



**Always There**



# A BUFFER AGAINST THE DROUGHT

Riding on the Hunger Safety Net Programme platform to deliver aid to the most vulnerable through the use of Bank Accounts

## BACKGROUND

The drought situation in Kenya continues to increase in severity, complexity and spread. Successive seasons of depressed rainfall combined with environmental degradation has seen the drought cycle reduce to between 3 and 4 years with some dry spell being experienced annually. Seasons of depressed rainfall amounts combined with inter community conflicts and limited humanitarian access has further compounded the situation resulting into food and water shortages, acute malnutrition and massive livestock deaths. With the number of counties affected by drought hitting a high of 23, the government declared it a national disaster in mid-February 2017. At the time, approximately 2.6 million people had been reported to be in urgent need of humanitarian assistance. A recent mid-season assessment concluded that the drought affected population had reached 3.5 million up from 2.7 million and that a total of Kshs. 11.1billion would be required for response measures between July and December 2017<sup>1</sup>.

## ABOUT TURKANA COUNTY

Turkana County is among 23 Arid and Semi Arid Lands (ASAL) counties that have been ravaged by a devastating drought. It is located in the North Western part of the country with an area of 77,000 square kilometres and a projected population of 1,083,653. According to the joint Short Rains Assessment report by the Kenya Food Security Steering Group and Turkana County Steering group (February 2017), the county had been classified in the stressed phase. The areas in the crisis phase were mostly in the pastoral livelihood zone that were experiencing a myriad of challenges such as acute lack of water, pasture, browse and escalating insecurity. The result of this had been a humanitarian crisis with approximately 276,200 people requiring emergency assistance. Nomadic pastoralism is the traditional way of life in Turkana with communities reliant on their animals (goats, cows and camels) for food and income. Since the start of the century, there have been 6 separate drought emergencies declared in Turkana County, with communities unable to recover fully before the next one arrives.

Describing life in Lokori – Turkana East, Epakan Ekutan (KRCS beneficiary) stares at me, takes her time and starts, ‘All my goats had died due to lack of water and pasture. Whenever I got something to eat, I did not know where to get food for the next time, my 3 children could cry most of the times and all I could do was to assure them that all shall be well. I had to ask for food from a few lucky neighbours who had received some assistance from the ‘government.’ My hope and that of my children was not all gone, at least I knew there were people like Kenya Red Cross who could still come to help me and other neighbours’

## DECISION ON THE USE OF THE HSNP PLATFORM

Hunger safety net program a government funded social protection activity has over 137,534 households registered for cash transfers in Turkana county. About 39,000 of them (referred to as group 1) receive regular bimonthly cash disbursement of Kshs 5400. The remaining 97,000 households are referred to as group 2 and receive only shock responsive cash transfers. At the inception of its cash transfer operation in Turkana county, KRCS was notified by the HSNP partners based in Nairobi that it could use HSNP platform which together with its donor DFID, the GoK had invested heavily in it. In its database of HSNP beneficiaries, GoK has more than 370,000 households registered and issued with ATM cards for the social protection cash transfers

## DELIVERING CASH THROUGH EQUITY BANK/AGENTS – THE PROCESS

The process began with the inception meetings that targeted Turkana County Steering group members. Making reference to the project documents, Kenya Red Cross Society (KRCS) staffs explained the outcomes and output areas of the proposed interventions. The KRCS beneficiary communication plan guided the discussion and helped clarify key issues that included, the mandate, targeting criteria, handling of complaints and feedback as well as procedures for dealing with fraud. The comprehensive Cash Transfer Programme (CTP) capacity assessment conducted by KRCS in October 2015 had explored the capacity to deliver cash at scale during emergencies with a key recommendation being the pre-contract agreements with potential payment service providers. The County Steering Group (CSG) approved the proposed approach by KRCS and National Drought Management Authority (NDMA) tasked to provide data on the registered community members. This was to assist in verification and validation of the registered and vulnerable groups.

<sup>1</sup>NDMA Drought update report for June 2017

KRCS entered into a pre contract agreement with Equity Bank due to its experience and large network of agency banking. Being an emergency intervention, KRCS proposed to ride on the already established platform, the Hunger and Safety Net program in which Equity bank is used as a delivery method. Verification of the 4,020 registered families was done with the assistance of the bank agents. This exercise took two (2) months to be completed. Besides the verification, dormant accounts were also activated to enable the targeted families access their transfers using the local bank agents. The process involved capturing the biometric information in which the fingerprints were scanned and a smart card issued to help access the fully operational Equity bank account.

