

**EVALUATION OF CONCERN KENYA'S KOROGOCHO  
EMERGENCY AND FOOD SECURITY CASH TRANSFER  
INITIATIVE**

Final Report

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## **Executive summary**

This report presents findings from a quantitative and qualitative evaluation of a cash transfer initiative implemented by Concern Worldwide in an urban informal settlement in Nairobi – Korogocho – in 2009 and 2010. The findings are positive. The report recommends that, with some adjustments, the initiative form a basis for i) a longer-term social protection programme and ii) a livelihoods grant and loan package.

### **Background to the cash transfer initiative**

Households in Nairobi's urban informal settlements – or slums – are subject to a wide range of deprivations and vulnerabilities. In keeping with most low income urban populations, they suffer from relatively poor sanitation and health, with high rates of HIV, diarrhoeal infections, and respiratory problems. Urban dwellers benefit from a wider range of goods, services and jobs than available in most rural areas, but are also more exposed to fluctuations in prices, wages and job markets, often without the extensive informal support systems available to rural populations. As a result, many are surviving only with very low levels of consumption and schooling, and this has negative implications for their future productivity and reliance on external support.

Between 2007 and 2009, already vulnerable households in Nairobi faced rapidly rising prices and stagnating or falling incomes. This led many households to increase their reliance on 'negative coping strategies' – activities that allowed them to cope with the evolving situation, but at the cost of nutrition, health, safety, education or other long-term benefits. Concern Worldwide, together with other non-government organisations, labelled this an emerging crisis and tried in late 2008 to gather support for a comprehensive response.

However, this was hampered because the identification of emergencies in urban areas is complicated by urban areas' diversity and the speed with which they change. Moreover, their large and dense populations means that even a relatively low malnutrition rates expressed as a percentage of the population can mean a very high number of malnourished people, with a relatively small number of health services available. Partly for these reasons, urban emergencies have typically received less attention than those in rural areas.

By November 2009, Concern Worldwide and Oxfam GB had obtained funding from Sida, had engaged in talks with the government, and were ready to roll out a cash transfer initiative in Korogocho and Mukuru slums in Nairobi. This initiative was intended to respond to the emergency (although this had by November 2009 receded somewhat as prices were declining). It was also intended to serve as a pilot for one component of a potential wider scaled-up, longer-term social protection system that would address the chronic vulnerabilities of households in urban areas.

### **Overview of the Korogocho cash transfer initiative**

The Korogocho cash transfer initiative was intended to transfer Ksh 1,500 on a monthly basis to 2,400 households, using a mobile phone bank transfer system common in Kenya and known as M-PESA. The main initiative ran from November 2009 to July 2010 (8 months of transfers), though some bed-ridden households continue to receive transfers. The initiative made transfers to 1,958 households.

Households were selected by targeting teams of local social workers (from Concern's partners, Redeemed Gospel Church), community health workers and community

## ***Evaluation of Concern Kenya's Korogocho emergency and food security cash transfer initiative***

representatives. These teams visited households and identified those who met a range of vulnerability criteria identified in a meeting between the teams, Concern staff, and other stakeholders: eating little, having low incomes, poor housing, not benefiting from other programmes, and high dependency (orphans, widows, elderly, ill, etc.). Selected households were asked to answer questions on these criteria and a random sample was verified.

At registration, selected households were given a simcard. Each month, Ksh 1,500 was transferred electronically to this simcard via M-PESA and recipients could redeem their money at any of the network of M-PESA agents (private agents common throughout Kenya). There were no conditions of receipt or restrictions on how recipients could spend the money, but they were encouraged to spend on food (initially), and then business investments. Households were followed up by social workers to check on transfer use and inform them about the transfer.

### **Evaluation outline**

Concern sought to evaluate the initiative to demonstrate impact and learn how to improve the operations. The evaluation's main questions were:

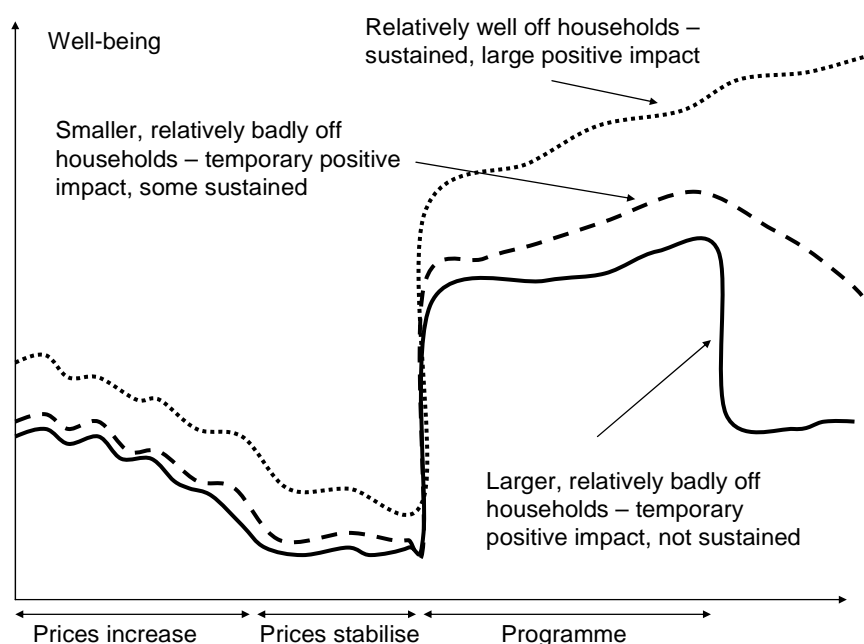
- Were selected households the most vulnerable in Korogocho?
- Did recipient households have enough food to eat?
- What were the impacts on their diets, use of negative coping strategies, social relations, and long-term vulnerability?
- Did the targeting, payments and communications system function effectively and efficiently?
- Was the initiative design appropriate and did it incorporate lessons from previous evaluations (of, principally, the Post Election Violence Recovery programme implemented in 2008/2009)?

A quantitative baseline was conducted in October 2009, and an endline in October 2010, to a panel sample of 156 recipients. These surveys asked questions on food consumption and coping strategies. At the endline, anthropometric measurements (height, weight and mid upper arm circumference) were taken of respondents' children, and respondents were asked about their subjective well-being. Qualitative focus groups and interviews were conducted with recipients, non-recipients and targeting staff in October 2010. The results are combined in this report.

### **Impact**

The initiative was found to have a positive attributable impact on recipients. Recipients largely spent the cash on pressing needs, principally food but also school expenses, rent, their businesses and savings. However, long-term impact was found only amongst those who were able to successfully invest their transfers and get a positive return. Large, low income households were usually not able to invest their transfers because they had high food and other basic expenses on which the transfers were spent. This was because the initiative offered a fixed transfer of Ksh 1,500 irrespective of household size. Figure 1.1 provides a graphical overview.

**Figure 1.1 Impact pathways for different households**



Recipients' food consumption increased during the transfer by at least one meal per day for most households, but since receded for many. Food consumption remains at concerning levels. Dietary diversity also improved during the transfer, but not as much as might be hoped. Households tended to eat a wider variety of food items, rather than eat diverse food groups in large quantities. This suggests a need to combine more effectively with nutritional programming.

Recipients' use of negative coping strategies decreased during the transfer. This was seen for a range of coping strategies. For example, children were less inclined to miss school to earn income for their households, and begging and exchanging sex for food or money became less frequent.

75% of recipients interviewed reported investing the money in a business, largely with positive returns. Returns to business investments were particularly impressive and sustained where people were able to invest in an existing business (e.g. by buying more stock) or were able to change businesses (e.g. by buying a new capital item, such as a sewing machine). Not all households, however, were able to do this. Some households' business investments led to sustained returns, but others did not.

There were a few examples of spending on extravagant items, but not enough to be concerning. These largely reflected problems with targeting.

For the most part, the transfer did not have negative impacts on social relations within or between households. Within households, relations were usually eased by the increase in income and the concomitant reduction in stress. There were a few examples of tensions within households that were exacerbated by the transfer, but it would not be correct to conclude that the transfer created tensions. The impact on social relations between households was negligible overall. Relations between households were not characterised by

extensive sharing networks before the transfer, and the transfer was not extensively shared. Some non-recipients reported jealousy, but no fundamental changes to their relations.

## **Operations**

Targeting in the extremely difficult environment of Korogocho represented an improvement from the systems used in the Post Election Violence Recovery programme. Most recipients were extremely vulnerable. However, several sources of inclusion and exclusion error remained.

Inclusion errors were driven by scope for the targeting teams to make subjective judgements, and the lack of incentives for them to target accurately. The targeting criteria were not prioritised, and guidance was not given on how to weight meeting different criteria. As a result, some members of these teams targeted more on their networks and obligations than on vulnerability, and other members made honest mistakes in their assessments.

Exclusion errors were driven principally by the low coverage rate compared to the levels of extreme poverty, the absence of a census approach which meant that absent or unknown households were missed, and the requirement that recipients had national identity cards (needed for the M-PESA system).

The M-PESA payment system worked excellently. Recipients unanimously preferred this system and preferred cash to food. This was because of the secrecy and flexibility it offered. No fraud was detected by the evaluation. The fixed transfer amount was useful to understand entitlements but made the per person transfer to large families much smaller. Technical issues were largely dealt with efficiently through M-PESA staff.

Communications between the initiative and recipients and non-recipients were limited. Some social worker follow up visits were made, but not to every household. There was no complaints mechanism to the initiative that was used extensively.

While the initiative's operations were largely efficient, the delay to the initiative start raises questions about efficiency, since the emergency had started to recede by November 2009. Moreover, the initiative appeared to collect more data than was useful during the transfer.

## **Recommendations**

The cash transfer initiative proved successful and should be built upon with two types of future programmes:

- A government-led, long-term programme of regular cash transfers offering social protection to labour constrained, low income households in urban areas. This would form part of the wider government social protection system that includes the cash transfer for orphans and vulnerable children (OVC). This programme would aim to protect households from engaging in negative coping strategies, allowing them to make long-term investments in their futures (e.g. in education), and would support those unable to support themselves (e.g. those with disability, older persons, etc.). Operationally, it could use the M-PESA (or another mobile banking) system. The targeting system would need adjustment, but should make use of objectively verifiable poverty scorecards rather than subjective assessments, and a census approach to registration.
- A programme offering livelihoods grants and loans to households seeking to invest in business. These households could also receive the cash transfer, but would apply for grants and loans on the basis of a verified business plan. This would allow households

***Evaluation of Concern Kenya's Korogocho emergency and food security cash transfer initiative***

to make sustainable improvements in their businesses and lead to long-term improvements.

The identification of an emergency setting is important, and work on indicators should continue. The longer-term social protection system should form the basis of responses to emergency, by scaling up the cash transfer in coverage or quantity as is appropriate.

## **Acknowledgements**

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## **Abbreviations**

APHRC	African Population and Health Research Centre
CT	Cash Transfer
DSS	Demographic Surveillance Survey
FGD	Focus Group Discussion
HIV/AIDS	Human Immunodeficiency Virus/Auto Immune Deficiency Syndrome
IDI	In-Depth Interview
KCT	Korogocho Cash Transfer
KFSSG	Kenya Food Security Steering Group
MUAC	Mid-Upper Arm Circumference
NGO	Non Government Organisation
OVC	Orphans and Vulnerable Children
OPM	Oxford Policy Management
PEVR	Post Election Violence Recovery
RGC	Redeemed Gospel Church
SD	Standard Deviation
Sida	Swedish International Development Cooperation Agency
SRA	Short Rains Assessment
TOR	Terms of Reference

## Table of contents

Executive summary	i
Acknowledgements	vi
Abbreviations	vii
Table of contents	viii
List of figures	ix
List of tables	ix
List of boxes	ix
1    Evaluation context and methodology	1
1.1    Evaluation context	1
1.2    Evaluation questions	2
1.3    Methodology	3
1.4    Report structure	5
2    Background to the Korogocho cash transfer initiative	6
2.1    Why have a cash transfer initiative in Korogocho?	6
2.2    Objective of the programme	9
2.3    Korogocho initiative summary	10
2.4    Korogocho	13
3    Conceptual approach to evaluation	15
3.1    Urban livelihoods framework	15
3.2    Individual food and nutrition security	18
3.3    Negative coping strategies	19
3.4    Social relations	19
4    Impact	20
4.2    Food security and dietary diversity	21
4.3    Negative coping strategies	26
4.4    Use of transfer	27
4.5    Social relations	33
4.6    Vulnerability and long-term benefits	36
4.7    Family sizes and the transfer	38
5    Operations	40
5.1    Targeting	40
5.2    Payment	45
5.3    Communications	47
5.4    Efficiency	47
6    Conclusions and recommendations	49
6.1    Overall conclusions	49
6.2    Recommendations	51

***Evaluation of Concern Kenya's Korogocho emergency and food security cash transfer initiative***

References	56
Annex A Activities conducted	58
Annex B Targeting questionnaire	61
Annex C Example poverty scorecard	63
Annex D Proposal and TOR	64
D.1 Background	64
D.2 Objective of the Evaluation	65
D.3 Evaluation questions	66

## **List of figures**

Figure 1.1 Impact pathways for different households	iii
Figure 2.2 Food prices in Korogocho, January-August 2010	8
Figure 4.3 Impact pathways for different households	21
Figure 4.4 % of interviewed recipients consuming food groups on the preceding day, endline (N=155)	23
Figure 4.5 Trends in the initiative's impact	25
Figure 4.6 Use of negative coping strategies in the last four weeks by respondents at baseline and endline.	26
Figure 4.7 Main uses of cash received by transfer by beneficiary households (N=156)	28
Figure 4.8 Amount saved by recipients during operation of the cash transfer initiative (N=78).	32
Figure 4.9 Amount of money saved by recipients since the cash transfer initiative stopped (N=35).	32
Figure 4.10 Well-being scores of respondents before, during and after cash transfer initiative.	37

## **List of tables**

Table 2.2 Selected socioeconomic indicators for Korogocho	14
Table 4.3 Per person transfers for different household sizes, PEVR programme and KCT	38

## **List of boxes**

Box 2.1 Final objectives of the Korogocho cash transfer	10
Box 2.2 Korogocho cash transfer initiative basic features	11
Box 5.3 Staff manipulation of targeting	45

# 1 Evaluation context and methodology

## Evaluation context

Since 2007, people with low incomes in Nairobi have faced growing challenges. This was particularly acute in urban informal settlements, where well-being indicators are typically extremely concerning in any case. Most households in urban informal settlements purchase goods and services (rather than producing them), and so are exposed to income and price risks. From 2007 to 2009, the price of services and essential goods increased rapidly, while average household incomes stagnated. Households coped with this in various ways, but common strategies included eating less, reducing dietary diversity, engaging in dangerous or illegal livelihoods (such as prostitution or theft), and taking children out of school. These 'negative coping strategies' have potential long-term adverse consequences.

