CASE STUDY
KENYA

SPaN
Supporting people through crisis

Guidance Package on Social Protection across the Humanitarian-Development Nexus

Background to the Case Study

This Kenya case study was produced as part of the "Guidance Package on Social Protection across the Humanitarian-Development Nexus" (SPaN). It is the outcome of an initiative jointly led by the European Commission's Directorate-General for International Cooperation and Development (DEVCO), Directorate-General for European Civil Protection and Humanitarian Aid Operations (ECHO) and Directorate- General for Neighbourhood and Enlargement Negotiations (NEAR) with the support of DEVCO Unit 04 and the MKS programme.

CASE STUDY
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Urban food subsidy

Type of shock	Social protection instrument	Way the social protection system was used (typology)
Macroeconomic shock (inflation)	Unconditional cash transfer	Alignment (ex post)

Scene setting

In Kenya the rate of urbanisation is outpacing urban infrastructure development and service delivery. More than 50% of the urban population now reside in unplanned, overcrowded informal settlements with limited access to basic services. Most residents rely on informal employment, characterised by low pay and poor working conditions. They are especially vulnerable to rising prices, being highly dependent on the market for household food and non-food needs and with insecure income sources. The Kenya Food Security Steering Group (KFSSG) estimates that at least 3.5 million urban dwellers have difficulty meeting their food needs on a regular basis.

The social protection system in Kenya is relatively well developed for a low-income country. In 2009 several cash based social transfer programmes existed including a pension for the elderly, the Orphans and Vulnerable Children (OVC) programme and the Hunger Safety Net Programme (HSNP). However, these either did not have national coverage (i.e. the HSNP) or did not adequately cover the chronically poor in urban areas.

In 2009 the price of basic food items such as maize escalated by up to 133% due to prolonged drought exacerbated by the effects of post-election violence and the global food, fuel and financial crisis.

The high dependency on markets and lack of access to social protection meant that the crisis severely affected the poor in urban areas. The KFSSG estimated that 9.5 million people were at risk of starvation, with 4.1 million of these living in urban informal settlements.

An Inter-Ministerial Task Force on Food Subsidy, comprising government ministries and international partners (Concern Worldwide, Oxfam and WFP) was created, with the objectives of addressing the present food crisis in urban areas and reducing vulnerability of the urban poor to future crises. This Task Force mandated the Ministry of Gender, Children and Social Development (MoGCSD) to design and implement a pilot programme to respond to the food crisis. In parallel, Oxfam and Concern Worldwide initiated an emergency 'urban food subsidy programme' in the Mukuru and Korogocho informal settlements of Nairobi, with funding from the Swedish International Development Cooperation Agency (SIDA). This aimed to meet immediate needs due to the crisis and, in doing so, influence the Government of Kenya to address the lack of long-term social transfers for the urban poor, as preventative measures against future crises.

What it looked like

The Concern Worldwide and Oxfam programme was implemented in 2009-2010 in two informal settlements, Korogocho in Nairobi and Nyalenda in Kisumu, targeting mainly female heads of households. The 'relief component' aimed to provide **humanitarian** **cash assistance** to protect slum dwellers' ability to meet food needs in the face of economic shocks, complemented by referrals to health and psychosocial services. 5 000 households received payments of USD 20 per month for eight months.

An advocacy component aimed to leverage experiences and evidence from the programme to build the case for predictable social transfers for the urban poor. Efforts were made to engage national policy makers in the programme from the beginning. The International NGO's roles in the Inter-Ministerial Task Force on Food Subsidy enabled them to input directly to the design of the government's pilot project.

How it was done

ASSESSMENT AND ANALYSIS

The food crisis highlighted the **lack of early warning trigger mechanisms for urban areas**. Most early warning systems are based on indicators suited to rural settings and don't necessarily reflect the reality of urban areas. Hunger in urban settlements of Nairobi continued to be hidden for a long time and even when it was highlighted by Oxfam and Concern Worldwide, several humanitarian donors were unwilling to support a response.