Upon registration and verification of the targeted households, KRCS shared with Equity Bank the final list together with account details to facilitate the debiting of the respective accounts with 3,000 Kenya Shillings Cash was then delivered using a smartcard system, which they used to access cash from the local Equity agent. At the payment stage, a point of sale device was used to verify recipients' identities and access their disbursements. Encashment was also done at a branch of Equity Bank. To date, two cash disbursements targeting 2,908 targeted households have been done. Communication on cash payments was well coordinated, making use of the network of KRCS volunteers with support from the local chiefs who relayed information to the community members.

Apurewoi, 45 years who hails from Lokwamosing village goes down the memory lane with nostalgia as she recalls the desperate moments when she had to go without food for 3 days. 'Without food, water and our goats all gone, I just waited to die and would be lying under a tree at least to keep off the strong heat from the sun. Every time my family begins to get well (start eating well and animal can eat as well), we get the problem of lack of rains, one after another, cattle raids by the neighboring communities makes living here very bad,' she narrates.

In order to be responsive to community and stakeholders opinions regarding the intervention, KRCS sensitized volunteers on how to use the complaints handling log sheet. All the complaints received were documented in the log sheet and shared with the CTP officer on a weekly basis for consolidation into the complaints log database. Upon review and analysis by the branch team, the feedback was provided to the complainants within three (3) days of the branch review meeting.



## OUTPUTS<sup>3</sup> REALIZED

- Families that prior to the cash disbursements were leaving in abject poverty are now beginning to afford decent meals.
- Children who were out of school due to the mandatory school levies can now be taken to school by using a portion of the cash transfers.
- A number of the targeted communities can now afford to repay their outstanding debts and therefore, being allowed to take some other goods on credit with the hope that the subsequent disbursements will enable them settle the same.
- Some community members have been able to purchase animal feeds while other have prioritized the construction of sanitary facilities – the latrines.
- There is a significant reduction in the coping strategy index implying improved food security at the targeted households



<sup>3</sup> Based on the Drought Response real time evaluation, May 2017

## LESSONS LEARNT

- Just like the mobile money transfer option, the use of banks increases flexibility and convenience for the targeted communities who can then choose where and when to encash without having to endure the long queues.
- The choice of any cash delivery option ought to be context specific. The use of equity bank agents succeeded in areas that had challenges with network while the targeted communities that had access to M-pesa services preferred the mobile money transfer to bank agents.
- Engagement with the private sector players ensures a stronger partnership with the humanitarian agencies. Equity bank staffs and agents accompanied the KRCS staffs and volunteers and assisted in sensitization of the communities on financial literacy.
- The desire to improve the reputation and expand the client base was a driving force behind the good working relationship that KRCS enjoyed with the Equity bank.
- The use of banks as a payment option greatly reduces risks of fraud and error by creating a clear audit trail leading to greater accountability.
- The benefits of account based cash transfer is two folds – It cushions the vulnerable communities against the disaster risks and at the same time promotes greater financial inclusion.
- The use of the KRCS guidelines for handling community complaints and feedback as well as the toll free number ensured prompt responses to grievances expressed by the targeted households.
- The inclusion of the beneficiary communication plan as part of the inception activities clarified the project objectives, mandate, targeting criteria, entitlement thus promoting openness and greater accountability.
- In order to achieve cash in preparedness, pre-contract negotiation and signing of pre-contract agreements with the financial providers should be part of the wider contingency planning.
- The existence of the HSNP platform came in handy as it enabled KRCS to save some costs of opening new accounts and issuing ATM cards especially in villages where Group 2<sup>4</sup> beneficiaries were present.
- Reactivation and issuance of new ATM cards to those who either had dormant accounts or lost their cards slowed down the entire process leading to delays in cash disbursement.

## WAY FORWARD

- Need for KRCS to partner with the bank agents (Equity Bank) to deliver financial literacy trainings to the targeted communities who may be unfamiliar with financial access or just some phobia with the financial systems.
- The Banks need to have all accounts of the targeted households activated before loading the transfer amounts in order to avoid delays in encashment as a result of dormant accounts.
- The National Drought Management Authority should work on a single and comprehensive register that takes into account all the aspects of vulnerability – this will enable the aid agencies reduce the turnaround time between targeting and the actual response.
- The targeting process by Kenya Red Cross Society revealed a significant number of community members whose details had not been captured and yet were in needy of humanitarian assistance. There is need for another round of targeting and registration under the HSNP to ensure all the needy households are captured in the database

<sup>4</sup>Receive only shock responsive cash transfers which is provided only when drought levels are higher and surpass certain threshold as defined by National Drought Management Authority.



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