The risks and deprivations to which these households were exposed presented a clear rationale for policy intervention in Nairobi's urban informal settlements. Following positive experiences with cash transfer initiatives,<sup>1</sup> and given well-functioning markets in urban informal areas and the current favourability of donors and the government to the use of cash transfers in emergencies, a cash transfer seemed an appropriate response mechanism. Three non-government organisations (NGOs)<sup>2</sup> submitted a joint proposal to the Swedish International Development Cooperation Agency (Sida). Calling the situation an 'emerging crisis',<sup>3</sup> and noting the absence of a coordinated or comprehensive policy response, they proposed a three phase programme that would "provide an immediate response to the current crisis, address underlying chronic vulnerabilities through a recovery phase, and link to longer-term development and social protection initiatives."<sup>4</sup>

The first phase of the programme was a cash transfer "meant to offer immediate relief to target communities being affected by the increase in food prices over a period of six months."<sup>5</sup> This phase had as its objective: "to improve access to food of the most vulnerable households in selected informal settlements in Nairobi."<sup>6</sup> This would be achieved, it was hoped, through increased purchasing power of recipients that would lead to greater spending on food, increased consumption and increased dietary diversity. This would also enable households to reduce their dependence on 'negative coping strategies'.

The cash transfer initiative operated in two Nairobi slums: Mukuru by Oxfam GB and in Korogocho by Concern Worldwide. In Korogocho, the subject of this evaluation, recipient households were given Ksh 1,500 each month for 8 months, using a commercial mobile phone technology where cash can be sent to mobile phones and redeemed at a network of agencies (M-PESA). Recipients were selected by local teams from Redeemed Gospel

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<sup>1</sup> See, for example, reviews of Concern's Post-Election Violence Recovery (PEVR) cash transfer programme (MacAuslan 2010) and the government's Orphans and Vulnerable Children (OVC) cash transfer programme (OPM 2010).

<sup>2</sup> Concern Worldwide, Oxfam GB and Care US.

<sup>3</sup> Care, Oxfam and Concern Worldwide 2009: 3.

<sup>4</sup> Care, Oxfam and Concern Worldwide 2009: 4.

<sup>5</sup> Care, Oxfam and Concern Worldwide 2009: 4.

<sup>6</sup> Care, Oxfam and Concern Worldwide 2009: 8.

## ***Evaluation of Concern Kenya's Korogocho emergency and food security cash transfer initiative***

Church (Concern's local partner) and the village leadership.<sup>7</sup> Those targeted were households on low incomes, not benefitting from other programmes, containing orphans, older people, the infirm, people living with HIV/AIDS, and widows. Concern Worldwide and Oxfam GB worked closely with representatives from the Ministry of Gender, Children and Social Development and the Prime Minister's Office to ensure that the design of the cash transfer initiative was acceptable to the government. This was so that the initiative could serve as a pilot for a government funded, scaled-up, urban informal settlement cash transfer programme.

This evaluation, commissioned by Concern Worldwide, assesses the extent to which the cash transfer in Korogocho met its objectives and incorporated previous lessons, and considers options for a scaled-up programme. The most recent previous lessons come from the Post Election Violence Recovery (PEVR) programme, a cash transfer initiative implemented in urban and rural Kenya through M-PESA after the post-election violence in early 2008 and evaluated in 2009.<sup>8</sup>

Several audiences may find the evaluation useful:

- Concern Worldwide Kenya staff could use the evaluation report to improve their own cash transfer programming and in their communications with the government and other partners.
- The Government of Kenya, and in particular staff from the Ministry of Gender, Children and Social Development and the Prime Minister's Office, could use this evaluation to assist with designing a scaled-up social protection intervention in urban informal settlements.
- Oxfam GB Kenya staff could use the evaluation for similar purposes.
- Sida could use the evaluation to hold Concern to account in the use of their funding.
- Finally, the evaluation may be of wider use to those engaged in designing urban cash transfer initiatives.

## **Evaluation questions**

The evaluation answers the following questions:

1. To what extent did the initiative meet its objectives?
  - a. Targeting the most vulnerable households in Korogocho
  - b. Enabling recipients to access to enough food
2. Did the implementation mechanism function well?
  - a. The targeting mechanism and how appropriate it was
  - b. The mode of delivery (M-Pesa) and how appropriate it was to the context
  - c. Efficiency and timeliness of the implementation process
3. What was the overall impact of the initiative at the household and community level, including household food security, dietary diversity and use of negative coping strategies?
4. Did the food crisis intervention incorporate the recommendations of the previous cash transfer initiatives implemented by Concern?

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<sup>7</sup> Korogocho is divided into 9 'villages' which have distinct leadership and characteristics.

<sup>8</sup> See MacAuslan 2010.

## **Methodology**

The evaluation was conducted in two separate parts (qualitative and quantitative), with findings combined in this report. The methodologies for the qualitative and quantitative components of the evaluation are described separately here. This evaluation also draws on a review of initiative and other relevant documents and interviews with Concern and Oxfam staff.

### **1.1.1 Quantitative methodology**

The quantitative evaluation design was a prospective pre-post comparison of households receiving the voucher. The main indicators were dietary diversity, household food security and prevalence of negative coping strategies. Standard tools were used to measure household dietary diversity and food security (the HDDSIDDS and HFIAS respectively; FANTA, 2006 and FANTA, 2007).<sup>9</sup> A list of negative coping strategies commonly practised in the community was developed after focus group discussions with community members and interviews with initiative staff familiar with the area. The sample size was based on detecting a 50% drop in the proportion of recipients households classified as severely food insecure according to the Household Food Insecurity and Access Scale (FANTA, 2007) from 80% at baseline to 40% at endline with 95% confidence and 80% power. The sample size was adjusted upwards by 25% to account for sample attrition. A simple random sample of 170 enrolled voucher recipients was collected at baseline. The same households were interviewed at endline.

At endline, 157 households were interviewed. Six households were dropped from the program after baseline due to a variety of reasons, including migration out of the area, inability to obtain identification, etc., and these were not interviewed in the endline survey. An additional seven households were missed in the endline data collection due to temporary migration, admission into hospital and death of recipient. One further record was dropped during analysis due to inconsistent and conflicting information. Therefore the final sample for analysis was 156 households. See Table A.3 for a breakdown by village.

### **1.1.2 Qualitative methodology**

The qualitative evaluation design operated in parallel to the quantitative. Fieldwork was conducted in October 2010 in Korogocho. Qualitative fieldwork consisted of focus group discussions (FGDs) and in-depth interviews (IDIs).

Twelve FGDs were conducted, six with recipients and six with non-recipients, covering six of the nine villages in Korogocho. Recipient respondents were sampled at random from recipient lists provided by Concern, with bed-ridden recipients and recipients in the quantitative sample excluded. Non-recipients were selected purposively by researchers to be similar to recipients but not receiving the transfers, with some use of snowball sampling (i.e. asking participants to bring similar individuals). All FGD participants were women, since women constituted 85% of recipients. The moderator and note-taker were both female. FGDs were homogenous with respect to village and recipient status, and participants were screened before starting.

The following topics, based on the conceptual framework set out below, and discussed at a general village level rather than specific to each household, were covered in the FGDs:

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<sup>9</sup> Swindale and Bilinsky, 2006; Mwangi and Mbera, 2006.

## ***Evaluation of Concern Kenya's Korogocho emergency and food security cash transfer initiative***

- Livelihoods. Common livelihoods; most and least preferred livelihoods; impact of the cash transfer on quantity and type of livelihoods for recipients and non-recipients.
- Targeting. Notions of who are the poorest, and their characteristics; whether these households were targeted; the targeting process; perceptions of fairness.
- Food security and dietary diversity. Typical diets; responses to shortages; perceptions of healthy diet; impact of the cash transfer.
- Prices. Changes in prices in last 12 months and perceived role of cash transfer.
- Use of transfer, including specific questions on food, school, health, investment and spending control in household.
- Community relations. Sharing, tension, conflict in community; impact of cash transfer on all these.
- Household relations. Impact of transfer on relations within households.
- Communications to and from the initiative.
- Payment mechanism. Advantages and disadvantages.

In-depth interviews were conducted with male and female recipients and non-recipients, with initiative staff, with village leadership, and with other key informants. Recipients and non-recipients were selected in the same way as FGD participants. Most interviews were conducted formally and notes were taken, but some interviews were undertaken informally, taking advantage of chance meetings in a relaxed setting.<sup>10</sup> IDIs were conducted in seven villages. While the IDIs covered similar topics to the FGDs, the IDIs were used to go into specific details, where FGDs are more appropriate and were used for generalised discussions.

### **1.1.3 Limitations**

The evaluation methodology had some general limitations, as well as some specific to the quantitative and qualitative methodologies employed.

Korogocho is the study site for a major demographic and health surveillance system that has been in operation since 2006. Residents in the area are highly accustomed to being questioned about their lives and receive regular visits from researchers investigating a wide variety of topics. This has three implications for this evaluation. First, over time respondents learn what interviewers are expecting to hear and give standard answers to familiar questions. Second, because they are a highly studied population and much of the research done in Korogocho does not link directly to programs or benefits for the interviewed persons, the risk of respondent fatigue is high. Third, it is possible that behaviour is affected by participating in regular research. For instance, respondents to health and sanitation questionnaires can have better hygiene and health practices as a result.

The endline quantitative and qualitative fieldwork took place 3 months after most households had stopped receiving transfers. This meant that recalling retrospective information was taxing for respondents, but also that the food security and dietary diversity measures (with one month and one day recall measures, respectively, in the quantitative questionnaire) at endline reflect the condition of households no longer receiving cash. Any improvements that might have existed only during the time of the transfer were therefore not captured. To address this, a series of questions on household well-being before during and after the

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<sup>10</sup> A list of FGDs and IDIs conducted is in Annex A.

transfer was added to gain a measure of how much households had regressed to their previous state post-transfer.

Gathering information in a quantitative questionnaire on culturally sensitive topics such as use of drugs by children, commercial sex work, and multiple sexual partners are difficult given the directness of the questions and the limited time spent with the respondent. It is therefore likely that prevalence of these coping strategies were under reported in the quantitative evaluation.

The coverage of the qualitative fieldwork is naturally limited. The qualitative sample, though random, should not be interpreted as representative of the population in Korogocho or any of the villages within it. However, the random selection of recipients and the triangulation of results between different interviewees and research methods reduce to some extent the risk that findings will be unrepresentative.

Together, the limitations indicate that the report should not be interpreted as presenting data that are statistically representative of Korogocho or that generate clearly attributable impact results. Rather, the evaluation should be taken to be indicative.

## **Report structure**

The next section provides an introduction to the Korogocho cash transfer initiative. It describes the formulation of the initiative in an emergency setting, and the subsequent transition to a social protection setting caused by price declines. Section 3 sets out a conceptual approach to evaluating vulnerability in urban areas. Section 4 describes the impact of the initiative, in terms of food, negative coping strategies, the use of the transfer, social relations and long-term vulnerability. Section 5 describes the operations of the transfer, discussing targeting, payments, communications and efficiency. Section 6 concludes and provides recommendations.

## **2 Background to the Korogocho cash transfer initiative**

### **Why have a cash transfer initiative in Korogocho?**

The cash transfer initiative in Korogocho was part of a larger response to what was perceived to be an emerging crisis driven by high initial levels of vulnerability and poverty mixed with rising prices and stagnant incomes. This section attempts to answer the following questions that are relevant to the evaluation and to potential further initiatives:

- What were the features of the situation in mid-2009 that indicated a crisis?
- Was a cash transfer the most appropriate response to this particular crisis? Would it be the most appropriate now?
- How was the cash transfer initiative intended to combine with other responses?

Moving forward, it would be important to answer whether:

- The features of the crisis are still present.
- A cash transfer initiative is now the most appropriate response.

#### **2.1.1 Emergency or chronic vulnerability**

The rationale for a cash transfer initiative was predicated on an understanding that the situation in mid-2009, when the proposal to Sida was submitted, was a food security emergency situation. That is, it was a situation that required immediate response to prevent catastrophic consequences in terms of food shortage. Was this the case, and what evidence would indicate this?

The assessment is difficult because food emergencies are more normally considered rural phenomena. Systems of 'emergency' identification and classification are more normally designed for rural areas.<sup>11</sup> Policymakers tend to give more direct attention to the impact of rising food prices on rural populations, probably mistakenly.<sup>12</sup> Concern, working through an inter-agency working group (whose membership includes Oxfam, UN OCHA and UN-Habitat) on urban assessments and indicators, is in the process of developing an urban emergency assessment system for Nairobi, but this remains in development.

Food security assessment methodologies vary, but most include an analysis of outcomes (such as mortality, nutritional status and food consumption) or processes (such as coping strategies and food access).<sup>13</sup> These are difficult in urban areas for several reasons. First, the complexity of urban livelihoods and food access makes the assessment of urban livelihood assets and strategies difficult, and also leaves the situation susceptible to rapid and unpredictable change. Measuring outcomes is unlikely to identify an urban food emergency until it is too late, unless a very large sample is available, and measuring processes risks having only a partial analysis. In rural areas, the types of livelihood strategies and the causes of change are fewer and more easily monitored.

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<sup>11</sup> Such as the Integrated Food Security Phase Classification (IPC, <http://www.ipcinfo.org/>) or the Household Economy Approach.

<sup>12</sup> Cohen and Garrett 2009.

<sup>13</sup> See WFP 2009.

## ***Evaluation of Concern Kenya's Korogocho emergency and food security cash transfer initiative***

Second, there are significant data shortages and difficulties. One striking example of this comes from the wildly divergent population estimates for informal settlements in Nairobi from the 1999 and 2009 censuses. Extrapolations based on the 1999 census were in some areas of Nairobi more than four times the numbers recorded in the 2009 census.<sup>14</sup> If population estimates are difficult to obtain accurately, food security indicators (that may use population as a denominator) will be even more challenging.