Concern Worldwide and Oxfam needed to argue the case for intervention using their own data, to persuade donors of the need to respond. Assessments by the International NGOs highlighted that 55% of households in informal settlements were using 83% of their income to buy maize, meaning they were unable to manage all food and non-food needs (including rent, transportation, medical and education costs), poor families were resorting to negative coping strategies and the numbers of malnourished children were increasing.

It was well understood that food (and other) markets were functioned well in the informal settlements, not having been significantly disrupted by the post-election violence or drought. Therefore, cash assistance was recognised to be appropriate.

Concern Worldwide and Oxfam were already engaged in implementing long-term development programmes focusing on livelihoods and improving access to social protection in the urban slums, as a means of reducing poverty and building resilience to shocks. They had an existing partnership with the Ministry of Gender, Children and Social Development (MoGCSD) to promote the importance of including these groups in formal social protection. They were already well aware of the design and operational features of existing social transfer programmes, the limitations of social transfer provision for the urban poor, and the concerns of some members of the Kenyan government regarding cash assistance. This informed the design of their humanitarian intervention.

DESIGN

As a first stage, **agencies targeted geographically**, identifying the poorest areas within the settlements using statistics and information from local leaders. Within these areas, **local leaders were engaged** to set the targeting criteria for identifying the most vulnerable in their community, supported by a committee comprising International NGO representatives and local community-based organisations. This process established a range of (mainly demographically categorised) indicators, against which eligibility was to be verified through **community-based targeting**. In practice these criteria led to targeting mainly female heads of households.

The 'relief component' aimed to provide humanitarian cash assistance to protect slum dwellers' ability to meet basic food needs. The International NGOs designed this emergency intervention with the broader objective of influencing the development of longer-term social transfers. This meant that certain aspects of the emergency programme's design were developed with both humanitarian objectives and practical considerations for government adoption and long-term scale-up in mind. Food basket calculations showed that approximately 4 700 KSH (Kenyan Shilling) was required per household to meet all food needs and both agencies initially wanted to fund up to 50% of a household's monthly expenditure needs. However, this was significantly higher than that provided on the government's existing social transfer programmes. After consultation with the government, the transfer value was set at 1 500 KSH (around 30% of a household's food needs), to be in line with the Kenyan government's guidelines for social transfers. This was considered a necessary compromise to ensure buy-in from the government and thus achieve the longer-term objective of sustainable social protection provision for the urban poor: it was considered easier to influence the government to accept and own a programme that is consistent with other similar programmes. This strategy paid off and the design of the programme was ultimately adopted by the Government of Kenya. This was however challenging to reconcile from a humanitarian perspective since it was not commensurate with the level of identified humanitarian need.

Operations

REGISTRATION:

The programme sought to **target the most vulnerable**. Working in the slums was known to pose problems in relation to targeting due to the scale of the need, the heterogeneity of informal settlements and the lack of cohesion and mobility of populations within the slums. Communities are also highly fluid, so it is challenging to meaningfully engage the community. To implement community-based targeting, agencies enlisted the support of local stakeholders (health and social workers) who knew the community, in order to assess and select beneficiary households. Rather than a community meeting, selection was based on household visits to assess households against the criteria for eligibility. Evaluation showed that, overall, communities considered these house-to-house visits to be fairer. However, the size of the area, population density and the timeframe meant it was impossible to visit all households. Instead, targeting teams were directed to particular houses by 'knowledgeable' individuals. This approach, the lack of public information about the targeting exercise, and the fact that heads of household were often at work during the time that visits took place meant that some of the most vulnerable were excluded from the assessment. Research found communities had some concerns with the targeting process and that this led to some ill feeling amongst those who were excluded.

ENROLMENT:

Eligible households were informed by the International NGO's local community-based organisation partners and enrolled into a project database. Beneficiaries provided their national ID card details and were registered with a SIM card in order to use mobile money services (see below).

