a number of recipients in line with their liquidity capacity, but in practice recipients are free to collect the transfer from any agent over the whole programme area

2.2 Beneficiaries and recipients

The HSNP has targeted around 60,000 households. Targeting of the community-based and dependency ratio methods is at household level and the social pension selects individuals (which can result in more than one pension beneficiary in the same household). Where the household is targeted, the household is required to nominate one member to be the Household Representative 1, who is actually the beneficiary. With the social pension, the beneficiary (also known as Household Representative 1) is the person who is directly eligible for the programme because of their age. The M&E fieldwork presented in this report traced these beneficiaries and interviewed them in order to find out information about the awareness of the programme and their experiences collecting the cash transfer.

The transfers are disbursed by Smartcard. Each beneficiary nominates two 'recipients' who are eligible to collect the transfer. The biometric fingerprints of both recipients are stored on the Smartcard microchip. The name and photo on the Smartcard are those of the Primary Recipient, who must be a national ID card holder. Therefore beneficiaries who do not own national ID cards are not eligible to be Primary Recipients and therefore do not have their name and photograph on the Smartcard; it is the name and photograph of their nominated Primary Recipient, who can be a family member, a friend or any other trusted person in the community who owns a national ID card. However, the Secondary Recipient does not have to own a national ID card and still has their fingerprints on the microchip on the Smartcard, which means they are also able to collect the transfer (recipients have to swipe their fingerprints in order to activate the Smartcard at collection).

The implications of this system¹³ are that the person who collects the transfer can be but is not necessarily the beneficiary. Therefore it is important that the monitoring system interviews beneficiaries directly to ensure that they actually receive the transfers that are intended for their use, as Equity Bank is only contracted to deliver to Recipients.

This section reports on the proportion of beneficiaries who are actually Primary Recipients and therefore have their own name and photograph on the Smartcard. It also reports on national ID card ownership and provides information about Secondary Recipients.

The baseline results indicate that, overall, 82% of beneficiaries were also primary recipients (Table 2.1)¹⁴. This indicates that a high number of beneficiaries owned ID cards and thus had their own name and photo on the Smartcard. This was lower for social pensioners (76%). It varied significantly by district, with Marsabit apparently having higher ID card ownership (most likely because the evaluation areas were grouped around Marsabit town) as 91% of beneficiaries were also the Primary Recipient, while only 77% of beneficiaries in Turkana were also Primary Recipients. This is consistent with the findings on ID card ownership overall, which vary significantly by district.

¹³ This system was adopted because Equity Bank operates under the Central Bank of Kenya's 'Know Your Customer' regulations. These regulations stipulate that anyone having a bank account is required to hold a national ID card. For these purposes, the ownership of an HSNP Smartcard equates to having a quasi-bank account, so beneficiaries of the programme are required to adhere to the same regulations as those having an account directly with a bank.

¹⁴ There is a discrepancy between national identity card ownership reported in this report and the figures presented in the Baseline Report (OPM/IDS Baseline Report, June 2011). This is because the sample size and number of sub-locations covered in the Baseline Report are much higher and therefore those results are more reliable. Furthermore, there was a problem with the list of beneficiaries received during the first quarter of data collection (see footnote 5, page 8). This means that national identity card ownership is upwardly biased in this report.

Prior to the start of the payments delivery, there were concerns raised that national ID card ownership was low in the project area and this might lead to a monopoly of Smartcard ownership by officials (who are more likely to own ID cards) with a collection of cards bearing their name and photograph. However the fact that only 3% of Primary Recipients were Chiefs, Elders, shopkeepers, etc suggests that this was not borne out in practice. What happened in practice was that where the beneficiary was not the Primary Recipient, they nominated another household member (50%) or another community member (friend or relative who was not a household member) (46%) to have their name and photo on the Smartcard.

Only 4.1% of beneficiaries were neither Primary nor Secondary Recipients (127 individuals).