Third, high population density in urban areas means that rates of malnutrition (e.g. <5%) that would not trigger a response in rural areas translate into much larger numbers of children malnourished than would normally trigger a rural response (e.g. 100,000 +).

The identification of a food crisis in urban areas of Nairobi currently relies on subjective assessments of indicators rather than indicators crossing objective thresholds. Not all agencies agreed that 'emergency' was the appropriate classification.<sup>15</sup> The assessments used in Nairobi focused on changes to prices, starting from a position that many indicators were concerning and living conditions were poor. The document cited most prominently in the Joint Proposal was the KFSSG Short Rains Assessment 2009, but Oxfam also produced an independent document.<sup>16</sup> Subsequently, Oxfam GB, Concern and Care produced a joint call for action on the 'hidden crisis' affecting over 4 million people in the urban slums.<sup>17</sup> The principal argument was that price increases could lead to catastrophic consequences but action needed to be taken immediately, because by the time the consequences were empirically identifiable, it would be too late.

Prices had risen substantially. Between December 2007 and December 2008, prices of key commodities had risen substantially, with maize meal in particular rising by 133% and maize grain by 99%. Prices of services had risen as well, with fuel prices increasing by 19% (firewood) to 92% (electricity), and water increasing by 113%.<sup>18</sup>

At the same time, incomes in almost every employment category fell by up to 28% on average. Jobs were harder to find, and wages fell. The lowest fall was in formal wage labour (a 2% fall), and the highest in more precarious livelihoods, such as firewood collection (a 28% fall).<sup>19</sup>

Increasing prices and falling incomes resulted in various coping strategies. First, many households reduced their food intake. In January 2009, a survey in Mathare found that 80% of households had reduced the size of their meals in the last 30 days and more than 60% had skipped meals.<sup>20</sup> Second, households reduced the quality of their food intake. A survey in Kibera found that 90% of households were experiencing food shortages and coped by eating less expensive foods. Third, households increased their use of risky livelihoods. According to estimates in focus groups, prostitution and children scavenging appear to have

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<sup>14</sup> The official 2009 Census figures put the population of Korogocho at 41,000.

<sup>15</sup> ECHO, for example, resisted this (Wallace 2010: 7).

<sup>16</sup> Heyer and Crosskey 2008.

<sup>17</sup> See e.g. <http://www.reliefweb.int/rw/rwb.nsf/db900sid/MYAI-7TF6ZV?OpenDocument>. The report (Oxfam GB, Concern Worldwide and Care International in Kenya 2009) is available at <http://www.ochaonline.un.org/OchaLinkClick.aspx?link=ocha&docId=1111015>

<sup>18</sup> Oxfam GB, Concern Worldwide and Care International in Kenya 2009

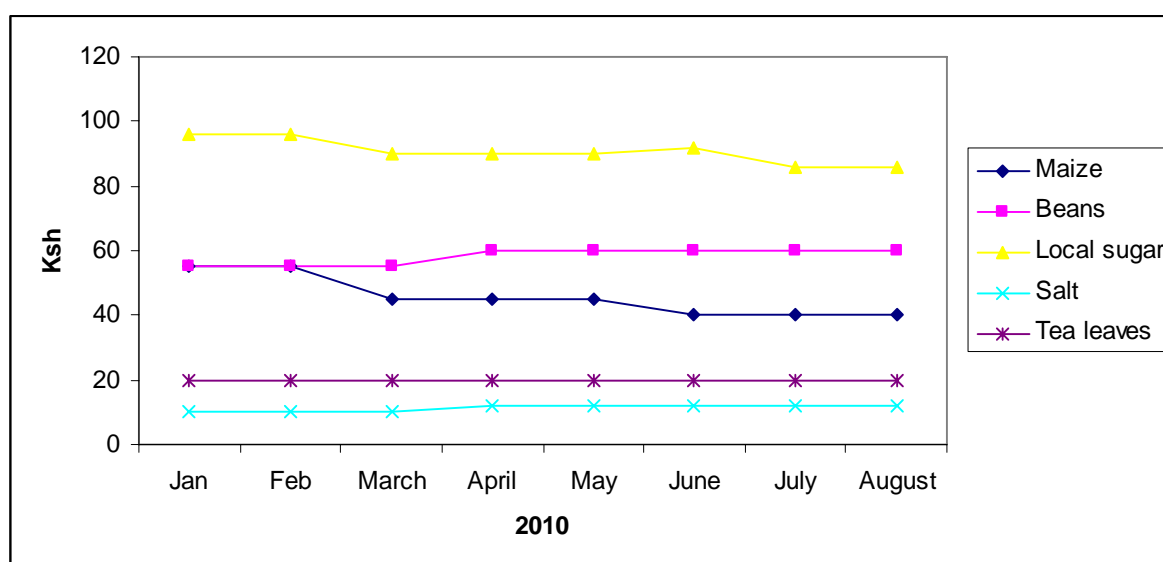
<sup>19</sup> Oxfam GB, Concern Worldwide and Care International in Kenya 2009

<sup>20</sup> Reported in Oxfam GB et al 2009.

increased by approximately 30%, 30% of children were taken out of school, households relied increasingly on gifts and credit, and some households split.<sup>21</sup>

These reports indicate a distressing situation in Nairobi's urban informal settlements in January 2009, and a reasonably clear role for cash transfers targeted at the food insecure to assist them to meet immediate food needs. One difficulty with this policy solution is that just as triggers for entry are not clearly specified, neither are triggers for exit.<sup>22</sup> To what value would prices have to fall to indicate that urban areas are no longer in crisis?<sup>23</sup> This problem is given added pertinence because prices of many key foodstuffs actually fell between January 2009 (when many assessments were done) and November 2009 when the initiative started.<sup>24</sup> Prices of key commodities continued to fall from November 2009 to October 2010, while other prices stagnated (see Figure 2.2). It was not clear that this 'exit' problem was ever solved, other than by a fixed term to the cash transfers, and a serendipitous reduction in food prices.

**Figure 2.2 Food prices in Korogocho, January-August 2010**



Prices received from Concern Worldwide and gathered by Redeemed Gospel Church.

It is possible to argue, on this basis, that the cash transfer was introduced just as Nairobi's informal settlements were beginning to exit from the 'emergency' induced by the substantial price rises of 2008. The second planned phase of the NGOs' Joint Operation, which offers access to long-term social protection facilities, such as microfinance and business training, would have seemed appropriate in this context of falling prices. This phase should begin in December 2010.

This analysis indicates, therefore, a problem of timing. An emergency context was identified towards the end of 2008, and a relief and transitional recovery programme designed in

<sup>21</sup> Heyer and Crosskey 2008.

<sup>22</sup> This was pointed out by ECHO.

<sup>23</sup> This question will be picked up again in the conclusions.

<sup>24</sup> See <http://www.knbs.or.ke/> for details.

response. By the time the relief programme began (November 2009), however, recovery may have been appropriate for many households. This delay was a consequence of the desire, on the part of Concern, to ensure that the government was involved in the development of the programme. This was important for a variety of reasons, including strengthening the institutional arrangements of the transfer and engaging further with the government's overall social protection strategy, but the delay had negative consequences for households engaging in negative coping strategies. This raises a question of whether the intervention could be properly characterised as an emergency intervention or the starting point for a longer-term – and important – social protection system.

## **Objective of the programme**

The initial objective of the emergency and food security response was: "to improve livelihood security of the most vulnerable urban Nairobi informal settlement dwellers in response to the cumulative shocks and stresses."<sup>25</sup> This led to two specific objectives:

1. To improve access to food of the most vulnerable households in selected informal settlements in Nairobi (to be achieved through a cash transfer)
2. To develop longer-term food and income security initiatives (to be achieved through skill training and cash for work).<sup>26</sup>

However, these objectives related to the larger programme of cash transfers, skills training, and cash for work, not only the cash transfers initiative component. This evaluation will proceed therefore evaluating only against objective one.

Within objective one, the initially proposed cash transfers initiative had a specific result sought, with several specific indicators:

**Result:** The purchase capacity of the urban poor has increased, contributing to an improvement of food security and income security to 10,000 households

### **Indicators:**

- "Number of households that receive 2,475 Shillings/month for six months through cash based programming, to meet 50% of their food basket needs
- Number of individuals [by sex] in households that receive KES 2,475 per month for six months through case based programming
- Number of households reporting at least two meals per day
- Number of households with the required [minimum] household dietary diversity score."<sup>27</sup>

However, these objectives were based on the initial design of the cash transfer initiative. The final design differed in two significant ways. First, the number of recipient households was far less than 10,000, as only Concern and Oxfam implemented the initiative, with Care dropping out. Second, the amount transferred was a flat rate of Ksh1,500 per month per household (irrespective of household size or market prices), as the government requested

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<sup>25</sup> Care, Oxfam and Concern Worldwide 2009: 8.

<sup>26</sup> Care, Oxfam and Concern Worldwide 2009: 8.

<sup>27</sup> Care, Oxfam and Concern Worldwide 2009: 8.

the implementing NGOs to bring the transfer into line with other government cash transfers (such as the OVC cash transfer).

The final objectives against which the Korogocho cash transfer initiative would be evaluated were based on these initial objectives, but with some differences.<sup>28</sup> See Box 2.1 for details.

### **Box 2.1 Final objectives of the Korogocho cash transfer**

The objectives against which the programme is evaluated are:

- Recipient households improve consumption to at least 2 meals per day
- Recipient households improve individual dietary diversity to required score
- Recipient households no longer engage in negative coping strategies, such as prostitution, begging, or child labour
- Recipient households are less vulnerable to shocks and better able to meet regular needs, even after the transfer has ended

### **Korogocho initiative summary**

The Korogocho cash transfer initiative was part of a wider cash transfer initiative, run also by Oxfam GB in Mukuru. Oxfam's cash transfer had slightly different features (see Wallace 2010). The cash transfer initiative was part of a wider urban slum livelihoods programme, which is still rolling out subject to funding. This section details only the features of the Korogocho cash transfer initiative. A summary of the initiative is set out in Box 2.2, and more detail is provided in subsequent sections.

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<sup>28</sup> Discussed with Concern staff, 18<sup>th</sup> October 2010.

## **Box 2.2 Korogocho cash transfer initiative basic features**

**Targeting:** Teams composed of social workers from Redeemed Gospel Church (RGC), community health workers, and community representatives agreed and implemented the following targeting criteria: households who

- Earned less than Ksh50 per day,
- Had 1 meal or less a day
- Did not benefit from other programmes, and
- Fell into another category of vulnerability, such as widowhood, elderly, child-headed, disability or chronic ill-health such as HIV/AIDS, and orphanhood.

**Payment:** Recipient households would receive Ksh 1,500 per month via M-PESA to simcards distributed by the programme. Those without handsets could use MPESA agents' handsets. The payments lasted from November 2009 to July 2010, except for the elderly and bed-ridden, who continued to receive transfers to December 2010.

**Monitoring:** Recipient households would be visited by RGC social workers each month to ask about transfer use and to inform households about the next payment.

### **2.1.2 Targeting and registration**

The targeting process was designed in a consultative manner, with the involvement of the village leadership in Korogocho and Concern's local partners, Redeemed Gospel Church (RGC). The process aimed to allow local stakeholders to have a key role, but to retain checks intended to ensure that the recipients would be the most vulnerable in Korogocho.

The first stage was a meeting with RGC social workers, Concern staff, the leaders (elders, community health workers, and elected representatives) of the nine villages in Korogocho, and representatives of other local NGOs. At this meeting, a range of poverty and vulnerability criteria were discussed, and the following were agreed:<sup>29</sup>

1. Eating less than one meal per day, and the source and type of food. This was agreed as the key indicator.
2. Incomes under Ksh50/day/household
3. The health and age status of the main provider in the household (elderly, bedridden, child, widow)
4. Not benefitting from other programmes
5. Not having household amenities such as televisions or radios
6. The type of shelter, size of house, and proximity to the river
7. Any form of chronic illness that affects productivity
8. Poor access to health services
9. Malnutrition
10. Households taking care of more than three OVCs
11. Households with persons with disabilities
12. Pregnant and lactating mothers

<sup>29</sup> According to Concern staff, interview 18<sup>th</sup> October 2010, and in a report of this meeting.

## ***Evaluation of Concern Kenya's Korogocho emergency and food security cash transfer initiative***

There was little clarity on exactly how these indicators would be prioritised. In the initiative documents, food was the key indicator, but Concern staff felt that incomes were the key indicator.

It was initially proposed that villages should be ranked by poverty (based on shelter, health, sanitation, food security, infrastructure, proximity to river, livelihoods, negative coping strategies and children in villages during school hours). This was rejected by community representatives on the basis that attempting to differentiate explicitly between villages would be politically problematic.

Targeting teams were formed in each village, composed of a social worker, a community health worker, and a community representative. These targeting teams were to travel together, visiting each house in a village to identify households who met the above criteria. Households who met these criteria would fill out a form containing questions on the criteria, and basic demographic information. This form is shown in Annex B.

A random selection of 10% of identified households were to be revisited and vetted by the teams (including village elders), but the teams would not vet individuals from their own village, in order to preserve the checking function. Around 10% of checked households were removed.

Village elders were not to participate in the targeting teams' house-to-house visits, but would provide goodwill and would participate in the validation visits.

Households who remained on the list were called to the Chief's camp in Korogocho to register and be given simcards (even if they already possessed phones). Households were asked verification questions at registration and some households were removed at this stage. Registered households were provided with information about the initiative. Households with complaints could submit them to initiative staff.

Households whose head could not obtain an identity card were not registered. A national identity card is required by law for M-PESA. Households were given an opportunity to obtain ID cards, but not all were able to. Households without ID cards included those:

- headed by children below 18
- with very elderly heads who had never obtained an ID card
- whose ID cards were out of date and no longer valid
- who had some problem of legality.

### **2.1.3 Payment and monitoring**

Registered recipients received Ksh 1,500 each month directly to the simcard they were given via M-PESA (net of Ksh 25 per transfer commission for the M-PESA agent). Recipients without handsets could use the M-PESA agents' handsets or if they preferred borrow handsets from friends. The transfers came on the 15<sup>th</sup> of each month so that households could anticipate payment.

Payments lasted from November 2009 to July 2010 for most households, with the elderly and bed-ridden continuing to receive until December 2010.

