PARTICIPATION OF VULNERABLE POPULATIONS IN THEIR OWN PROGRAMMES

THE CASH TRANSFERS IN KENYA

2014

“Equity measures among most vulnerable populations Orphans and Vulnerable Children, Persons with Severe Disabilities and Elderly”

OUR VISION:

A Society that upholds gender equality, dignity, respect and fairness for all.

OUR MISSION:

To effectively and efficiently promote gender equality and freedom from discrimination of all persons in Kenya.

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Foreword

The National Gender and Equality Commission (NGEC) is a Constitutional commission established by an Act of Parliament in August 2011. The core mandate of the Commission is to promote gender equality and freedom from discrimination in line with Article 27 of the Constitution of Kenya with special focus to women, youth and children, the elderly, persons with disabilities, minorities, and marginalized groups and communities. Through auditing, facilitation, monitoring and advisory functions, the Commission has this far continued to lay a foundation for state, private and non-state actors in Kenya for the integration of the principles of equality and inclusion in national and county policies, laws and administrative regulations.

In October 2013, the commission with financial assistance from the Government of Kenya and United Nations Development Program supported from the Government of Finland and Sweden, designed and executed a monitoring activity of the national Cash Transfers Programs for persons with severe disability, elderly, orphans and vulnerable children to establish their contribution in reducing social and economic inequities. The audit also assessed the participation levels of these vulnerable populations in the implementation of their own program with focus to cash transfer initiatives.

This report is generated after multiple processes including consultation with key stakeholders in the sector of social security and the government agencies involved in their design, and implementation, data collection, validation of results. The report recommends among other things the need for the national and county government to review the targeting, coordination and implementation guidelines of the current cash transfer program in light of the principles of devolution and available legislation framework. It also recommends for the development of a comprehensive and practical community participatory framework where both beneficiaries and general members of the community are fully aware of their rights and objects of the transfers to enable the program increase its value and relevance in reducing social and economic inequities.

I am honored to submit to the stakeholders the report 'Participation of Vulnerable Populations in their own programmes; A case of Cash Transfer Programmes in Kenya. The report is based on analysis of data collected through a two phase monitoring exercise that was coordinated jointly with the Departments of Social Development and Children in the Ministry of Labour, Social Security and Services and National Gender and Equality Commission. I take the opportunity to thank the two institutions for their commitment during the conceptualization and writing of this report.

Comm. Winfred Lichuma, EBS
Chairperson

Acknowledgement

The National Gender and Equality Commission would like to acknowledge contributions of all the stakeholders who participate in one or more ways during the design, implementation, writing or validation of this report. We thank all beneficiaries and caregivers from the 21 sub counties who gave their valuable contributions during the home visits that form the basis of this report.

To all County Commissioners, Deputy County Commissioners, County Coordinators, Deputy County Coordinators, District Social Development Officers,District Children Officers,various CTP Committee members, Chiefs, Assistant Chiefs, Directors of Education, principals of various schools contacted during the stakeholders forums, we thank you for participating in the discussions and support in data collection.

The commission would also like to thank all staff of the commission who participated in this activity. Lastly, the Commission would like to recognize and thank the United Nations Development Program (UNDP) for the financial support towards the development of this report.

List of Acronyms

BIC	Beneficiary Identification Card
CTP	Cash Transfer Program
CBO	Community Based Organizations
HSNP	Hunger Safety Net Programme
KNBS	Kenya National Bureau of Statistics
LOC	Locational Committee
MDGs	Millennium Development Goals
M&E	Monitoring and Evaluation
NGEC	National Gender and Equality Commission
NSNP	National Safety Net Programme
NSPP	National Social Protection Policy
OPCTP	Older Persons Cash Transfer Program
OVC	Orphans and Vulnerable Children
OVC CT	Orphans and Vulnerable Children Cash Transfer
OPs	Older Persons
PCK	Postal Cooperation of Kenya
PSP	Payment Service Providers
PWSD	Persons with Severe Disability
PWSD CT	Persons with Severe Disabilities Cash Transfer Program
SCOSC	Sub County OVC Sub Committee
UFS/CT	Urban Food Subsidiary Cash Transfer

Executive Summary

In 2013, the National Gender and Equality Commission conducted an audit of the cash transfer programs for the Orphans and Vulnerable Children (OVC), Persons with Severe Disability (PWSD), and the Elderly in 21 sub-counties of Kenya. The audit was limited to 12 counties; Machakos, Kirinyaga, Marsabit, Nakuru, Vihiga, Siaya, Kajiado, Mombasa, Kilifi, Nyamira, Homabay, and Baringo to provide the national and county governments with a snap shot account of the implementation of the cash transfer program and the level of participation of the vulnerable populations in programs designed for them.

The audit was conducted in two phases due to limited funding during the initial phase. The activity assessed the adherence of the program to the procedures provided for in the regulatory frameworks for cash transfer and several legislative and policy frameworks. The audit also assessed the effects of the program to vulnerable populations and their immediate families, and challenges faced by various players and agencies during the implementation. Based on the outcome of the assessment, the Commission provides actionable recommendations to various state and non-state actors involved in the policy, implementation, and management of the cash transfer programs in Kenya.

The results of the audit show that overall the three cash transfer programs in Kenya have been successful and have had remarkable achievements. Some of the immediate benefits of the program to recipients include improved household food security, retention of children in schools, access to basic health care, formation of social support networks, and increased self-esteem and dignity among beneficiaries. A majority of beneficiaries of the OVC and OP cash transfer programs were females. Men constituted the majority of beneficiaries for the PWSD program. Irrespective of the type of cash transfer program, more than 80% of the beneficiaries reported having dependants to support. Over all, the three cash transfer programs targeted the intended segments of population. However, there were cases where some of the beneficiaries enrolled into the program were not eligible.

The level of participation of the communities and beneficiaries in the administration of the cash transfer program is generally low. The audit identified key challenges hindering their participation and included: lack of correct and adequate information on the processes of enrollment into the program, delay and unpredictable transfer of the funds, and unforeseen fiscal and social costs among others. In addition, the audit identified main difficulties faced by the administrators of the program; inadequate trainings, budgets, and geographical coverage.

This report provides the following recommendations.

- ✓ The national and the county governments should review targeting, coordination and implementation guidelines of the cash transfer program in light of the principles of devolution and recent legislation frameworks such as the Social Assistance Act of 2013 for a sustainable social security program at national and county level.

- ✓ There is need for review of the budget allocated to cash transfer programs, type of cash transfer programs in Kenya, coverage of the intervention, and ultimately the amount of funds transferred directly to beneficiaries.