Table 2.1 Status of beneficiaries and recipients

Indicator	By targeting mechanism			By (greater) district				Overall	
	CBT	SP	DR ³	Mandera	Marsabit	Turkana	Wajir	Estimate	N ¹
Proportion of beneficiaries who are Primary Recipients (%)	85	76**	84	79	91***	77***	84	82	3,100
Proportion of beneficiaries who are Secondary Recipients (%)	13	21**	13	18	8***	20**	13	15	3,101
Proportion of beneficiaries who are neither primary nor secondary recipients (%)	5	4	4	3	5	4	4	4	3,100
Where beneficiaries were not Primary Recipients, the Primary Recipient's relation to household was:									
➤ other household member	56	42*	50	47	69**	45	49	50	565
➤ non-household member with no specific position in the community (e.g. friend or relative, not from household)	40	54**	44	50	31*	47	47	46	565
➤ non-household member with specific position in the community (i.e. chief/sub-chief, elder, pastor/priest, teacher, health worker or shopkeeper/trader)	3	1	5	1	0**	6	3	3	565

Source: HSNP M&E Baseline Evaluation Survey, Sep 2009-Oct 2010. Notes: (1) The 'N' column denotes the overall sample size. The sample sizes for the disaggregated estimates in other columns are based on smaller sample sizes. (2) Asterisks (*) indicate that an estimate is significantly different from the relevant comparator, which are explained in section 1 of the report: *** = 99%; ** = 95%; * = 90%.

2.3 Beneficiaries' experience and perception of payments system

Indicators relating to the operational effectiveness of the payments system are presented in 0, Table 3.2, Table 3.3 and Table 3.4. All estimates have been calculated using sampling weights for each beneficiary respondent equal to the inverse of the probability of being selected for interview.

In the non-evaluation sub-locations where Payments Monitoring Form interviews were conducted between September 2009 and October 2010, the payments system seemed to be generally performing well:

- Very few beneficiaries (<1%) reported having never received a smartcard.
- Very few beneficiaries (<2%) reported that they had never received any payment.
- Very few beneficiaries (1%) reported not being able to withdraw the amount that wanted for their last payment.
- Very few beneficiaries (2%) report being charged a fee by the paypoint agent in order to receive their last payment. This problem was marginally more prevalent in Wajir compared to the other districts (4%).

However, although the proportion of households reporting the problems listed above is low, some of these problems are serious when they do occur and need to be addressed.

Other reported problems include:

- Some beneficiaries (6%) report being made to buy something and/or being charged extra for something in the Agent's shop when collecting payments. This was significantly lower in Marsabit (1%). The relatively high prevalence of extra charging in Wajir (14%) is not statistically significant.
- There is some indication of delays in payments, with 6% of beneficiaries reporting not having been paid in the last two months. The apparently high levels of delay in Wajir (23%) are not statistically significant.
- Of those beneficiaries that did not collect their last payment themselves, 4% report that they were charged a fee by the person collecting their last payment on their behalf. This was significantly lower in Marsabit (0%).
- 11% of beneficiaries reported having to go more than once to paypoint to collect their last full payment. This was significantly lower in Marsabit (3%).

In terms of beneficiaries' awareness of the payments system:

- Awareness of the payment mechanism is high. The proportion of households with correct knowledge of the payment amount (Ksh 2,150) is very high (98%), while the proportion with correct knowledge of the payment cycle (i.e. payment received every 60 days) is slightly lower at 86%.
- Most beneficiaries (77%) were informed about the programme by an HSNP representative, although some found out about it from the paypoint agent (6%), word of mouth (5%), or the Chief (5%). In Mandera beneficiaries were significantly less likely to be informed by a programme representative, and more likely to have been informed by the Chief, an Elder or word of mouth.
- Only 8% of beneficiaries know they can save money on the Smartcard. This proportion is significantly higher in Marsabit (21%), and significantly lower in Turkana (2%). This

meant that most recipients withdrew the full transfer amount of Ksh 2,150 every payment cycle, rather than make use of the savings facility.

- 21% of beneficiaries reported that were only able to collect payment on one specific day, which implies that the colour coding system to regulate the number of people queuing at paypoints is allowing people flexibility around when they can collect the transfer¹⁵. However, the system appears to be operating differently across the districts. The proportion of beneficiaries reporting that they are only able to collect the transfer on one specific day is significantly higher in Mandera (68%), and significantly lower in Wajir (5%).
- 67% of beneficiaries were told that could only go to one specific paypoint to collect their payment, although many of these (50%) have worked out that that they can in fact collect it from any paypoint. Beneficiaries in Mandera were significantly more likely to have been told to go a specific paypoint (86%), and significantly less likely to believe they could go to any paypoint (23%).