Redeemed Gospel Church social workers would visit households each month in order to inform them of the transfer, check what they were spending the money on and to address

any problems that they raised. These social workers would also supply ongoing social support and counselling to recipients, referring them to services where necessary. Concern staff would also make random phone calls and visits to verify that recipients had collected the entire amount of money.

## **Korogocho**

Korogocho is an urban informal settlement close to the main Nairobi dumpsite. Korogocho is divided into nine 'villages', each with a distinctive character and leadership. The population is anything between 40,000 (from the 2009 census which is contested in some circles for underestimating the population) and 180,000 (projections based on the 1999 census). Overall, Korogocho is extremely diverse, with a mixed tribal composition, a very wide range of livelihoods (legal and illegal), and a variety of household types. Each village has a somewhat distinct tribal makeup, with distinctions exacerbated by the violence after the election, which was ferocious in Korogocho.

Korogocho has high levels of poverty and low levels of infrastructure development compared to other urban informal settlements. Sanitation is very poor, and diseases are common. A study using Demographic Surveillance data from 2003-2005 in Korogocho and Viwandani (a similar informal settlement in Nairobi) found that pneumonia and diarrhoeal diseases were the top two contributors to premature mortality amongst children under 5.<sup>30</sup> Children under 5 bear a disproportionately high mortality burden, due to childhood illness, maternal causes, and malnutrition.

HIV/AIDS rates are high, and there is significant stigma attached to AIDS, so many infected individuals hide their infection, which harms their chances. The same study found that AIDS and tuberculosis contributed to nearly 50% of all premature mortality in people over 5 in the sample. Korogocho has also, until recently, suffered significantly from insecurity, with both residents and visitors targeted by thieves armed with guns. In the same study, inter-personal violence was the second largest contributor to premature mortality in the sample, at 12%. Korogocho is home to various criminal gangs, some of whom are responsible for the recent ejection from Korogocho of the *mungiki*, a violent Kikuyu youth grouping with political connections. In the last year, a new road and reformist efforts have somewhat improved the security situation, but visitors are still advised to travel with local security.

The study on mortality notes that "the findings of a high mortality burden among the study population reinforce the findings from previous studies that have shown that the urban poor have poor health status, which in some instances, is worse than that of rural dwellers."<sup>31</sup>

Data on socio-economic status for Korogocho are available from a recent survey conducted by APHRC, with details presented in Table 2.1<sup>32</sup> Latent class analysis is applied to these results are used to classify households in Korogocho into three distinct classes. In this model, ownership of dwelling does not appear correlated with class, but ownership of assets, food and well-being are clearly grouped into three classes.

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<sup>30</sup> Kyobutungi et al 2008

<sup>31</sup> Kyobutungi et al 2008: 5

<sup>32</sup> Alkema et al 2007.

**Table 2.1 Selected socioeconomic indicators for Korogocho**

<b>Indicator</b>	<b>Poor (19%)</b>	<b>Middle (56%)</b>	<b>Rich (25%)</b>	<b>Overall</b>
Mean duration of stay (years)*	14.7	11.7	13.3	12.5
Dwelling owned (%)	21	16	27	19
Ownership of radio (%)	18	79	98	73
Ownership of DVD-player (%)	0	0	35	9
Ownership of phone (%)	11	20	89	36
Electricity in dwelling (%)	6	23	98	39
Not enough food (%)	75	6	4	17
Enough food, but not as wanted (%)	25	84	85	74
Enough food, as wanted	1	10	11	9
Mean expenditure on food (USD/week/adult)	7.1	7.9	8.6	8
Self-rated well-being (1-10)	2.2	3.9	5.1	3.9

Source: Alkema et al 2007: 6. \* Duration of stay not included in class analysis.

Data on work have also been collected by APHRC.<sup>33</sup> These indicate that most households in Korogocho are engaged in casual employment. Casual labourers often do not find work, and when they do, earnings tended to be around Ksh 200/day. Casual labourers spend a much higher proportion of their earnings on alcohol – approximately 25% of their income – than individuals in other employment types. This is attributed to the stress of meeting household needs. Spending on *chang'aa* (locally brewed alcohol) is particularly risky since it is mixed with dangerous substances that can lead to significant health problems.

Various non-government, community-based, and faith-based organisations (NGOs, CBOs, FBOs) work in Korogocho to provide a range of services. The government's OVC cash transfer programme also operates in Korogocho.

<sup>33</sup> Mugisha 2007, preliminary draft.

### **3 Conceptual approach to evaluation**

#### **Urban livelihoods framework**

This section does not attempt the ambitious task of providing a comprehensive framework for the analysis of urban livelihoods. Instead, it builds on general livelihoods frameworks, and summarises existing attempts and approaches to conceptualising vulnerability in urban areas, with particular reference to food security.

While livelihoods frameworks are relatively well articulated for rural areas, there is very little conceptual work available that is specific to urban areas. This has hampered recent attempts by several agencies to measure vulnerability and identify emergencies.<sup>34</sup> Urban areas differ from rural areas principally in the degree of complexity and diversity found in livelihoods, sources of vulnerability, social structures and institutions.

Urban vulnerability is important. Globally, more people and more poor people now live in urban areas than rural areas.<sup>35</sup> Urban poverty numbers are in many places larger and are usually growing faster than rural poverty numbers.<sup>36</sup> Urban areas are exposed to a range of disasters, such that the latest World Disasters Report focuses on urban risk.<sup>37</sup> In Kenya, Oxfam GB estimate that 50% of poor people will live in urban areas by 2020.<sup>38</sup> Already, however, 43% of the food poor (i.e. those who cannot meet their food needs given spending on other items) in Kenya live in urban slums, and the poorest urban dwellers spend up to 75% of their income on food.<sup>39</sup> Clearly, substantial price rises will have serious negative consequences for these households. Urban vulnerability is not only related to price increases but is multidimensional, with urban dwellers facing a growing range of risks (and also having a range of strategies to meet them). Risks that appear worse in urban areas include HIV/AIDS (with urban dwellers' likelihood of infection being twice their rural counterparts'), ill-health (particularly for children), insecurity, weak social networks, and bribery.<sup>40</sup>

There are several important differences in lifestyle between urban and rural areas that need to be incorporated in an analytical framework.<sup>41</sup> In urban areas, costs tend to be much higher, and urban dwellers have to pay for rent, water, fuel, transport and food to a much greater extent than rural dwellers. Urban dwellers tend to have different dietary practices, influenced by advertising and the range of food available, and eat from a wider variety of own-cooked and ready bought sources. More positively, urban dwellers have access to a range of goods, services and livelihoods that rural dwellers do not, as reflected by their revealed preference to live in urban areas.

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<sup>34</sup> See Creti 2010 for a recent review.

<sup>35</sup> IFRC 2010: 12.

<sup>36</sup> Cohen and Garrett 2009.

<sup>37</sup> IFRC 2010.

<sup>38</sup> Oxfam GB 2009.

<sup>39</sup> Oxfam GB 2009.

<sup>40</sup> Oxfam GB 2009.

<sup>41</sup> Wratten 1995.

Moreover, there are several characteristics of vulnerability that can be associated with urbanisation, even given all the diversity within urban areas.<sup>42</sup> First, urban living brings specific environmental and health risks. These result from the more rapid growth of residential and industrial areas than services – particularly sanitation, waste management, and health services. More rural dwellers migrate in search of jobs than jobs are available, leading to over-crowding and burden on services. This generates a range of risks, including diarrhoeal and respiratory diseases and injury, as highlighted in the recent World Disasters Report.<sup>43</sup>

Second, engagement in commercial exchange contributes to specific deprivations. Urban dwellers are required to buy essential goods that are free or cheaper in rural areas. Urban dwellers may benefit from services such as electricity and health that may not be available in rural areas, but need to pay for these. This increases the pressure to earn money, with the main asset available for sale being labour power. This increases vulnerability to changes in the demand for labour and the price of basic goods. It also means that households without health insurance (as is the case in most urban informal settlements) bear high costs of ill health. Payments for housing and education have tended to increase in urban areas with pressure on housing space and government budgets.

Third, urban areas have greater social diversity, fragmentation and crime. They contain heterogeneous populations composed of rural migrants, refugees and displaced people with different ethnic, linguistic and cultural backgrounds. Often, there are more female-headed households – with urban living offering opportunities to women for independent survival after marital separation which may not be available in rural areas where male-dominated ownership patterns are stronger.<sup>44</sup> As in rural areas, these households are disadvantaged by gendered livelihoods and education investments, as well as longer working hours and care duties for women. Urban areas are also characterised by a higher proportion of street children who are either unaccompanied by their families or working on the streets during the day.

Social diversity means that relationships may be more impersonal and sharing and kinship networks less well developed. At the same time, however, urban inequalities can be conspicuous, both within and between communities. This can increase the returns to and temptation for crime. In turn, this reduces mobility and expected returns to investment in housing, businesses or savings.

Fourth, urban areas often have greater vulnerabilities arising from state intervention and the police. Many state interventions (welfare programmes, education, health, etc.) can have positive impacts on people's lives. However, low income and marginalised urban households often "experience the state in negative ways – as an oppressive bureaucracy which attempts to regulate their activities without understanding their needs, or as corrupt policemen, demanding money in order to turn a blind eye to illicit income-generating activities such as brewing or prostitution – rather than as servants of the public."<sup>45</sup> One example of this is intervention in housing in contexts – like those in Korogocho – of fixed and limited space. Regeneration of informal housing can often impose significant costs on those whose houses are redeveloped, and who are often not compensated.

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<sup>42</sup> Wratten 1995.

<sup>43</sup> IFRC 2010.

<sup>44</sup> Wratten 1995.

<sup>45</sup> Wratten 1995: 24

## ***Evaluation of Concern Kenya's Korogocho emergency and food security cash transfer initiative***

Given these differences, how can we conceptualise urban vulnerability in a way that can be operationalised? A starting point for the analysis of food security is Amartya Sen's 'entitlements' approach.<sup>46</sup> Sen argued that famines are best understood not in terms of aggregate food shortage but in terms of the inability of households and individuals to obtain enough food. This inability may result from crop failure, or from a shortage in markets, but also from high prices and low incomes. In urban areas, it is more likely to be prices and incomes that determine households' food intake, rather than crop failures or market availability.

Households have four legal sources of food, that Sen also calls entitlements: production-based (growing food), trade-based (buying food), own-labour (working for food) and inheritance and transfer (being given food by others). In urban areas, growing food is usually less significant than in rural areas, but obtaining food illegally is often more significant.

Households' ability to acquire food through these different sources depends on their livelihoods assets, which they deploy in a dynamic context of vulnerability, structures and processes. In urban areas, the context is particularly dynamic, complex and diverse. Assets include:

- Human capital, mainly the availability and skills of workers in the household. This reflects education levels and health (including nutrition). Human capital levels can change rapidly when households are exposed to disease.
- Social capital: This influences the help households can obtain, both in terms of direct transfers from friends and relatives (inheritance and transfer entitlement), and indirect help through sharing labour or other assets. Typically, although sharing mechanisms exist in urban areas,<sup>47</sup> they tend to be less developed and extensive than in homogenous rural communities. Other forms of social capital, such as knowledge of markets and jobs, may be more important in urban areas where knowledge flows are more complex and where opportunities are less obvious.
- Natural capital, such as land or livestock. This is typically less significant in urban areas, although even in dense settlements such as Korogocho, households own small livestock.
- Physical capital. This could include capital used for businesses (such as sewing machines or trading stalls), which are particularly important components of livelihoods in urban areas. Physical capital can be accumulated from purchases or loans, but is often expensive and lumpy (i.e. it can only be bought in large units, not gradually added). Physical capital is also vulnerable to theft and destruction, as occurred in large scale in the post-election violence. Unlike in many rural areas, most urban dwellers incur large costs in renting their homes.
- Financial capital, including savings. In urban areas, savings can be made in a variety of ways, including bank accounts, M-PESA, and less formal mechanisms such as merry-go-rounds. Saving outside the household is important given the lack of security that characterises many areas.

The context within which these assets are used for livelihood strategies is characterised, as set out above, by a range of insecurities and vulnerabilities.

Several factors influence household livelihoods in urban areas. Creti (2010) identifies urban political economy, refugees, macroeconomic conditions, and markets.

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<sup>46</sup> Sen 1981

<sup>47</sup> See e.g. Wallace 2010, who argues they need further investigation.

Urban political economy tends to be more complex than in rural areas. There are typically more institutions and actors present in urban areas, with overlapping roles and mandates, and divergent political interests and constituencies. These institutions and actors can play important roles in allowing people access to resources and goods by expressing and mediating power and information. Understanding and accounting for the political economy dynamics of an urban setting (as a rural setting) is critical to effective programme implementation. These dynamics naturally have consequences for the operations and impact of programmes.

Creti (2010) notes that internally displaced people, refugees and illegal migrants are often living together with host communities. This naturally complicates the identification of target populations, and raises issues around the role of citizenship in programmes. In this case, for instance, the requirement to have a national identity card makes accessing the initiative more difficult for these populations. However, these populations are often those with more precarious livelihoods and more dangerous coping strategies.

Most significantly, the high reliance of urban dwellers on markets for livelihoods and essential items makes them vulnerable to macroeconomic trends (particularly prices and supply) to which rural dwellers are less exposed. Many macroeconomic trends (such as international prices) are beyond the control of urban dwellers but also of national policymakers.

## **Individual food and nutrition security**

Obtaining enough food at a household level does not necessarily indicate sufficient food intake or nutrition at an individual level. Several factors intervene.

First, foods are not necessarily divided evenly in terms of quantity or quality within the household. Part of the complexity of heterogeneous urban areas is that there are many different household allocation cultures. In some households, women may have control of food budgets and allocation, and tend to privilege young children. In others, men may exercise greater control, and allocation may disadvantage women and children.

Second, obtaining enough food does not entail that this food is of adequate nutritional content. Households in Nairobi often focus on meeting carbohydrate needs – particularly *ugali* (a maize-based starch) – but may neglect other nutritional groups.

Third, adequate nutritional intake need not translate into good nutritional outcomes if water, sanitation and care environments are inadequate. In urban areas in particular, individuals often contract diarrhoeal diseases from poor water or inadequate sanitation which mean that their nutritional status is poor even if their food intake is adequate.

It is worth emphasising that good nutritional status is vital for ensuring that individuals remain healthy and productive. Several studies now indicate clearly malnutrition in early childhood, in particular, reduces future incomes and leads to worse health outcomes.<sup>48</sup> This is therefore a critical policy intervention area.