- ✓ There is opportunity for better coordination of the CTP with other forms of social assistance such as provision of assistive devices for PWD or nutritional programs for infants and pregnant mothers.

- ✓ The national and county government should enforce the measures to reduce irregularities such as enrolment of ineligible populations into the program

- ✓ During the transition period to devolved government, the national and county governments should put in place structures and mechanism to ensure smooth continuation of cash transfer services at all levels

- ✓ The implementing agencies should roll out an intensive public education program to sensitize communities, administrators and all other stakeholders of the cash transfer program about the objects, value and process of implementation of the program.

- ✓ The implementing agencies should make use of ICT to increase efficiency of the program including automation of registration process and transfer of funds. There is need to tap into the high penetration of mobile telephones in Kenya.

- ✓ The program should have a systematic monitoring framework and mechanism including audits undertaken by independent bodies such as NGEC and accountability initiatives from the communities.

- ✓ There is need to develop a participatory framework for community engagement in the design, implementation, audit and evaluation of the intervention and such should be employed on routine basis.

1.1 Background

Social transfers are increasingly being seen as a key tool in East and Southern Africa for combating the triple threat of chronic poverty, hunger and HIV/AIDS. In the advent of the global financial, food and fuel crises, and the high incidence of either infectious and non-communicable diseases, there are increasing calls for the scale up of such programs to protect the poor and promote human rights. As these programs expand, a number of design and implementation issues have begun to dominate the policy debate, including participation levels of the recipients, the economic viability, targeting, and measurability of the impact of the programs.

In spite of a decade of relatively strong economic and political growth, high rates of poverty persist in Kenya. Between 2000 and 2009, economic growth was at an average of 3.9 percent, after a long reverse trend. Higher economic growths were recorded in 2010 and later estimated to continue increasing to 6 percent in 2013/2014. However, poverty incidence remains high at 46.6 percent in 2005/06, having declined from 52.2 percent in 2000. Poverty rates are markedly higher in rural areas (49.7 percent) than in urban areas (34.4 percent), although residents of informal urban settlements often experience great deprivation (KNBS 2006). Poverty rates also tend to be higher among vulnerable groups such as children (53.5 percent), including orphans and vulnerable children (54.1 percent), older people (53.2 percent), and people with disabilities (57.4 percent). Through various national economic, political and social development blue prints and the Constitution of Kenya, the government has in the past two decades placed several measures to protect the rights, social image, livelihoods, vulnerability to poverty and self-development of the most vulnerable populations in the country. The most prominent and successful framework is the social protection where cash transfer program is an integral component.

In 2013, the government of Kenya through an Act of Parliament approved a more robust social protection framework to generate positive reforms to social assistance programs in the country through enactment of Social Assistance Act, 2013. The framework referred to as the National Social Protection Policy (NSPP) aims to strengthen the delivery of social assistance to poor and vulnerable populations in the national and county levels and promises progressive realization of the rights to social security and protection to persons who are unable to support themselves and their dependents. The policy is further grounded on the reform based Social Assistance Act of 2013 and when fully operationalized is expected to raise the social profile of Kenya by 2030.
As a first step in the reform agenda on social safety and protection for the vulnerable populations

is the establishment of the National Safety Net Program (NSNP), which aims to strengthen operational systems while expanding the coverage of five cash transfer programs; the Older Persons Cash Transfer (OPCT), the Cash Transfer for Orphans and Vulnerable Children (CT-OVC), the Hunger Safety Net Program (HSNP), the Urban Food Subsidy Cash Transfer (UFS-CT), and the Persons with Severe Disability Cash Transfer (PWSD-CT). The program has attracted attention of development partners as well. In July, 2013, the transformational national social safety net program received significant financial support through the World Bank zero-interest credit of $250 million to help fight extreme poverty and together with other initiatives reach up to 3.3 million of the country's poorest people by 2017.

The government through the Ministry of Labour, Social Security Services implemented cash transfer programs since mid-2000. The program was initially rolled out on a pilot basis before a scale up commenced three years ago.

The National Gender and Equality Commission established through an Act of Parliament in 2011 is mandated to promote among Kenyans equality and freedom from discrimination with particular focus to special interest groups that include women, children, the elderly, persons with disabilities, youth and minority and marginalized groups and communities. The commission has among other functions to monitor the status of the special interest groups, monitor, facilitate and advise on the development and implementation of affirmative action, policies, co-ordinate and facilitate mainstreaming of issues of special interest groups. It is against this background that the commission in conjunction with departments in the Ministry of Labor, Social Security and Services and selected agencies in the county governments designed an audit on the implementation of three most common cash transfers programs in Kenya. The audit was limited to: Older Persons Cash Transfer (OPCT), the Cash Transfer for Orphans and Vulnerable Children (CT-OVC), and the Persons with Severe Disability Cash Transfer (PWSD-CT).

1.1.1 Older Persons Cash Transfer (OPCT)

Kenya has made commitments to addressing issues of the elderly through national legal and policy frameworks. In 2010, a commitment to social protection was enshrined in Kenya's Constitution, and asserts the "right for every person to social security" and "binds the State to provide appropriate social security. In 2011, the social protection policy was developed and among other issues emphasizes on social protection in old age through either non-contributory benefits focused on reducing poverty and vulnerability, or contributory benefits aimed at maintaining the income of individuals. The national policy for older persons and ageing lays basis for the intervention of elderly. Kenya is also a signatory to various international instruments protecting the social welfare and rights of the elderly for example, the International Plan of Action on Ageing; UN Principles and Rights of Older Persons to independence, participation, care, self –fulfilment and dignity, the African Union Policy Framework and Plan of Action on Ageing, and the 2006 Livingstone declaration seeking integration of social transfers in annual work plans and national budgets.

The 2010 Constitution defines old persons as people of age 60 or more years. The OPCT program however targeted persons of age 65 or more who have attained additional criteria including income status, geographical, and should not be beneficiaries of another CT program. According to the 2009 Kenya Population and Housing Census, there were 1.3 million people who were above 65 years of age, 20.6 million are of age 15-64, meaning a handful will be crossing the 65+ age yearly. Considering the population increase by about 1 million yearly and a declining crude mortality rate from 11/1,000 in 2007 to 8.93/1,000 in 2011, the number of those aging is expected to increase significantly by 2030.