Accessing the cash transfer:

- Financial barriers to recipients were low. Transport was rarely used to reach the paypoint (most respondents walked, despite the distances).
- On average it takes beneficiaries just under two hours (118 minutes) to make the return journey to the paypoint (walking or otherwise). The HSNP Charter of Programme Rights and Responsibilities guarantees a maximum distance of 40 km (one way) between recipients and the nearest paypoint, despite the vastness of the programme area. The findings indicate that this target was met. 6% of households reported walking more than 8 hours (around 40km both ways), reflecting large distances in one particularly remote location in Turkana district, but this lies within the service level agreement.
- Once at the paypoint, beneficiaries reported waiting an average of just under two and half hours (144 minutes). Average waiting time was significantly higher in Turkana (220 minutes), and significantly lower in Wajir (47 minutes).
- 2% of beneficiaries spent money collecting their transfer. The average payment made by those who made one was Ksh 196
- Some 86% feel safe when collecting payments and taking them home. This proportion is significantly higher in Turkana (92%), and significantly lower in Mandera (72%).
- Very few beneficiaries reported knowing someone who had been physically attacked (4%), or having personally experienced assault themselves (1%).

¹⁵ There was a concern that the colour coding system would restrict access by mobile pastoralists to the transfer or adversely change migration patterns

3 Conclusion

Overall the payments system of the HSNP is successfully delivering cash transfers to the beneficiaries. This is a tremendous achievement given the harsh environment that the project is operating in, particularly the vastness of the area and the poor infrastructure, including low availability of electricity and mobile phone network for operating the Smartcard technology.

In addition, literacy levels are very low (22% overall and 10% for women). This could have caused a major challenge to the understanding of the payments system, however, the findings suggest that 98% of beneficiaries are receiving the transfers.

There is scope for improvement in some areas, particularly around queuing times, having to go more than once to collect the payment and some delays in payments being made.

Beneficiary awareness of payments system

Indicator	By (greater) district				Overall	
	Mandera	Marsabit	Turkana	Wajir	Estimate	N
Proportion of beneficiaries (%):						
➤ with correct knowledge of payment cycle (60 days)	76*	83	94***	80	86	779
➤ with correct knowledge of payment amount (Ksh 2,150)	98	100	99*	94*	98	779
➤ first informed about the payment process by:						
▪ Programme representative	48***	85*	91***	72	77	776
▪ Chief	14**	4	0.5***	6	5	776
▪ Elder	12**	1	0.0**	3	3	776
▪ Word of mouth	10**	6	0.4***	8	5	776
▪ Paypoint Agent	8	2*	5	9	6	776
▪ Rights Committee	5	0.0***	1	2	2	776
▪ Secondary recipient	4	2	1	0***	2	776
▪ Religious figure	0.0	0.0	0.0	0.4	0.1	776
▪ Other	0.4	0.0	0.9	0.4	0.6	776
➤ who know they can save money on the Smartcard	7	21***	2***	15**	8	777

Source: HSNP M&E Baseline Evaluation Survey, Payments Monitoring Form, Sep 2009-Oct 2010. Notes: (1) The 'N' column denotes the overall sample size. The sample sizes for the disaggregated estimates in other columns are based on smaller sample sizes. (2) Asterisks (*) indicate that an estimate is significantly different from the relevant comparator, which are explained in section 1 of the report: *** = 99%; ** = 95%; * = 90%.