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<sup>48</sup> See e.g. Hoddinott et al 2010, available on <http://www.chronicpoverty.org/publications/details/the-impact-of-malnutrition-over-the-life-course> although not for citation.

## **Negative coping strategies**

Livelihoods strategies that have negative consequences for those undertaking them are known as negative coping strategies. This term is used to indicate strategies that households would not ordinarily undertake if they had adequate resources, but which they deploy under stress – hence as form of coping. The negativity of these strategies refers to negative impacts in the short or long-term on the individual or their families. These might include:

- removal from education, which has long-term negative impacts on productivity and life chances,
- eating smaller quantities, lower quality foods or less diverse diets, which has negative impacts on health, energy (and productivity) and long-term growth and development (particularly for small children),
- engaging in risky jobs, such as prostitution or theft, that have potential negative health consequences, risk of violence or legal retribution, and are attached to stigma that may make engagement in the community more challenging,
- begging, that has negative consequences for social status and self-image,
- selling assets. Selling productive assets reduces the potential for earnings.

The existence of these strategies indicates a need for immediate social protection in order to reduce the need for later and more expensive assistance programmes.

## **Social relations**

As noted above, social relations in urban areas are often differently constituted to social relations in rural areas, given in particular the greater heterogeneity of urban social structures. For the purposes of this evaluation, we are principally interested in the impact of cash transfers on relations within and between households, specifically on the mechanisms of mutual resource and psycho-social support. Between households, cash transfers often have an impact on sharing mechanisms – either strengthening them as additional resources top up informal sharing systems, or weakening them as the process of selection and exclusion damages relations between households.

Social relations are gendered and the impact of a programme will be too. It is not anticipated, however, that a cash transfer will have a significant impact on women's empowerment. Women's empowerment is a long-term complex process of "transforming the relations of power between individuals and social groups...challenging the ideologies that justify social inequality...changing prevailing patterns of access to and control over...resources and by transforming the institutions and structures that reinforce and sustain existing power structures."<sup>49</sup> Clearly, this is beyond the scope of a cash transfer. More modestly, cash transfers may allow women to feel more confident within their households and communities if they are assisted to provide more adequately for their families.<sup>50</sup> On the other hand, targeting resources on one individual in the household can generate tensions and can spark violence.

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<sup>49</sup> Batiwala 2007 cited in Wallace 2010: 4.

<sup>50</sup> See e.g. MacAuslan 2009.

## 4 Impact

The impacts of the cash transfer initiative differed widely by household demographic and socio-economic status and livelihood pattern. As noted above, households and livelihoods in urban informal settlements are extremely complex. They are also in constant flux, with households moving, splitting, reforming, changing livelihoods, and pursuing multiple livelihoods with varying degrees of legality. There have also been various changes in the last year that are unrelated to the transfer but which have significant impact on households. Korogocho has a new road and better security. In general, prices have declined slightly since November 2009 (although they rose until then),<sup>51</sup> but so have wages and job opportunities (knocking on from the financial crisis).

Overall, recipients use the transfer wisely and in a manner that helps their families and local economies to progress. The impacts of the transfer were positive, and in some cases sustained. This finding is in keeping with a recent review of cash transfers that noted the repeated emergence of a conclusion that "recipients use the money well and do not waste it...cash grants have the potential to reduce future poverty by facilitating economic growth and promoting human development."<sup>52</sup>

Nevertheless, diversity of households means that the transfer's impact is complex, non-linear, and difficult to summarise and attribute. As is common in cash transfers, recipients used the transfers for a variety of purposes, which meant that the impact on any single area was not likely to be large.<sup>53</sup> Furthermore, the single value of the transfer meant differential impacts for households of different sizes.

Broadly, recipient households can be divided into three groups, as set out in Figure 4.3.

First, there is a group of households who met the targeting criteria of low food intake and low incomes and who had many dependent members. These households spent the majority of their transfers on food or rent. This had significant but temporary positive effects on consumption and negative coping strategies. There is little sustainable impact for these households.

Second, there is a group of households who met many targeting criteria but had few dependent members. These households' food bills are smaller, and they were therefore able to invest some of the transfer in a new business. This had positive impacts on consumption and negative coping strategies during the transfer, but was more likely to have sustainable positive impact where investments had ongoing positive returns.

Third, there is a group of recipient households who did not meet all the targeting criteria.<sup>54</sup> These households were usually able to invest the transfer (particularly if they were small households) in an existing business (such as a trading business). These investments were more secure than new investments, and these households were therefore more likely to experience a sustainable impact.

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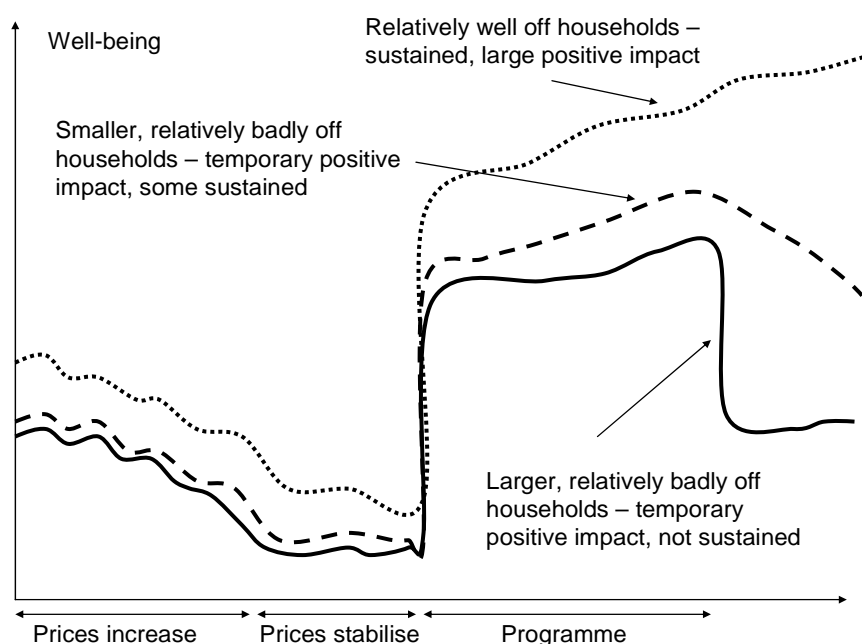
<sup>51</sup> See Figure 2.2.

<sup>52</sup> Hanlon et al 2010: 2.

<sup>53</sup> See also Wallace 2010: 15 for a comment on the ambition of these broad objectives.

<sup>54</sup> This is not unsurprising in a programme of this nature, and targeting performance was not particularly bad. See Section 0 on challenges with targeting.

**Figure 4.3 Impact pathways for different households**



### **Food security and dietary diversity**

Qualitative and quantitative research indicates that recipients usually spent most of the transfer on food. They typically did not reduce their income earning from other sources, and in fact often invested the remainder of their transfers in businesses (with the patterns set out above). In general, this led to improvements in food consumption and dietary diversity during the initiative, but these receded for many households once the initiative finished. Although this improvement is a significant achievement, it would be difficult to conclude that the transfer met the objective of all recipients 'having enough food'. This was a challenging objective once the value of the cash transfer was changed from meeting 50% of each individual's food needs to a flat rate of Ksh1,500 per household. Given the range of family sizes and spending patterns, it is not surprising that neither the quantitative nor qualitative data indicate that all individuals consumed their calorific recommended amounts during or after the transfer. Moreover, failing to meet this objective should not be interpreted as a failing of the initiative, but as an indication of the ambition of the objective.

The improvements in food intake and diversity can be attributed to the cash transfers. This is not straightforward because quantitative data does not allow a comparison between recipients and non-recipients, and because there were other changes taking place in Korogocho during the initiative. These changes included reductions in prices (good for food security), but also increases in rent and declining or stagnant livelihoods opportunities (bad for food security). Nevertheless, qualitative research with recipients and non-recipients indicated a difference between them in terms of food security and dietary diversity, making the attribution of change to the initiative more robust.

### **4.1.2 Food security**

It was clear that receiving the transfers led to an increase in food consumption for almost all recipients. In practice, qualitative research indicated that this would mean moving from one meal per day (one meal with *ugali*) to two. Quantitative research confirmed that the frequency of meals improved from baseline; at endline the average number of meals on the preceding day was 2.53 (with a standard deviation (SD), reflecting the variability of the results, of 0.68) compared to 1.61 (SD 0.6) at baseline.<sup>55</sup>

During the baseline assessment almost all the interviewed households (97.4%, N=156) were classified as severely food insecure according to the Household Food Insecurity and Access Scale (HFIAS).<sup>56</sup> By the endline this had dropped to 73.7% (N=156) a statistically significant decrease of 23.7 percentage points.<sup>57</sup> The mean HFIAS score at end-line was 13.2 (SD 4.8) compared to 18.8 (SD4.3) (the highest possible score of 24 represents total food insecurity).

The qualitative fieldwork indicates that non-recipients' food consumption did not improve as significantly as that of recipients, particularly during the initiative but also when it ended. The conclusion overall, therefore, is that the endline improvement in food security as measured by the HFIAS was largely attributable to the initiative.

Qualitative respondents were clear that the increase in consumption varied by family size (as the figure above shows). For recipients with small households, the transfers allowed them to meet food needs for almost the entire month; for recipients with large families, the transfer could last only 1.5 weeks. "It all depended with the size of family one had."<sup>58</sup>

### **4.1.3 Dietary diversity**

Dietary diversity improved as a result of the initiative, but not substantially and not in a clearly sustained way. Recipient households broadened the number of food items they consumed. It was not clear from qualitative interviews that this broadening always led to an increase in dietary diversity in terms of food groups consumed. In many cases, households would report varying food items within a food group, having rice instead of maize, or different vegetables. In others, however, there were clearly additions made to diets (adding fish, meat and beans in particular), and many households increased the frequency of consumption of less consumed food groups.

Quantitative research reported that dietary patterns, while still inadequate, showed significant improvement from baseline. The average dietary diversity at endline was 7.1 (SD 1.7) out of 15 possible groups compared to 3.4 (SD 1.7) at baseline an increase of almost 4 food groups on average.<sup>59</sup> Figure 4.4 indicates the proportion of recipients at endline consuming different food groups. It indicates that most households ate cereals, dark leafy vegetables,

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<sup>55</sup> Paired sample  $t=14.298$ ,  $p<0.001$ . This p-value indicates that the probability that the measured difference in meals per day was due to chance was less than 0.1%.

<sup>56</sup> The HFIAS is a standardised methodology but relies on self-reporting and has been challenged.

<sup>57</sup> McNemar's  $p<0.001$ . This p-value corresponds to a less than 0.1% probability that the differences seen pre and post transfer were due to chance. The McNemar's test was used because the data contained repeated measures on the same units (households) and the data was therefore paired.

<sup>58</sup> Recipients, Kisumu Ndogo.

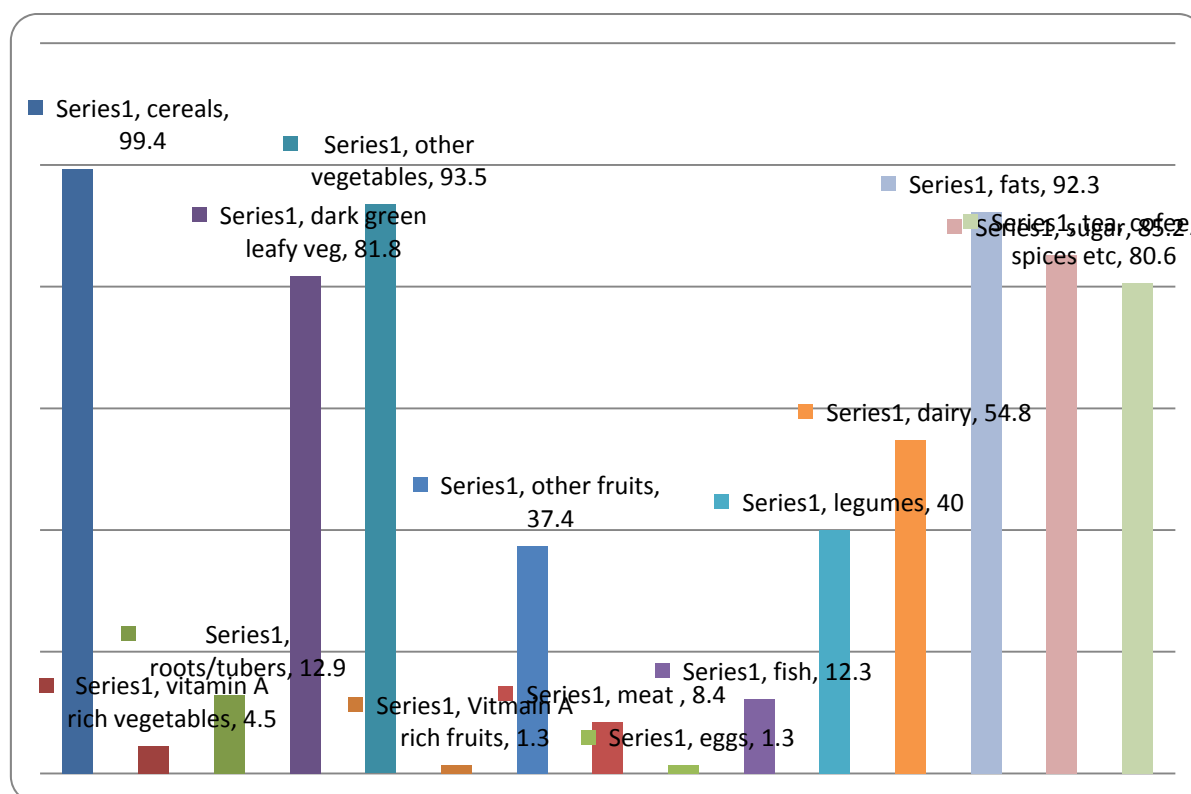
<sup>59</sup> Paired sample  $t=19.001$ ,  $p<0.001$ . This p-value indicates that the probability that the measured difference in HFIAS scores was due to chance was less than 0.1%.

**Evaluation of Concern Kenya's Korogocho emergency and food security cash transfer initiative**

other vegetables and fats, as well as dairy, sugar and tea. This reflects the normal diet of most households: milky tea with sugar for breakfast, and *ugali*, with *sukuma* and onions, using cooking fat in the evening. Consumption of micronutrient rich food groups, particularly animal source foods and fruits, remained very low, although improved from baseline. Again, qualitative research indicates that dietary diversity improved during the initiative, then deteriorated to the endline point.