The OPCT was launched in 2006 at an annual government allocation of Ksh. 4 Million. During the first arm of the pilot phase, the program provided monthly cash transfer of Ksh 1065 to 300 households with destitute elderly people in Nyando, Busia and Thika districts. The program was expanded in 2009 after receipt of Ksh 550 million from the government in 2009/2010 financial year and further to Kshs 1 Billion in 2011/2012 financial year (See table 1 below). The program was allocated Kshs. 1.5 billion in 2012/13 financial year and Kshs. 3.2 billion in the 2013/14. It is envisaged that the program will be scaled up to benefit more elderly and achieve a regional balance in the spirit of devolution.

Table 1.1: Trends of Budget allocations on CTP

Year	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Amount in Ksh. Millions	4	1.2	4	550	530	1000	1500*	3200
No. of districts	2	3	3	44	44	44	44+*	-
No. of beneficiaries	200	100	300	32,115	33,000	33,000+	36,000	-

*estimated

Source: Budget Highlights: Citizens guide June 2012 - 2013

The OPCT is managed through established structures and institutions at each administrative level, from national to the locational level. The overall management and coordination function rests at the national level (OPCT unit) and cascades to the location (Location OPCT Committee) through the district levels. To strengthen accountability and complement existing programs and services, the management structures, particularly at implementation level, advocates inclusion of wide representation from line ministries, the community and Community Based Organizations (CBOs) through the OPCT Committee.

1.1.2 Cash Transfer for Orphans and Vulnerable Children (CT-OVC)

The OVCCT program was launched in 2004 with broad objective of strengthening households capacities to provide a social protection system through regular cash transfers to families with OVC, in order to encourage fostering and retention of orphans and vulnerable children (OVC) in their families within the communities and to promote their human capital development. OVCCT is currently the largest CT programme in the country. Kenya has an estimated over 2.4 million orphans and vulnerable children half of which have resulted from death of parents due to HIV and AIDS crisis. Kenya's OVC-CT programme started as a pre-pilot project covering 500 OVC households in three districts (Kisumu, Garissa, Kwale). By 2009, the government funding to the program increased to US $9 million from USD US$800,000 allocated in 2005 and coverage increased to 47districts. Every year since then, the program has received increased budget allocations from the government. For example in 2011/2012 the program was allocated Kshs. 2.8 billion, and in 2012/2013 Kshs 4.4 billion. In 2013/2014, the program received a lion share of Kshs 8 billion.

The program is grounded on multiple national legal and policy frameworks and international commitments. In particular Article 53 of the 2010 Constitution of Kenya spells out the rights of children and the need for their protection. Every child has the right to: Free and compulsory education; basic nutrition, shelter and healthcare; protection from abuse, neglect, harmful cultural practices, exploitative labor, parental care and protection which includes equal responsibility of both parents whether married or unmarried. The national policy on orphans and vulnerable children developed in 2005 is one of the earliest policy frameworks that grounded in the OVCCT program in the pilot and scale up phase.

The OVCCT program provides regular support to poor households caring for OVCs in the intervention areas and its geographical targeting is guided by an OVC CT program Expansion Plan which is developed at the national level on the basis of poverty and vulnerability criteria. Once locations have been identified, operational structures like the Sub-County OVC Sub-Committee (SCOSC), the Location OVC Committee (LOC) members and Beneficiary Welfare Committees (BWCs) are established and trained. Household-level data is collected and analyzed to assess their likelihood of being poor against national standards. A list of potential beneficiaries is generated, and validated at the community *baraza*. The approved list of households targeted for support is then entered into the management information system, enrolled in the program and issued with a program identity card.

OVCCT supported households received payments of Ksh 4,000, in cash, every two months via a Payments Service Provider. There are two PSP; the Postal Corporation of Kenya (PCK) and Equity Bank. The program implementation organs are responsible for follow up with households in the communities where concerns are raised about the care being received by a child. LOC members are required to visit households to raise awareness on appropriate care and to provide advice on problems households are encountering in caring for children. Community awareness sessions are also conducted in the community to promote understanding of the program and to help households deal with health and family issues.

The program covers children below 18 years. The program places developmental responsibilities to care givers of the beneficiaries that include; ensuring OVC aged 0-5 years receive immunization and growth monitoring, OVC aged 6-7 regularly attend basic education; OVC acquire birth certificates and care givers attend awareness sessions. The exit from OVC-CT program is triggered by the following:

a) When the beneficiary or the recognized caregiver fails to collect payment for three consecutive payments,

b) When there are no more OVC in the household either because the OVC is over 18 years age limit or through death,

c) In case households fail to comply with the set conditions for three consecutive payments.

1.1.3 Persons with Severe Disabilities Cash Transfer Program (PWSD-CT)

Kenya has an estimated 1.3 million persons with disabilities representing about 3.5% of the total population (KNBS, 2010). The population of persons with disabilities in Kenya is definitely higher when all conventional attributes of disability beyond physical, hearing, mental, visual, and speech are considered. Globally there are about 650 million PWD and more than 80% of them live in the developing world. It is estimated 1 in every 5 of the world's poorest people is a PWD. Global literature shows that PWD suffer disproportionately the effects of poverty and deprivation due to limited opportunities and enabling environment promoting self-independence and empowerment. Some of the legislative framework and policies informing the social security and safety for PSWD include: The Conventions on Rights of Persons with Disabilities Articles19 to 29, 43, and 54 of the Kenya Constitution of 2010; the National Disability Policy of 2006, the national social protection policy, and the national development fund for the PWD.

The PWSD-CT is premised on the fact that disbursements of funds to PWD wishing to engage in entrepreneurial and/or obtain assistive devices may not be sufficient or useful to severe cases of disability. Severe disability cases of children and adults need support on full time basis by care givers to ensure their needs are attended to and such an arrangement denies care givers an opportunity to engage in meaningful income generation activities and therefore increasing their own and that of other members of the household vulnerability to extreme poverty. The program is rolled out in all counties and former 210 constituencies and targets households with persons with disability; extremely poor households, non-recipients of pension or reasonable regular income, and non-receipts of other cash transfer services. Eligibility is often increased with presence or more of the following attributes: Poverty level of the household is high, number of persons with severe disabilities in a household, number of chronically ill persons in a household with a person with severe disabilities, number of persons in a household with other forms of disabilities other than the one with severe disabilities.

The PWSD-CT program has over the last two financial years received an enhanced budget of Kshs 385 million in 2012/2013 and Kshs 770 Million in 2013/2014 financial years demonstrating government commitment to increase coverage of the social welfare program for the vulnerable PWD.