Table 3.1 Smartcards and payment receipt

Indicator	By (greater) district				Overall	
	Mandera	Marsabit	Turkana	Wajir	Estimate	N
Proportion of beneficiaries (%):						
➤ have never received the smartcard	0*	0.5	0.8	1.0	0.6	778
➤ have smartcard, but unable to show it at the interview	0***	26***	9	3*	8	779
➤ have never received money from HSNP	0***	1.7	1.5	2.9	1.5	779
➤ have not received a payment in the last 2 months	1	1	3	23	6	767
➤ did not receiving the amount they wanted to withdraw for their last payment	2	0**	1	3	1	761
➤ have to go more than once to paypoint to collect last full payment	7	3*	18	4	11	767
➤ only able collect payment on one specific day	68***	13	7.**	5***	21	767
➤ told to go to only one paypoint to collect payment	86***	51	63	66	67	777
➤ believe they can go to any paypoint to collect payment	23***	45	61	55	50	775

Source: HSNP M&E Baseline Evaluation Survey, Payments Monitoring Form, Sep 2009-Oct 2010. Notes: (1) The 'N' column denotes the overall sample size. The sample sizes for the disaggregated estimates in other columns are based on smaller sample sizes. (2) Asterisks (*) indicate that an estimate is significantly different from the relevant comparator, which are explained in section 1 of the report: *** = 99%; ** = 95%; * = 90%.

Table 3.2 Costs of payment collection

Indicator	By (greater) district				Overall	
	Mandera	Marsabit	Turkana	Wajir	Estimate	N
Proportion of beneficiaries reporting having been (%):						
➤ charged fee by the paypoint agent when collecting last payment	2	0**	0*	4**	2	766
➤ ever made to buy something / charged extra for something in the Agent's shop	3	1*	5	14	6	767
➤ had to pay someone else in community (other than the person collecting the transfer) from their last payment	1	0	0	0	0	767
Proportion of beneficiaries that did not collect the transfer personally that were charged a fee by the person collecting the last payment (of those not collecting)	4	0***	6	6	4	221
Average <i>total cost</i> of collecting payment, including transport and accommodation (Ksh) (all HHs incl. those who paid nothing)	20	12	17	14	16	758

Source: HSNP M&E Baseline Evaluation Survey, Payments Monitoring Form, Sep 2009-Oct 2010. Notes: (1) The 'N' column denotes the overall sample size. The sample sizes for the disaggregated estimates in other columns are based on smaller sample sizes. (2) Asterisks (*) indicate that an estimate is significantly different from the relevant comparator, which are explained in section 1 of the report: *** = 99%; ** = 95%; * = 90%.

Table 3.3 Distance to paypoint and queuing

Indicator	By (greater) district				Overall	
	Mandera	Marsabit	Turkana	Wajir	Estimate	N
Proportion (%) of beneficiaries reporting:						
➤ that they have to travel for more than 4 hours (equivalent to more than 20 km) to travel to the paypoint (both ways)	6***	24	27**	6***	18	742
➤ that they have to travel for more than 8 hours (equivalent to more than 40 km) to travel to the paypoint (both ways)	1**	4	10	2	6	742
Average time queuing for payment (minutes)	110	64***	220***	47***	144	721

Source: HSNP M&E Baseline Evaluation Survey, Payments Monitoring Form, Sep 2009-Oct 2010. Notes: (1) The 'N' column denotes the overall sample size. The sample sizes for the disaggregated estimates in other columns are based on smaller sample sizes. (2) Asterisks (*) indicate that an estimate is significantly different from the relevant comparator, which are explained in section 1 of the report: *** = 99%; ** = 95%; * = 90%.

Table 3.4 Payment collection and security

Indicator	By (greater) district				Overall	
	Mandera	Marsabit	Turkana	Wajir	Estimate	N
Proportion of beneficiaries (%):						
➤ who feel safe collecting payments and taking them home	72*	91	92*	85	86	764
➤ reporting knowledge of someone else being assaulted collecting payment	3	0*	7	0*	4	680
➤ reporting physical assault on way back from collecting payments	2*	0	0	0	1	680

Source: HSNP M&E Baseline Evaluation Survey, Payments Monitoring Form, Sep 2009-Oct 2010. Notes: (1) The 'N' column denotes the overall sample size. The sample sizes for the disaggregated estimates in other columns are based on smaller sample sizes. (2) Asterisks (*) indicate that an estimate is significantly different from the relevant comparator, which are explained in section 1 of the report: *** = 99%; ** = 95%; * = 90%.