The dietary diversity questionnaire does not provide an indication of how much of each food group was consumed. The qualitative research suggests that while recipients consumed different food items and some additional food groups during the transfer (and some afterwards if they invested), this did not necessarily mean that they consumed large quantities of these additional items and groups. For example, households might buy one additional food item, such as some *omena* (dried fish) in a period, which might affect the dietary diversity score but not reflect sustained improvements in their regular consumption of this food item.

**Figure 4.4 % of interviewed recipients consuming food groups on the preceding day, endline (N=155)**



Source: Korogocho cash transfer evaluation quantitative endline, October 2010.

The endline evaluation included questions on feeding of young children (6 to 23 months) and child anthropometrics. Only 32 children between 6 and 23 months were found in the sampled households. Among these children the average dietary diversity was 3.8 (SD 1.5) out of eight food groups. Only 25% of children had more than four food groups on the preceding day. These results mirror what is seen in the wider slum population; Concern's nutrition surveillance in 2010 in Korogocho showed 22.1% of children 6 to 23 months receiving four or more food groups.

The relationship between incomes and dietary diversity is complex. For larger households, it may not have been possible to increase both consumption and diversity – the per person cash value was simply too low to achieve both objectives. Moreover, the health of diets does not necessarily improve in a linear way when incomes rise. As they become wealthier, households may eat higher status foods, but these food types need not have better nutritional content. On the other hand, more diverse diets need not be more expensive.

Food preferences affect the relationship between income and diversity in two main ways. First, households in Korogocho reported valuing certain high status foods and variety, but were less explicit about the value of diverse diets from a nutritional point of view. Qualitative findings suggest that the most likely explanations are to be sought in the desire to increase the variety of items, not diversity of groups, consumed, and to “eat like rich people...by buying real bread and spreading Blue Band [margarine] on it.”<sup>60</sup>

This finding indicates that Concern's nutrition education programme has had little impact on the cash transfer recipient group. This is not surprising, because the main target group for nutrition education is caregivers of young children, rather than vulnerable households per se, and because the nutrition programme has been running for only six months. However, these results also suggest that combining the cash transfer with nutritional education might have additional benefits.

Second, income levels affect where people buy their food. Low income households in Korogocho often buy food ready-made from street stalls because they lack the capital to buy grains, cooking fat, salt, and paraffin/charcoal in bulk, and buying and cooking in small quantities is time-consuming and expensive. The transfer allowed them to stop using the street stalls and cook themselves. However, this did not necessarily lead to a greater diversity in diets – and may in fact have had an opposite effect because street food contains a variety of food groups, whereas traditional home-cooked diets may be less diverse.

#### **4.1.4 Nutritional impact**

The impact of increased food consumption on anthropometric indicators is tempered by the sanitation and care environment. Korogocho's sanitation is poor, and diarrhoeal diseases are common. A cash transfer is not likely to have a significant impact on this, particularly in a relatively short timeframe, and so the impact on nutritional indicators may also be limited.

Identifying initiative impact on nutrition is challenging because anthropometric data were not collected at baseline. In children 6 to 59 months no cases of oedema<sup>61</sup>, a clinical sign of severe acute wasting, were found at endline, though six children (8.7%) were acutely malnourished according to the Mid-Upper Arm Circumference (MUAC) measure. This prevalence is higher than that seen in the most recent round (2010) of nutritional surveillance in Korogocho (4.4.%) likely reflecting the fact that these households were generally worse off than the population as a whole.

As noted elsewhere in this report, although the percent suffering from malnutrition is relatively low, this remains concerning because of the high populations and high population density in Korogocho. This is exacerbated by the low coverage of health services as measured per person.

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<sup>60</sup> Recipients, Githathuru

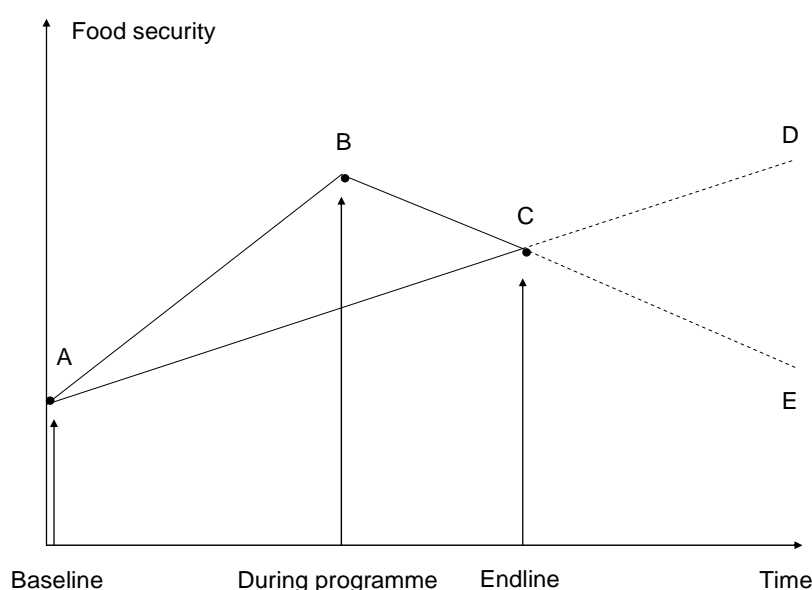
<sup>61</sup> Oedema is the medical term for fluid retention, which can be caused by malnutrition.

#### 4.1.5 Future trends in food security and dietary diversity

The improvements should not be interpreted as evidence of a sustained upwards trend. For some households, improvements were sustained after the transfer finished: “some people's diets improved and others went a step back when the money stopped.”<sup>62</sup> Typically, these were households who had been able to invest the transfer in businesses. These households were usually small, and already in trading businesses where the transfer could be used in a low risk way to add to stock.

However, qualitative research indicates that most recipients' consumption increased during the initiative, and then declined. This was because after the initiative, incomes reduced (even if investment had been successful). In some cases, incomes declined steadily after the initiative ended as investments made during the initiative paid off but were not sufficient to reinvest and continue the income stream. In Figure 4.5, the change in food security as measured by baseline and endline may indicate the trend A-C, with a suggestion that this trend would continue to point D. However, the qualitative research indicates a movement from A-B-C, with an endpoint at point E, as for many recipients the improvements during the initiative are not sustained.

**Figure 4.5 Trends in the initiative's impact**



When asked about their ability to meet their household food needs over the next six months, the majority of quantitative respondents said they were unsure if they would be able to meet their needs (42.3%, N=156). Almost a third (32.1%) said they would be able to meet these needs and 25.6% said they would not be able to meet these needs. This question was not asked at baseline so no direct comparison is available. This tallies well with qualitative findings.

<sup>62</sup> Recipients, Korogocho B

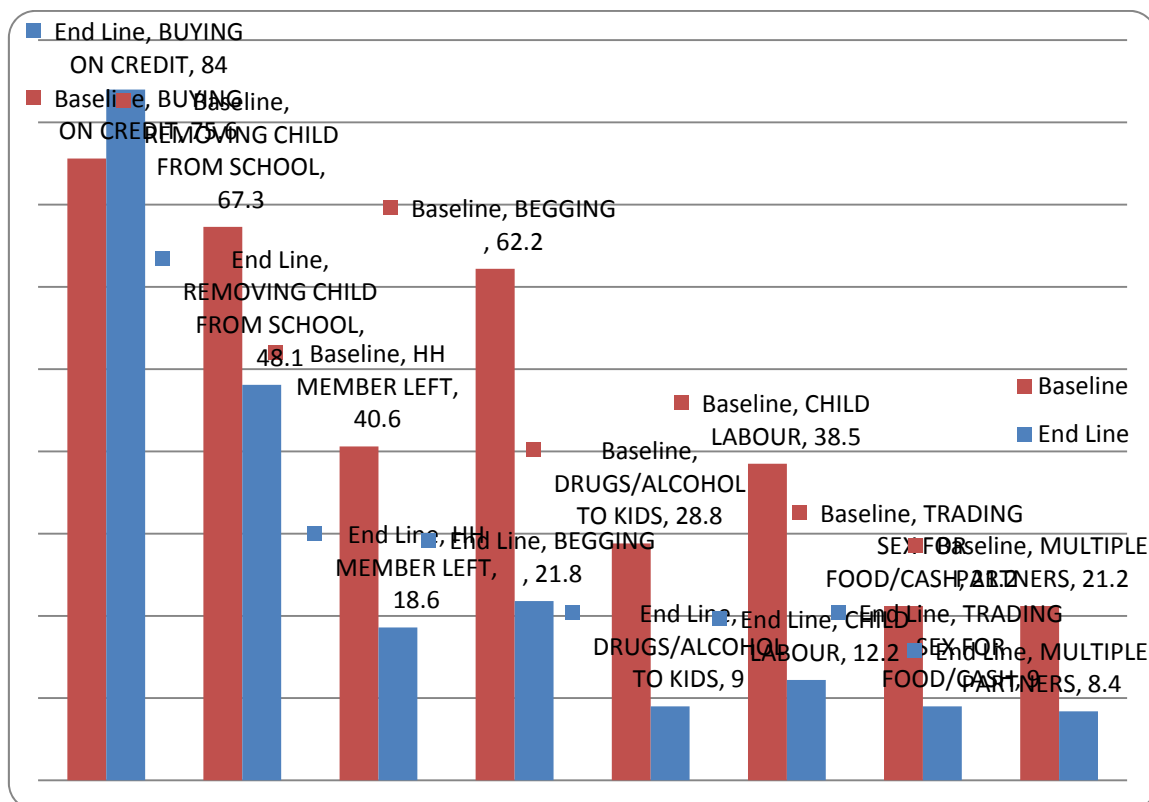
## Negative coping strategies

A negative coping strategy is a response to deprivation that has some negative consequence. The cash transfer was intended to reduce households' reliance on negative coping strategies when faced with the 'emerging food crisis' (i.e. high food prices and declining incomes).

According to the quantitative questionnaire, reliance on negative coping strategies decreased between baseline and endline (Figure 4.6). The proportion of households relying on four or more negative coping strategies decreased from 29.3% to 11.3%.<sup>63</sup>

The exception to this was buying of food or other essential items on credit which increased slightly from 75.6% to 84% at endline. However, buying on credit is not necessarily a negative coping strategy unless the credit comes at a high cost (in interest rates or higher prices). Qualitative findings indicate that some households were better able to obtain goods and services (largely food, rent and education) on credit because their "creditors were happy to wait until we got the money."<sup>64</sup> This credit did not appear to be attached to interest rates or higher prices.

**Figure 4.6 Use of negative coping strategies in the last four weeks by respondents at baseline and endline.**



Source: Korogocho cash transfer evaluation quantitative endline, October 2010.

<sup>63</sup> McNemar's  $p < 0.001$ ,  $N = 133$ . Buying on credit was excluded as a negative coping strategy in this calculation for the reasons discussed above.

<sup>64</sup> Recipients, High Ridge

Qualitative findings also indicated that households reduced their use of negative coping strategies. In particular, households were able to rely less on the three worst occupations (prostitution, theft and begging). For example, "since I got the money from concern, I stopped working as a prostitute...I quit because I was getting food and money that my children needed."<sup>65</sup> These occupations were particularly disliked because of the health risks, the risk of death, and the lack of respect accorded to them. Respondents typically felt that they were able to avoid these occupations during the transfer.

However, there are different categories of prostitute and the transfer could not have prevented all of them. As one former prostitute explained:

"To cut the long story short, there are two types of prostitution. There is a single mother who works and lives on her own but she still does it. It is very hard to find a man who has one woman. The most available person is the single mother. These men help in different ways and I believe this is not prostitution. The woman is able, she only needs a man. Most do not associate with men who live close to them. They have men from far who come to visit them. For the real prostitutes they take it as a serious work. They don't need to be single. Others chose not to get married. They eat and pay rent with this money. You can never find a customer in their house. They work from town. I lived with one in 'Dandora'. I was shocked to learn that she was a prostitute. I respected her because she never brought men to her house."<sup>66</sup>

The transfer was unlikely to have a lasting effect on these categories of prostitution. Rather, it would have enabled women who occasionally trade sex for money or food to reduce their dependence on this. In addition, some respondents felt that targeting the transfer on the elderly and sick limited the impact on prostitution, since these types of individuals rarely engage in this work.

Children leaving school in order to earn money is a common coping strategy, and the transfer had some impact on this. Children often leave school of their own accord when they observe shortages in the household, and seek work to meet the shortfall. "If the income is down, one can get their children out of school. They do it on their own. There is no parent who tells their child to stop going to school."<sup>67</sup> The number of children who did this reduced during the transfer.<sup>68</sup>

## **Use of transfer**

Figure 4.7 sets out the proportion of recipients responding to the quantitative questionnaire who when asked to select their three main spending categories, reported spending the transfer on selected main categories. Almost every recipient spent the transfer on food, with school, business and rent the next most common spending types. Note that the quantitative questionnaire does not provide details on how much was spent on each of these categories, only that something was spent.

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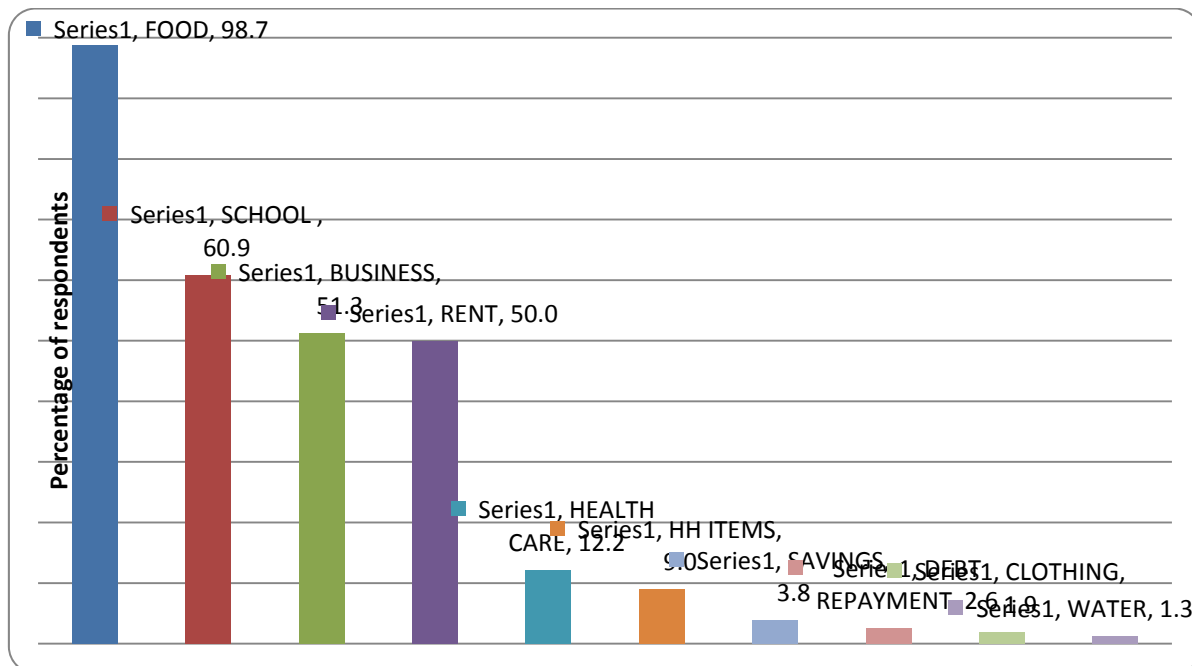
<sup>65</sup> Recipients, Korogocho A

<sup>66</sup> Recipients, Korogocho A

<sup>67</sup> Recipients, Kisumu Ndogo.