1.2 Design of the Audit

A five stage approach was used in the design of the audit of the cash transfer programs in Kenya. The audit was rolled out in two phases (April 2013 and October 2013). The first stage involved the review of the essential legal instruments informing the cash transfer programs from the elderly, PWSD, and OVC taking into consideration that some policy instruments were formulated before the promulgation of the 2010 Constitution. The second stage involved a consultation forum with the senior officers in the Ministry of Labor, Social Security and Services to obtain latest data on cash transfers and updated guidelines informing the design, implementation and management of the program. The forum also identified the counties of study with clear justification and entry points at the study sites. The gender officers in each of the county were identified to help mobilize and convene meetings with district staff and members of the implementing committees for data collection and consultations. The third step involved the design of instruments for data collection and field logistics. The fourth step involved data gathering through mixed methods including panel discussions with critical stakeholders in the program at county and sub-county levels, in-depth interviews with beneficiaries, and focus group discussions. The fifth steps involved data analysis, report development, validation of the key findings and recommendations and adoption of the report that you are now reading.

The first phase of the audit covered eight counties and assessed the cash transfer programs for elderly and PWSD. The second phase covered nine counties five of which had participated in the first phase. The second phase of the audit was expanded to cover the third type of cash transfer targeting OVC. Table 1.2 presents the distribution of counties and sub counties by type of cash transfer assessed.

The counties shown in Table 1.2 were selected purposively either because they are pilot areas of the cash transfer programs or benefited from the rapid scale-up of the programs after successful pilot. Also, information on performance of the different counties on efficiency of implementation of the program was considered.

Table 1.2

Region	County	Sub counties	Type of cash transfer assessed		
			OVC	PWSD	OPCT
Eastern	Machakos	Kangundo, Yatta	✓	✓	✓
	Marsabit	Chelbi, Marsabit central	✓	✓	✓
Rift valley	Nakuru	Nakuru North, Bahati	✓	✓	✓
	Kajiado	Kajiado South, Kajiado North	✓	✓	✓
	Baringo	Municipality		✓	✓
Western	Vihiga	Sabatia, Emuhaya	✓	✓	✓
Nyanza	Siaya	Bondo, Rarieda	✓	✓	✓
	Nyamira	Municipality		✓	✓
	Homabay	Municipality		✓	✓
Coast	Mombasa	Kisauni, Likoni	✓	✓	✓
	Kilifi	Kaloleni, Rabai	✓	✓	✓
Central	Kirinyaga	Kerugoya, Mwea	✓	✓	✓

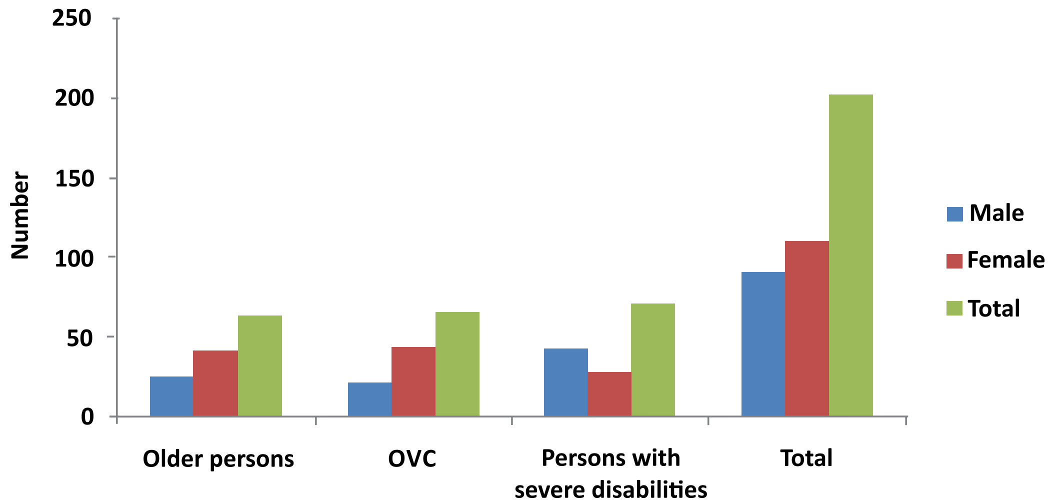
2.0 Key results

The results of the audit are presented from two perspectives; the beneficiaries and management of the cash transfer programs.

2.1. The population characteristics of the beneficiaries

The audit contacted 203 individuals identified from records of the local committees as recipients of the various types of cash transfer. None of the beneficiaries reported receiving more than one form of cash transfer. A total of 203 beneficiaries participated in the audit. More women than men participated in the audit as shown in Figure 2.1.

Figure 2.1: Distribution of beneficiaries interviewed by type of transfer



Irrespective of the type of cash transfer program, most beneficiaries are women perhaps due to their historical vulnerability to poverty and limited access to alternative empowerment opportunities. Most of the beneficiaries of the cash transfer for PWSD were female (55%) compared to men (45%). Among the elderly benefiting from the OP cash transfer, 76% are female and 24% are men. Almost all (88 %) of children receiving OVC cash transfers were females compared to only 12% boys. The program should undertake a historical trend analysis of the profile of care givers and direct beneficiaries of the cash transfer programs to establish patterns of inequality by gender and devise corrective mechanisms to address such.

The number of dependents a beneficiary of a social protection program has in their household is correlated with effectiveness and efficiency of the cash transfer program on empowerment at the household level. The results of the assessment indicate that, only about one-tenth (13%) of the beneficiaries did not have direct dependents in the household. All these respondents were elderly living alone. The majority of the beneficiaries (87%) had dependents mainly family members. Among beneficiaries with dependents, 52% lived in households with dependents of ages 18 and below. About 14% of the beneficiaries had dependents aged below 5, nearly two-fifths (38%) had dependents ages 6-17, about one-third (26%) had dependents ages 18-35, and about one-tenth (9%) had persons of age 65 or more. Slightly over one-half (52%) of the beneficiaries have family members/dependents below 18 years of age. From these results, the program is commended for the right targeting of populations most vulnerable to poverty. Further, during the recruitment, the cash transfer program should consider assessing the number and category of dependents to determine and recommend additional programs useful to the target households or additional social security initiatives required.