PAYMENT:

Payments by the programme were made through the **mobile money transfer system, MPESA**, through project agreements between the International NGOs and the mobile network operator Safaricom. International NGOs opted for mobile money transfer to deliver the cash, even though other social transfers from the Government of Kenya (to the elderly and OVCs) were delivered through the Post Office. The Post Office's manual system of data management was slower, and Oxfam and Concern Worldwide wanted to encourage the government to look at e-payments as an accessible, efficient and effective alternative in the urban settlements. A host of studies pointed to the effectiveness and value for money of this delivery mechanism in the context of the slums. Beneficiaries were familiar with mobile phones, the phone network was strong, and coverage of mobile money agents was high. Beneficiaries appreciated the reliability, security, and rapidity of withdrawal conferred by the system and administrative costs were low. One barrier identified was the legal requirement for mobile money clients to have a national ID card which effectively excluded approximately 5% of the target group.

SYSTEMS AND INSTITUTIONS:

Both International NGOs set up project-based operational processes and systems and worked through **local community-based organisations** to implement the programme. Proactive involvement of the staff from the Ministry of Gender from the very beginning helped to get an early buy-in on the design of the programme and ensure linkages to the Government of Kenya throughout the process.

Oxfam's internal IT systems were not compatible with the MPESA system and did not allow the addition of software for smooth provision and monitoring of transfers to large number of beneficiaries. The project staff resolved this by procuring an external drive on which the software was loaded, and this worked well.

Monitoring and evaluation

To overcome reservations among some members of the Government of Kenya about cash assistance, and to demonstrate the need for social transfers for the urban poor, Oxfam and Concern Worldwide had to engage at all levels and across government departments to provide evidence to support their case. Case studies and video documentation of the programme implemented by the International NGOs in Mukuru and Korogocho were prepared and shared widely among policymakers. Implementing partners conducted extensive post distribution monitoring, including through household visits and phone calls to beneficiaries, whilst independently commissioned evaluations and programme reviews demonstrated the programme's added value and lessons learned. These findings were crucial for the success of the advocacy component and the programme's objective of influencing national social protection in the longer term.

What happened next

Experiences from the emergency programme led the Government of Kenya to implement a **pilot social transfer 'food subsidy programme'** in Mombasa, based on the design of this emergency intervention but as a fully government-owned, resourced and led initiative. In 2015 the government expanded coverage within Mombasa and to areas of Kisumu and Nairobi, to reach approximately 68 000 households. The International NGOs continued to support the government through provision of technical and capacity building support.

Oxfam and Concern Worldwide encouraged the government to look at alternative payment mechanisms for the food subsidy programme, and a tendering process was used to select the service delivery agent. Equity Bank, which has significant experience and strong digital systems for delivering social transfers in the HSNP[1], was selected as payment service provider, along with the Post Office.

This has improved the payment mechanism significantly. However, the system is likely to face challenges if a sudden crisis were to occur in the urban areas, because the programme is not designed to expand horizontally[2]. To overcome this, the Government of Kenya is considering a multiple service provider option, which may promote healthy competition among service providers and also enable faster service to the beneficiaries.

Sources: Kukrety (2016) 'Working with Cash Based Safety Nets in Humanitarian Contexts: Guidance Note for Practitioners', CaLP; Smith and Mohiddin (2015) 'A Review of Evidence of Humanitarian Cash Transfer. Programming in Urban Areas', IIED.

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1   *Hunger Safety Nets Programme in the Arid and Semi-Arid areas of Northern Kenya*
2   *In the HSNP areas, potential beneficiaries are registered within the system and issued a card in anticipation of a crisis. This enables a horizontal expansion during times of crisis. Such registration process has not been followed (and may not be possible either) in the urban food subsidy programme thereby restricting horizontal expansion.*

Contact information

European Commission

International Cooperation and Development
Rue de la Loi 41 - B-1049 Brussels
Fax: +32 (0)2 299 64 07
E-mail: europeaid-info@ec.europa.eu

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