<sup>68</sup> This is in addition to the impact of the transfer on parents' ability to pay school fees (see Section 4.1.6).

Figure 4.7 Main uses of cash received by transfer by beneficiary households (N=156)



Source: Korogocho cash transfer evaluation quantitative endline, October 2010.

Qualitative research indicated that larger households spent a larger proportion on food, and that comparatively richer and smaller households spent a larger proportion on their businesses.

The qualitative research however suggested that households are well versed in the 'correct' response to questions on how they used the transfer (which was food, items for the children and business). This indicates that communications around the desired use of the transfer were successful. However, after probing in qualitative interviews some households reported that they spent the transfer on entirely different things, particularly if they had small families or had other sources of income (i.e. were mis-targeted). For example, a 70 year old female widow initially reported spending the transfer on food for six orphans and that it had been a vital support. During the course of the interview, it became obvious that she brewed chang'aa and had a daily income of Ksh200-800. When asked again about the use of the transfer, she said: "yes, it's very little...I just give it to my grandchildren to use as they wish."<sup>69</sup>

In the first month of the transfer, most recipients seemed to follow RGC's instructions and spend the transfer largely on food and provide receipts. Once this restriction was removed, however, respondents reported diversifying rapidly into various other essential spending types, such as rent, school costs, medical bills and businesses. This suggests that allowing flexibility in spending – one of the most important advantages of cash transfers – should be retained. It also indicates that households had many unmet costs, not only food.

It was not obvious that men and women spent the transfer on markedly different items. 86% of recipients were women, so the sample of men may be too small for a pattern to emerge.

<sup>69</sup> Recipient, Grogon B

Some men were reported to spend the money on alcohol – and some female respondents argued that men were prone to doing this. However, many other male recipients interviewed reported (and defended) very similar spending patterns to their female counterparts. Moreover, men would also report some women spending the transfer on perfumes or clothes, rather than food or school fees. One female recipient reported that “with [a contribution from] the little money I got from Concern, I bought a second hand computer for Ksh 20,000.”<sup>70</sup>

The argument here is not that there was a concerning amount of ‘extravagant’ spending by men or women. Rather, it is that differences in spending patterns are driven not by the gender of the recipient, but by family size and wealth. There will always be examples of ‘odd’ spending by men and women, and the odd items on which they spend differ.<sup>71</sup> However, individuals caring for large households with low incomes appeared to spend on similar items, irrespective of their gender.

Figure 4.7 shows that the spending on debt is low, but this is because debt referred specifically to paying back cash loans. Many households used the transfers to repay outstanding food bills, school fees, or rent, and this repayment was counted in the questionnaire under these categories, not debt.

#### **4.1.6 Education**

After food (explored above), the cost of school was the second most common spending item. School costs can be significant. As some respondents pointed out, government primary school is “no longer free because they pay for their children’s lunch for two hundred and fifty shillings for every month, and buy uniform, so the children are forced out of school to help their parents.”<sup>72</sup> Other recipients sent their children to private primary school, with fees of several hundred shillings per term per child, because they were concerned about the quality of education in the government school. Once children reach secondary school, costs increase substantially as government schools charge fees. Private secondary school fees can reach several thousand shillings per term, and tens of thousands for boarding school. Compared with the Ksh50/day/household targeting cut-off for the transfer, these amounts are enormous, particularly in families with three or more children, common in Korogocho.

As a result, many respondents found it difficult to keep up payments on school costs. In order to keep children in school, they relied on the lenience of teachers, on not paying for children’s lunch (by coming to some arrangement with the school), or on wealthy sponsors or organisations that would cover costs. These arrangements are partial at best. Not everyone has access to these sponsors. Respondents reported that missing lunch has negative consequences for children’s ability to focus in lessons and mix with their peers.<sup>73</sup> While teachers would be lenient for part of the term, payment would have to be made eventually. Households also make use of merry-go-rounds (joint savings groups that require a regular contribution from each member and have a one-off large pay-out) to cover school costs.

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<sup>70</sup> Recipients, High Ridge

<sup>71</sup> One male recipient tithed 10% of his transfer to his church (not RGC). Concern also expected some Christmas spending on extravagant items, but this did not appear very significant.

<sup>72</sup> Recipients, Githathuru

<sup>73</sup> This is well known from other evaluations and academic literature (see e.g. Popkin and Lim-Ybanez 1982; MacAuslan 2009).

Respondents reported that the transfer made an extremely useful contribution to their ability to pay school costs, or to pay off arrears, or allowed them to keep up contributions to merry-go-rounds. For example: "I have two children, one in class two and the other in class three and I pay their school fees and that's a bit difficult for me. After the funding stopped it was difficult for me cater for school fees because I pay four hundred for each child. After I got the money, I paid eight hundred shillings for one month and that really boosted me."<sup>74</sup> The transfer also enabled recipients to reassure teachers that they would pay, and this kept children in school: "A teacher cannot chase away your child because you pay before the next term starts. She also knows that the minute you get money you always pay."<sup>75</sup>

#### **4.1.7 Business**

Almost 75%<sup>76</sup> of quantitative respondents reported that they invested some portion of the money they received in a business of some kind. The frequency of spending on business was confirmed in the qualitative research. Of those who invested some of the transfer, 90.5% reported positive returns in the quantitative questionnaire (N=116). Having a positive return to the business investment was found to be critical in both qualitative and quantitative analysis, for sustainable impact. However, the quantitative questionnaire did not ask the size or duration of the positive return, or the size of the initial investment.

It would be very useful to identify the characteristics of the households who invested in business, but these are not straightforward to identify. The quantitative data suggest no difference between households who spent on business and the 25% who did not in terms of household size, gender of recipient, or dependency ratio. However, qualitative fieldwork indicated that larger households were less able to spend on business as they had higher food and education spending needs. Section 0 attempts to explain further the relationship between household size and impact.

Qualitative fieldwork also suggested that it was generally easier for households to expand their existing business than to change businesses. For example, it was easier for a recipient who sold vegetables to 'boost' her business by adding more stock than it was for a recipient who washed clothes to start a vegetable business. This was for two reasons. First, there are fixed costs in starting a business (such as buying a stall or obtaining a patch) that can bar entry for low income households. Second, households with businesses tended to have more disposable income to add to their business.

For those that were able to add to their business, returns were often positive and lasting. For example, a lady who sells used bottles was able to increase her stock and profit: "I also feel happy because my business required a small amount of capital but now, it's doing really well. I used to buy five hundred bottles but I can now buy two thousand of them."<sup>77</sup> This positive business return is an important and positive finding from the evaluation.

Some households were able to change business, although this was more difficult. The qualitative research indicated a clear hierarchy in livelihoods, and recipients sought to move

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<sup>74</sup> Recipients, Korogocho B.

<sup>75</sup> Recipients, Korogocho A

<sup>76</sup> This represented households that invested any amount of money in a business, though this investment did not have to be among the top three uses of the money, it is therefore higher than the 51% who reported business investment as one of the main uses of the money.

<sup>77</sup> Recipients, Korogocho B

up this hierarchy with the transfer. At the bottom were undesirable activities such as prostitution, theft, begging, and (slightly better) draining toilets or scavenging. At the top were salaried jobs, but near them were jobs selling items with a long shelf-life and high margin, such as cereals. The long shelf-life reduced stress and risk that in the event of a bad day, the owner would make losses as their goods would go bad. Selling cereals and clothes was therefore more desirable than selling vegetables. All trading jobs were felt to be preferred to casual work such as washing clothes or cleaning houses, because they provided greater independence and less hard manual work and are more profitable.

Where recipients were able to change livelihoods (i.e. overcome barriers to entry and opportunity costs of setting up), returns were impressive, but often faded when the transfer stopped and they returned to their earlier livelihood. This could be because new businesses needed regular reinvestment, and when the transfer stopped, all profits were needed for food and other essential spending. For instance: "I used to wash people's clothes at 'Kiamaiko'. I rented a machine on rental and bought the materials to make these bags and when I had save enough, I bought a second hand machine and stopped renting one. When we didn't get the money any more, the business started going down because we used the proceeds for everything from food to school fees for my children when my husband didn't have a job."<sup>78</sup>

#### **4.1.8 Rent**

Many households spent the transfer on rent or rent arrears. Rents were reported to have increased recently, and in some cases respondents felt that this was directly the result of the transfer. The local administration had attempted to communicate to landlords that they should not increase rents as a result of the transfer. However, this would have been difficult to enforce given that landlords are typically fairly powerful and well connected, and since there was no clear complaints mechanism of which recipients were aware.

Being a recipient of the transfer meant that landlords were less inclined to be lenient with rent arrears. For example: "There was a time after the shopping, if your landlord saw you with the shopping and you hadn't cleared rent, they would evict you. Most of the time because the landlords knew about the money, immediately you received the money they would come knocking on your door for rent."<sup>79</sup>

#### **4.1.9 Savings**

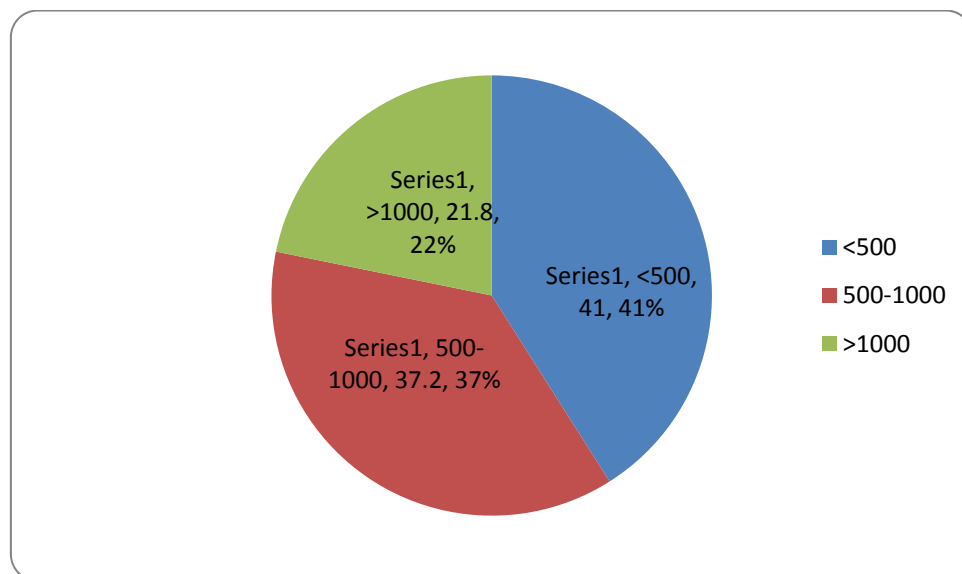
Savings contribute to households' ability to deal with future needs and shocks. The quantitative research indicated that half of the respondents were able to save some amount of money while they were receiving the transfer. Households were able to save because they had a regular and sustainable income, often for the first time. Of those who saved money most saved less than Ksh 500 (Figure 4.8). However, only 24% of respondents had been able to save money since the transfer stopped. Again most had saved less than Ksh 500 (Figure 4.9).

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<sup>78</sup> Recipients, Korogocho A

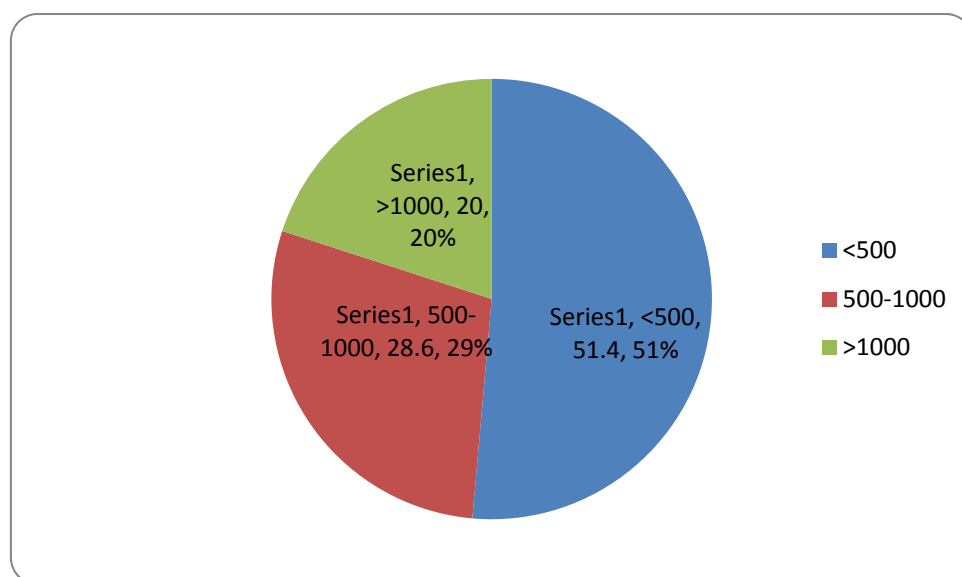
<sup>79</sup> Recipients, Githathuru

**Figure 4.8** Amount saved by recipients during operation of the cash transfer initiative (N=78).



Source: Korogocho cash transfer evaluation quantitative endline, October 2010.