Observational data on residential environment of the beneficiaries indicate that 70% of the households of the beneficiaries were generally from the lowest wealth category. The materials making the wall, floor and the roofing of the dwelling units are generally mud for wall and floor,

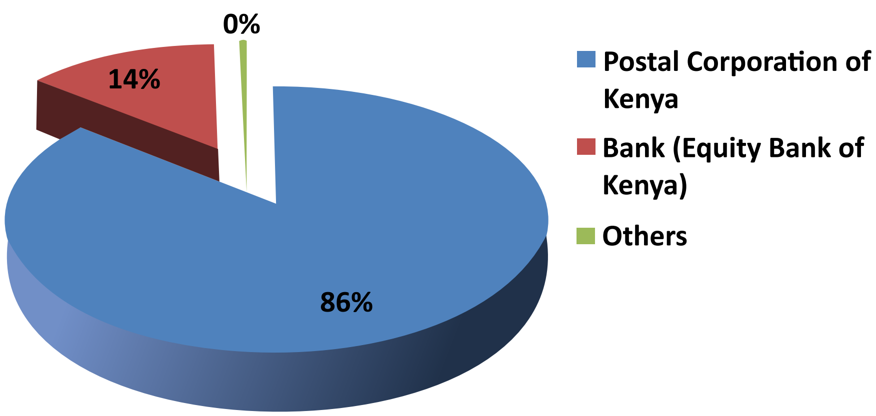
NGEC staff posing for a photo with an OVC beneficiary outside her house and thatch for the roof with some of the dwelling units in deplorable conditions such as sinking roof, and collapsing walls. A similar assessment on the possessions indicates that most of the beneficiaries had only a few of the basic cooking utilities and beddings including hand-made mattresses or beds. While most beneficiaries shared the same dwelling unit and household space with the care givers, a sizeable number of the care givers had access to a cell phone pointing to high penetration of mobile telephone technology even among the vulnerable populations.

Results of the stakeholder's forum and interviews with beneficiaries and care givers indicate that some of the beneficiaries of the social protection program were not needy as prescribed in the guidelines. The recipients failed to meet one or more of the critical parameters used in the recruitment process pointing to emerging weaknesses in the targeting, identification of qualifying households or dishonesty in the management of the program. In some counties for example Kajiado and Marsabit, some of the beneficiaries of PWSD CTP contacted during the audit did not have any observable severe disabilities.

2.2 Access of CTP

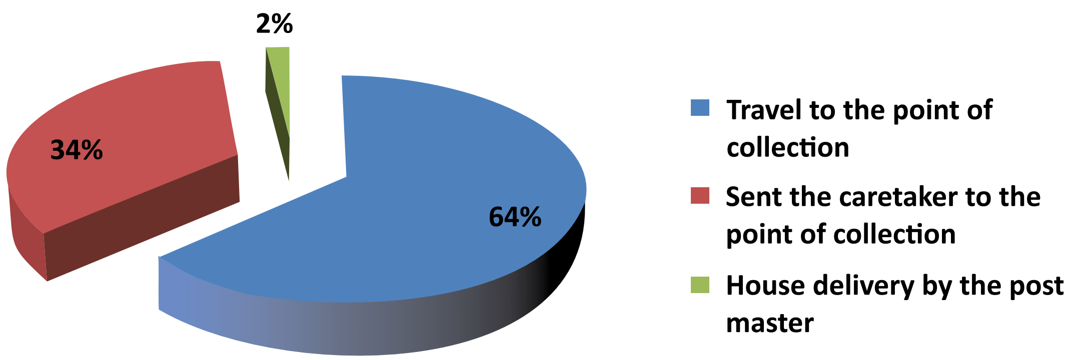
During the audit, the beneficiaries and care givers were asked to state how and where they obtained the bi-monthly allowances. A majority of beneficiaries irrespective of the type of cash transfer they were enrolled in received the fund through the Postal Corporation of Kenya. About one –tenth (14%) received the fund through the Equity Bank. A few beneficiaries and care giver mentioned other sources that include mobile phone money transfer as shown in Figure 2.2

Figure 2.2a: CT fund collection points



Care givers and beneficiaries were asked whether they travel to obtain the monthly fund. Irrespective of the type of cash transfer, nearly all beneficiaries (98%) reported that they had to travel to the payment service providers to receive the transfer. About two-thirds collected the money by themselves while 34% sent their caregiver to pick. A small percentage of beneficiaries received the money through home delivery as shown in Figure 2.2.

Figure 2.2b: How beneficiaries obtained the cash



2.3 Level of involvement of the beneficiaries and care givers in the administration of the cash transfer

The administration of the social protection program is grounded among other principles, participation of the stakeholders including the right holders at all levels. The audit administered a module to beneficiaries to assess their level of participation and inclusion in the administration of the three cash transfers. Three dimensions of participation were assessed:

i) Awareness of a locational committee and their participation in its selection,

ii) If they had been trained on the fund and their rights and

iii) How often the locational committee visited to monitor the fund.

All respondents knew of at least two persons at the community level who acted as the agent of the program. The persons were identified as either the assistance chief, local head of the village or their representative. Ordinarily, such persons are members of the local committee of the cash transfer program. Only 22% of the beneficiaries could state the composition of the local committees. Beneficiaries were asked if they know of somebody in their community who share with recipients and caregivers information about the program. All respondents were aware of a person who visited households to monitor the programs and check the progress beneficiaries were making. 60 out of 203 beneficiaries (30%) reported that they had been visited in the past one year. Of those visited, only 15% received monthly visits while 32% received quarterly visits and the rest were visited once a year. Slightly over 70% of the beneficiaries visited were not aware if the person was employed or elected to oversee the operation of the fund.

Compared to other CTP, beneficiaries of the OVC CT reported participating in program monitoring activities organized through meetings at the Location level. It is important to note that OVC CTP is the oldest program and has evolved more compared to other CTPS.

The results of the audit indicate that only 61 beneficiaries (30 %) had received training about their rights and entitlements since they joined the program. A majority of those trained were recipients of the OVC CT. Some of the beneficiaries were not aware of amounts payable to them, frequency of payment and eligibility criteria. Lack of adequate sensitization of beneficiaries and care givers about the fundamental principles and provision of the cash transfer programs explains these low levels of awareness and understanding.

Interviews with administrators of the cash transfer program indicate that efforts had been made to involve the beneficiaries into the administration of the program even though these efforts were not successful in some counties due to multiple reasons including lack of adequate resources to monitor the intervention. Some counties such as Machakos and Nyamira reported that the District Social Development officers had made few field visits to monitor the intervention that included the inspection of the registers of the beneficiaries.

The data on participation of the beneficiaries in the administration of cash transfer programs show mixed results. From beneficiaries perspective, most of the beneficiaries had some but not all necessary information about the recruitment, composition, role and responsibilities of the local committee and the services they would expect from the committee. On the other hand, administrators of the fund including the policy makers at the county, sub county and village levels indicated making efforts to involve the beneficiaries of the program despite facing multiple challenges.

2.4. Implementation of the CTP: Challenges faced from beneficiaries' perspective

The audit assessed difficulties beneficiaries face to enroll in the program, access the services offered and in drawing optimal benefits from the social protection program. Data was collected through informal discussions, group discussions and individual interviews and the results are summarized in the sections that follow.

2.4.1 Procedure for enrollment into the program

Most of the beneficiaries and caregivers admitted that they first heard about the program through a word of mouth from chief 'barazas'. Only a small fraction reported ever being contacted in person by a designated program agent officer such as a member of the local committee or their equivalent.

Most of the beneficiaries and caregivers reported that they learned about the components of the programs through community social meetings particularly the chiefs barazas. The local administration heads such as heads of villages and chiefs were cited as the most reliable source of information about the program.Only a few of the caregivers and the beneficiaries were aware of existence of other program agents such as members of the local committee. There is enough evidence therefore to commend the program for utilization of the local machinery to enroll needful populations. There are however some incidences particularly in the vast hardship sub-counties where the beneficiaries and care givers had little or incorrect information about the intervention and who relied heavily on their friends and relatives to obtain information about the CT. Without proper and well-coordinated promotional education for the community about the program, most potential beneficiaries and caregivers in the community are likely to hold inaccurate information about the objects and value for the cash transfer programs.

When asked to state the minimum criteria used for the identification of the beneficiaries, most respondents presented vague attributes and at most two elements classified in this study as poverty and/or the elementary attribute of being an orphan child or possessing disability or being an elderly person. These elements were attributed to individual level rather than to both individuals and households as appropriate and as provided for in the guidelines. Lack of clarity about the identification and recruitment of beneficiaries may be an outcome of inadequate levels of engagement of the beneficiaries in the implementation of the program or lack of adequate community sensitization about the intervention.

2.4.2 Obtaining the beneficiaries identification card (BIC)

Beneficiaries who qualify for the cash transfer programs were provided with a beneficiary's identification card showing their names, place of residence and type of CTP program they are enrolled in. The personal identification card is a necessary tool for self-identification of beneficiaries at the pay service points, for ease of monitoring of the program beneficiaries (number, distribution, coverage), and can be used by the beneficiaries or caregivers to obtain necessary approved waivers in other developmental programs. In most households contacted during the audit, BIC is treated as an important document and beneficiaries or caregivers who had BIC felt more privileged compared to those who did not have perhaps because the beneficiaries with BIC were able to obtain other short term social protection measures such as waivered health services or school bursaries among others. Most beneficiaries who did not have the BIC expressed their concerns that they may not be recognized by the government as needy populations or their names may have been struck off from the government payroll and registers. Others felt that those with BIC were receiving more money ('stipend') compared to those who did not. Further, those not issued with BIC tended to profile and stigmatize beneficiaries holding the cards for example some believed that only beneficiaries with a certain type of severe disabilities were eligible to hold BIC.

The program has the opportunity to ensure all enrolled beneficiaries are provided with BIC as provided for in the guidelines to remove any perceptions of inequities among the beneficiaries. The BIC will also increase the level of ownership of the program among the beneficiaries and increase confidence that all persons enrolled in the program will remain in the government register and payroll as long as they continue to adhere to the conditions set.

2.4.3 Delay in receipt of the money

The government has a schedule of the distribution of funds from the host Ministry to all relevant clearance points and to the service points in the intervention areas. However, in a few instances the schedule may change due to delays in approval of the funds at various points. When such delays occur, it is expected that through the program agents and local committees, the beneficiaries and their caregivers would be informed about the new schedules.

Stakeholders' forum in Nyamira: IFAD hall, April 2013

All beneficiaries complained that the transfers of funds have never been consistent and that they have never been informed of changes in the bi-monthly payment schedules. Beneficiaries complained of delays ranging between 1 month and 4 months from the expected payment date. The deviation from the schedule of payment provided for in the guidelines has multiple negative effects among the needy populations. Such delays and inconsistencies increase predictable vulnerability of this population and interfere with planning and budgeting at the household level. Among OVC, delays in receipt of the CT increases their likelihood of seasonal drop out in schools to seek for short -term employment to earn money to buy food. Some of the beneficiaries in the urban settings result into begging on the streets and some are forced out of their rental houses due to arrears in rent and their inability to pay. Older persons mostly relied on the transfer to purchase food and some of them had made arrangements with shop keepers to collect food items even when the money was not received so that the debt can be cleared upon receipt of money in two months' time. However, when the fund is delayed for many months, the shopkeepers were jittery and could not give credits anymore.

During the time of the survey, some beneficiaries reported ever receiving the transfer in bulk to a maximum of Kshs 24, 000 an equivalent to one year backlog payment. Given that all beneficiaries of OVC and PWSD CTs are poor, planning for such huge amounts is difficult and reduces the value and importance of the bi-monthly transfer scheme. Some beneficiaries spent the money on non-priority items with the hope that in the next two months a similar transfer would happen.

Some caregivers took advantage of the situation and diverted the funds to other uses. One beneficiary noted thus:

'When I received Kshs 24,000, I was shocked. It was largest amount of money I have ever received. I thought the government had increased our allocations. I was expecting similar amounts every two months but later I came to realize that this was money paid for the past one year we had not received any. The whole amount and lack of consistent schedule of payment from the program distorted my life since then'.

Another challenge associated with the delay is that information was not provided to beneficiaries as to when the funds would be received. The lack of information made it difficult for beneficiaries to plan, budget or negotiate for services.

2.4.4. Unpredictable dates of payments

Beneficiaries and mainly the older persons and persons with severe disabilities complained of lack of information concerning the arrival of funds. Posta pay, the most common means of payment, provided 10 days period for the collection of the funds. Beneficiaries living far from the collection points and who do not get the correct information on the arrival of fund sometimes missed the funds upon expiry of grace period allocated while others wasted transport fee to travel to the service points in vain. In all sub-counties visited, the OVC CT program had established well constituted beneficiary's welfare committee which ensured that beneficiaries of OVC fund got information and schedule on payments.

2.4.5 'Hidden costs' in obtaining the fund

The audit results show that a majority of the beneficiaries obtained the fund from the Postal Corporation of Kenya and Equity bank payment service providers. Generally, post offices and banks are located in urban areas and market centers. In vast rural counties such as Marsabit where post office and banks are concentrated in the urban areas, the care givers and beneficiaries incurred transport costs to obtain the money. Most of the beneficiaries travelled to cash collection points despite their age or condition. The beneficiaries pointed out that the payment centers were located far from their residence. For example, in Marsabit where transport infrastructure is less developed, and the terrain is difficult the beneficiaries reported incurring high transport costs estimated in some areas at Kshs 3000, a figure higher than the monthly allowance. In such cases, the beneficiaries feel discriminated through physical location of services and hidden costs. Such factors diminish the overall value and benefit of the program.

2.4.6 Perceived value for money

According to Kenya Household Integrated Survey of 2004/5 poverty line was estimated at Kshs 1562 for rural populations and Kshs 2913 for the urban areas. The increment of the monthly transfer for the CT to Kshs 2000 is well informed by outcomes of wellbeing assessments in rural populations and is under estimated for the urban populations. Since the inflation rates and cost of living has increased since mid-2005 there is need to conduct another wellbeing survey to adjust the monthly transfers to reflect the current cost and standards of living.

The cash transfer programs were designed to eliminate extreme and hard-core poverty and could be attributed to the reduction in the proportion of Kenyans living below poverty line estimated in 2012. The results of the audit indicate some of the challenges beneficiaries and care givers face in managing and budgeting for the monthly transfers. Some of the beneficiaries with severe disabilities were still living in deplorable conditions despite their care givers receiving the funds. The implementing agents suspected that some of the care givers were diverting the funds from the intended purposes to personal gains. Such vices diminish the value for the cash transfer among the neediest populations.

Households with two or more dependents especially with young children and enrolled for the OVC CT were more likely to complain about inadequacy of the monthly allowance in meeting essential and basic needs. Such household would ordinarily spend more than Kshs 2000 in a month to pay for education, food, water, lighting facilities and health care. The situation is more complicated for such households living in the market centers due to costs of house rent. In order to increase value for the cash transfer there is need to link the program with other

A staff of NGEC, Linet Amolo in a deep conversation with a beneficiary social safety and empowerment programs such as school retention, feeding program, sanitary towels program, among others.

The increment of the nominal monthly transfer is only one of the options for increasing value for the program. It is clear that the value for cash transfer in its current form benefited less women with severe disabilities and with dependants as compared to other beneficiaries.

2.5 Administration of funds: Main challenges

The audit collected data on the administration of the CTP from various stakeholders consisting of social development officers, children officers and members of the selected committees for the CTP at district and location levels, and former provincial administration officers. A summary of the main challenges faced in the administration of the three CT programs is presented in the sections that follow:

- ✓ *Inadequate training about the program*

  Information gathered from the stakeholders forum indicate that initial trainings and sensitization sessions for the core stakeholders responsible for the management of the cash transfers was inadequate. The amount of time set for the training was limited and lacked enough practical sessions. With the scale up of the CTP, more elaborate trainings and refresher courses are necessary.

- ✓ *Inadequate budget for administration function*

  Good practice in cash transfer programs suggest that at most 10% of the total annual budget for the program should be set for administration function. A majority of the participants in the stakeholder's forums reported that they had insufficient funds for public education and information activities that include community mobilization, sensitization, training of beneficiaries and monitoring and evaluation of the intervention. For example, in some counties, full course training on roles and responsibilities of community and beneficiaries in the program was terminated due to lack of adequate funds. Such may have affected meaningful participation of the general community and beneficiaries.

A consultative forum in Kirinyaga April 2013

✓ *Expansive geographical coverage*

Most of the children and gender officers reported being responsible for the administration of the CTP in multiple regions some of which are vast, have difficult terrain or undeveloped transport infrastructure. Without adequate facilitation, the administrators are not able to undertake quality monitoring of the program particularly the conduct of home visits and verifications of beneficiaries. For example, an officer in Mombasa County was assigned six divisions across two sub-counties. With such amount of workload, the administrators tend to delegate some of the tasks in CTP to junior committee members and enumerators. These work arrangements have negative impact to the components of the program particularly targeting of the beneficiaries, compliance with guidelines and policies, and general efficiency of the intervention. Some of the administrators indeed confirmed that there were possibilities of ineligible beneficiaries being enrolled in the program, a fact that was confirmed through observation and interviews with beneficiaries.

✓ *Inadequate monitoring of CT programme*

Data from stakeholder's discussions also revealed that much of the recruitment and identification of the needy households is undertaken by the local administration officers (chiefs and assistant chiefs) instead of a designated committee. Some of these officers would vary the guidelines to favor some households. A few of the chiefs and assistant chiefs contacted during this audit reported that very little monitoring of the cash transfer programs is undertaken by the senior officers at the county level. Rapid assessments and audit conducted by senior officers responsible for overseeing the implementation of the program could help identify officers failing to follow laid out guidelines and procedures in CTP.

These findings on administration of CTP point to major gaps and challenges faced in the administration of the three CTP programs and could be responsible for perpetuating inequality, discrimination and lack of adequate participation of the vulnerable population in empowerment and social protection programs designed for these populations.

2.6 Benefits of the three CTPs

The goal of the cash transfer is to strengthen the capacity of poor households to protect and care for orphans and vulnerable children, the elderly and those with severe disability to ensure they receive basic care within families and communities. Nearly all beneficiaries reported that they had realized some economic and social benefits as a result of enrollment in the CTP. The benefits are summarized below and in Figure 2.6.

Seasonal household food security: A majority of recipients acknowledged that their immediate families were able to take at least two meals in a day when the funds were available. This ability however, diminishes over the month as the funds are depleted. There were still a small proportion of beneficiaries who could not afford three meals a day despite receiving cash transfer due to high cost of living and high number of dependants.

Retention of OVC and other children in school: Households receiving CT were able to keep their children in school. Some households with children with disabilities stated that due to cash transfer programs, their children were accepted and admitted in school. CT program is therefore a driver for access to formal education among marginalized groups such as PWD.

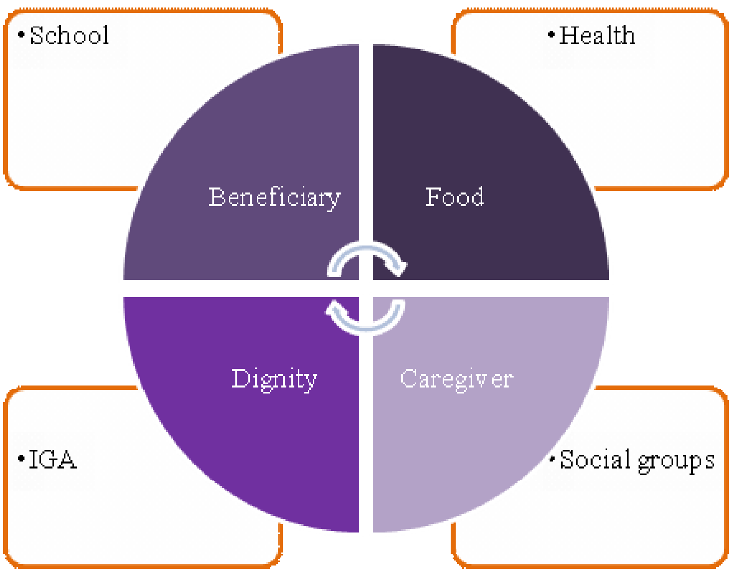
Ability to meet basic health care needs: OVC, PWSD and elderly are vulnerable to opportunistic infections. Some of them are also on routine medications. Cash transfer program supported these recipients and care givers to obtain medicine or pay for transport to health facilities.

Sense of dignity: Article 28 of the 2010 Constitution provides that, every person has inherent dignity. Some of the PWSD felt more respected and accepted in the society after enrollment in the program. Beyond increasing self-esteem, the program exposed PWSD to decent life.

Formation of informal social support groups: Over time, beneficiaries formed loose social support groups that provide them with platforms to share information and collectively seek for self-development opportunities. In Kajiado, a group of beneficiaries had jointly identified and negotiated for physiotherapy services for children with cerebral palsy

Setting up small scale income generating initiatives: An economic empowerment module integrated in the cash transfer program has motivated some of the beneficiaries and their care givers to start establishing small scale income generating activities (IGA).

Figure 2.6. The six relational benefits



3.0 Conclusions, program and policy implications

This section presents conclusions, and suggested policy and programmatic implications for consideration by social protection sector and specifically to administrators, managers and beneficiaries of the three cash transfer programs.

3.1. Conclusions

The results of this audit shows that a majority of the beneficiaries of the OVC and OP cash transfer programs were women while men were the main beneficiaries of the PWSD program. More than 80% of the beneficiaries have some dependents in their households and are generally poor.

Overall, the three cash transfer programs targeted deserving segments of the vulnerable population. However, there were cases whose magnitude varied by counties where beneficiaries were not eligible at all for the program. Nearly all beneficiaries and care givers were receiving the funds through the designated PSP as prescribed in the guidelines.

The level of participation of the communities and beneficiaries in the administration of the cash transfer program is significantly low. Most of the beneficiaries were not aware of the formal structures of engagement with the components of the program. The officers responsible for the administration of the cash transfer equally face multiple challenges in their effort to increase the participation of community and beneficiaries into the program. Compared to OP and PWSD program, beneficiaries of the OVC were more likely to be involved in the intervention.

Beneficiaries and their care givers reported facing some challenges during the implementation of the cash transfer. These difficulties vary by county and type of cash transfer. The most commonly cited challenges are: lack of correct and adequate information on the processes of enrolling into the program; not being supplied with beneficiary identification card that facilitates recipients to obtain the transfer and enjoy other social protection services; delay and unpredictable transfers of the funds leading to poor planning inconveniences, increased vulnerability; unforeseen expenditures associated with payments such as transport costs;and diminishing value of the funds due to high cost of living and diverted use of these resource by the care givers.

Administrators of the cash transfers at different levels of the management also faced some challenges when implementing and directing the program. Some of the main difficulties include; inadequate training about the program, small budget allocation for the administration function, and allocation to many and vast regions to implement and monitor the program. These difficulties impact on the quality, efficiency and effectiveness of the cash transfer programs. Nevertheless, the program has had some remarkable achievements such as improved household food security, retention of children in schools, access to basic health care, increased self-esteem and dignity for the beneficiaries, stimulation to establishment of small scale income generating initiatives.

3.2. Implications: Program and policy

Based on these findings and conclusions, the following recommendations are proposed

Policy makers

- ✓ The national and the county governments have an opportunity to review the targeting, coordination and implementation guidelines of the current cash transfer program. These reviews should consider principles of devolution and provisions of recent legislations frameworks such as the Social Assistance Act of 2013 to inform the scale up phase and establishment of a comprehensive, affordable and sustainable social safety network program in national and county levels.

- ✓ Given the increase in cost of living and variations of poverty levels by county, there is need for review of the budget allocated to the cash transfer program, types of cash transfers, coverage of the intervention, and ultimately the amount of funds transferred directly to beneficiaries. The intensity, coverage and type of program could vary significantly by county.

- ✓ For cash transfers to be more effective there is need for better coordination with other forms of social assistance program such as provision of assistive devices for PWD or nutritional programs for infants and pregnant mothers. A multi-faceted cash transfer program is likely to have a broad-based impact on the lives beneficiaries compared to stand alone program.

- ✓ The national and county government should enforce the stringent measures put in place to reduce irregularities and award of the program to ineligible populations.

- ✓ It is important that during the transition period to devolved government, (provided for in the Transition to Devolved Government Act of 2012), both the national and county governments should put structures and mechanism in place to ensure smooth continuation of cash transfer services to Kenyans. This includes putting enough human resources at national and county level to ensure seamless delivery of services.

Implementers

- ✓ The implementing agencies for the cash transfer programs in Kenya need to fully operationalize the principles of equality and inclusion in all stages and components of the program. This will reduce inequities and increase the impact of the intervention among the vulnerable populations.

- ✓ The implementing agencies should roll out an intensive well-coordinated public education program to sensitize the communities, administrators and all other stakeholders of the objects, value and process of implementation of cash transfer programs. Public education need to be regular and with consistent messages.

- ✓ In effort to reduce the overhead costs from beneficiaries' perspective and improve the efficiency in the transfers, the implementer should consider opportunities available in the modern information, communication and technologies. ICT has potential to remove spatial and physical challenges to accessing the transfers for example through use of mobile phone money transfer, and use of bulk short messages services for education programs.

- ✓ There is need for the program to have an institutionalized, scheduled and systematic monitoring at all levels. Independent audits including community based monitoring activities should be conducted on routine basis.

- ✓ A comprehensive, practical participatory framework should be developed to provide communities with platform for participating in the program. This should include mechanism and structures for public engagement in the design, recruitment and vetting of the administrators and beneficiaries, conduct of fiscal audits, and benefit evaluation of the intervention.

National Gender and Equality Commission

- ✓ The National Gender and Equality Commission should continue to monitor, facilitate and coordinate integration of the principles of equality and inclusion in the social protection programs at national and county level.

- ✓ The commission should develop, disseminate and distribute a policy brief based on the finding of this audit to all stakeholders.

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Notes

Solution Tech Place, 1st Flr, Longonot Road,
Upperhill, next to Crowne Plaza Hotel
P.O. BOX 27512-00506, Nairobi, Kenya
Tel +254 2(20)-272-7778

www.ngeckenya.org
Tweet: @NGECKENYA
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