**Figure 4.9** Amount of money saved by recipients since the cash transfer initiative stopped (N=35).



Source: Korogocho cash transfer evaluation quantitative endline, October 2010.

Qualitative research indicated that savings were not made on the MPESA cards, but were almost exclusively in the form of merry-go-rounds. These are informal savings groups whose members make regular contributions, receive a one-off pay out in turn, and may have access to interest free loans. This form of saving is not accumulative – members do not make net gains in cash terms. Instead, they gain security for their money, and impose self-discipline (since they cannot spend the money until their turn).

Merry-go-rounds operate for a variety of purposes. For instance, “there is a merry-go-round called ‘uniform’, where we contribute one thousand five hundred shillings and when it’s my turn, they buy me clothes and the balance, I save. They buy the material and we make the clothes. There is a merry-go-round called ‘Love’ where we contribute any amount so that we can all help each other at whatever time but all of us must contribute. The money helps in terms of medical bills or when any problem arises. If you didn’t contribute, you were fined heavily. With the transfer, I made sure I contributed heavily.”<sup>80</sup>

#### **4.1.10 Other spending**

There was of course a wide range of other spending types. The benefit of cash was that each household was able to respond to the needs of their particular situation. For example, a male HIV+ interviewee spent the transfer on anti-retrovirals and food, and was able to improve his weight and nutritional indicators significantly for the duration of the transfer. Once it had finished, however, his health deteriorated and he contracted TB. Other recipients with ill-health (of which there were many since the transfer targeted these individuals) were able to improve their food intake to assist with their illness, but the transfers were rarely enough to cover expensive health bills on their own.

### **Social relations**

There are two types of social relations relevant to this evaluation: relations between households and relations within households. Relations between households may be affected positively if transfers strengthen informal sharing or lending mechanisms, and negatively if targeting and payments lead to jealousy and tension between recipients and non-recipients. Similarly, relations within households may be strengthened if the transfer contributes to overall well-being by meeting household needs, and may be weakened if household members cannot decide how to spend the transfer money (since one individual receives the transfer).

This evaluation found that relations between recipients and non-recipients were not improved by the transfer. Non-recipients were upset not to have been selected, and felt that recipients would not share with them, but as set out below and in the conceptual framework, sharing mechanisms are not well developed in Korogocho. Relations within households, however, were found normally to have significantly improved as the extra cash reduced tension. Despite this overall positive assessment, some households reported tensions as husbands demanded a share of the transfer, sometimes violently.

#### **4.1.11 Relations between households**

The impact of targeting and payments on social relations was not evident from routine monitoring. It “remains a critical question,” about which previous research was very concerned, particularly if transfers were to disrupt existing sharing and cause further problems of conflict.<sup>81</sup> The situation in Korogocho before the transfer was not clearly one of great community harmony, with serious harm caused by the violence after the election, and a fairly widespread atmosphere of suspicion and insecurity. Households shared or lent goods, services, and sometimes money to households that they knew or were related to. This was because households were aware that fortunes fluctuate fairly randomly, so that assisting your neighbours is a good insurance mechanism – although one that carries the risk that this

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<sup>80</sup> Recipients, Korogocho A

<sup>81</sup> Wallace 2010: 18.

implicit insurance policy will never pay out. People learn which of their neighbours will repay loans. For example, "there are some that you help but when it comes time for them to repay you, it becomes a huge problem."<sup>82</sup>

Overall, the influence of the cash transfer on relations in practice between households in this context was fairly negligible, even if some recipients were insensitive and some non-recipients felt angry. For example: "There was no change in relations with recipients but when they are going to collect their money they always shout about it. We weren't jealous of them – we only blamed those in charge of writing the names. We didn't stop helping each other as a result of the transfer."<sup>83</sup>

Nevertheless, there was a variety of responses around sharing by recipients. Many recipients were extremely secretive about the money and did not share any of it. Non-recipients noted this, and tended to feel jealous and excluded: "People on the project just ignore you and don't help with their money."<sup>84</sup> "I just look at her but am very angry at heart."<sup>85</sup> Some non-recipients felt that recipients were becoming more wary of them: "I saw a difference as a neighbour because initially we used to sit together, talk and share what we have but when they got the money, they looked quite distant from me. That was a big change."<sup>86</sup> Other recipients were more generous, either through inclination or family circumstance.

Recipients found it easier to share food they had bought with the money than the money itself. Partly, respondents claimed that this was because many husbands were unwilling to have the money shared, and it was easier to share food. Largely, however, it is socially easier not to share cash than not to lend food: "We kept quiet and used it for our own use, but I cannot eat when my neighbour is going hungry. I shared food with them."<sup>87</sup>

#### **4.1.12 Relations within households**

Generally, relations within households seem to have improved, but it should be noted that each household is in a unique situation. Relations improved because the needs of more individuals in the household could be met. Marriage is fluid in urban informal settlements, with men and women coming together and separating easily.<sup>88</sup> Men typically find it much easier to leave families while women have fewer options. Women, moreover, have primary responsibility for bringing up their children, while men contribute as they can. As 86% of recipients were women, this meant that in most recipient households children's needs were met first, and others' were met subsequently if needed, but everyone's lives were made easier.<sup>89</sup> Indeed, in many cases the recipients were single women, so the issue of shared decision-making did not arise.

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<sup>82</sup> Non-recipients, Grogon B

<sup>83</sup> Non-recipients, Grogon B

<sup>84</sup> Non-recipients, Korogocho A.

<sup>85</sup> Non-recipients, Kisumu Ndogo.

<sup>86</sup> Non-recipients, Korogocho A

<sup>87</sup> Recipients, High Ridge

<sup>88</sup> Wallace 2010: 25.

<sup>89</sup> Wallace 2010: 41 also reported this finding, while noting concern about potential impacts on violence.

## ***Evaluation of Concern Kenya's Korogocho emergency and food security cash transfer initiative***

Receiving the transfer may make these women more attractive to absent or potential husbands, but the evaluation did not find substantial evidence that men were engaging in more polygamy as a result of the transfer.<sup>90</sup> Women felt that men “want women who have money, ‘sugar mummies’, a woman with a good job so that she can take good care of him.”<sup>91</sup> Generally, women who had chosen to be single were able to resist this. In other cases, however, husbands were able to return home. For example, men who had previously left their wives and gone to rural areas “sweet-talked [them] for the first month until the women allowed them to come back...and before the project came to an end, the women were sweet-talked again into going to their rural homes. They never came back up to now.”<sup>92</sup> Several households reported that some of the transfer had gone to recipients’ relatives in rural areas.

The examples that follow concern relations between women recipients and their (present) husbands.

Most recipients were clear that during the transfer both husbands and children were happier because of food. For example: “there was peace...love increased...children were now happier because they were assured of meals in the evening...[our husbands] were not asking for a share because they knew the money was used well.”<sup>93</sup> More specifically, husbands’ “stomachs are full so they don’t argue.”<sup>94</sup> “There was happiness because now you can get food, and so of course love increased because people were full.”<sup>95</sup>

Very often, women recipients felt that the best strategy was to hide the transfer from their husbands or boyfriends. As these women from Kisumu Ndogo reported: “It’s not a must to tell them. There are those if they know you are getting it, they will stop giving you money for food. Some of us hid the food under the bed and took them out when they were not seeing.” Some strategies were quite advanced: “there was one that got the money and I kept it for her and she pretended to go to the loo (toilet) but she was getting the money. After all this, she saved and bought herself a sewing machine.”<sup>96</sup> Had the husband found out she was receiving money, he would have stopped providing for her.

In some cases, secrecy was not possible and men used the transfer for their own purposes. For instance: “he told me his father back in the rural areas had gotten sick and he had to go take care of him and with this money. I couldn’t have made anything a secret, he had to know. The men we have in our lives, the minute they get to know that we have money, they start behaving weirdly.”<sup>97</sup>

In some cases where the man knew about the transfer (for instance because he was a recipient), couples were able to agree a division. For example, an elderly couple looking after 10 orphans would split the money. The wife took the majority for food and for her chips business, and the husband was allocated Ksh100-200 to spend. The wife’s business would then sustain the household, and would provide the husband with a small ‘salary’ of Ksh10-

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<sup>90</sup> Wallace 2010 notes that polygamy was not considered sufficiently during targeting.

<sup>91</sup> Recipients, Githathuru.

<sup>92</sup> Recipients, Korogocho A.

<sup>93</sup> Recipients, Grogon B

<sup>94</sup> Non-recipients, Korogocho B.

<sup>95</sup> Non-recipients, Korogocho A

<sup>96</sup> Recipients, Korogocho A

<sup>97</sup> Recipients, Korogocho B.

20/day to spend on what he wanted (usually alcohol), in exchange for peeling potatoes. This division maintained harmony in what might otherwise have been a stressful situation.

However, there were exceptions to this broadly positive assessment. For example: "There are those that made things work together because they had the money but there are others who after getting the money stopped borrowing from their husbands and this really irritated them and they started fighting."<sup>98</sup> In some cases, not being selected was a cause for violence: "one beat his wife because she was not in the group. He chased her away. He was wondering why other women got the money and she didn't."<sup>99</sup>

#### **4.1.13 Evaluating negative consequences**

Negative effects on social relations are very difficult to weight. One approach to development that says 'do no harm' would suggest reconsidering the initiative on the basis that it can have a negative impact on this critically important aspect of people's lives. However, it could be argued that the initiative probably never introduced these tensions, but 'merely' exacerbated them in some cases. For instance, in households where the husband and wife argued, the initiative was another reason to argue. In the absence of the initiative, the lack of food could have served as an excuse. In some villages where relationships were already tense, the initiative's targeting was seen as an exacerbation of tribal problems. However, compared to the violence after the election, the role of the initiative in these tensions was without doubt minimal.

### **Vulnerability and long-term benefits**

Vulnerability describes the propensity of households and individuals to fall into poverty. It reflects the risks to which households are exposed, and the methods they have to address those risks. In Korogocho, these methods include the negative coping strategies and savings detailed above, and other social forms of insurance, and the development of capital. Cash transfers may contribute to these methods, and a key objective of the transfer was to contribute to reducing vulnerability in the short- and long-term. A second aim of the transfer was to have lasting impacts on recipients' well-being, not only through decreasing vulnerability but also any lasting change. This section briefly analyses these objectives.

The analysis above suggests that the households who were most in need of the money were those that were least likely to see long-term benefits. This was because they spent the majority of their transfer on meeting their immediate food needs, leaving little for business investment or savings. When the transfer ended, the well-being of this group probably returned to its pre-transfer level (although price declines may have assisted them). This is similarly true of their vulnerability – since they have not accumulated significant assets or saving. The exception to this is when children have remained in school, which should have lasting benefits (although not ones evident within a year).

Households with slightly higher incomes (though still poor by many standards) were able to invest and save a higher proportion and are more likely to experience lasting impacts and have sustained improvements in their methods to cope with vulnerability.

As a measure of the extent to which impacts of the transfer persisted (or did not persist) since the transfer stopped, quantitative respondents were asked to rate their families well-

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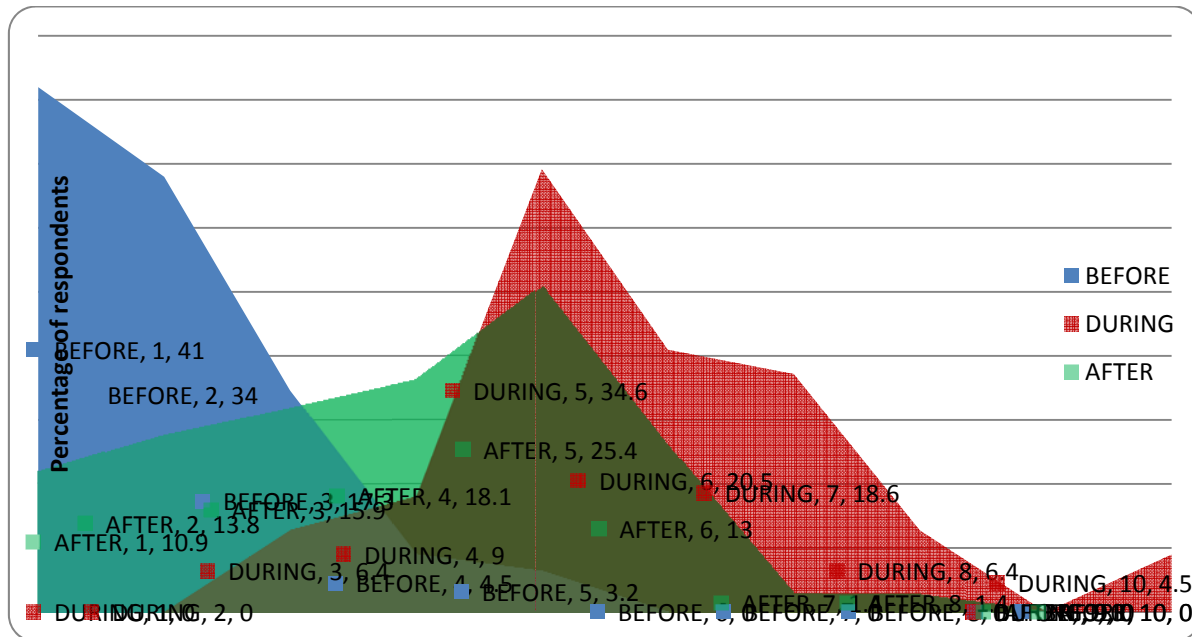
<sup>98</sup> Recipients, High Ridge

<sup>99</sup> Recipients, Kisumu Ndogo

**Evaluation of Concern Kenya's Korogocho emergency and food security cash transfer initiative**

being on a scale from 1 to 10 before they began to receive cash, during the transfer and since the money had stopped. As can be seen from Figure 4.10, most respondents rated their well-being before the transfer very low, during the transfer conditions improved substantially and then receded somewhat post-transfer.

**Figure 4.10 Well-being scores of respondents before, during and after cash transfer initiative.**



Source: Korogocho cash transfer evaluation quantitative endline, October 2010. Respondents were asked to rank household well-being on a scale of 1 (very poor) to 10 (very good). (N=156 before, during, N=138 after<sup>100</sup>)

In keeping with the qualitative results, two distinct groups emerged; those who reported improved well-being post transfer compared to before the transfer (those who accumulated) and those whose well-being largely returned to pre-transfer levels once the cash stopped arriving. Forty-two percent of respondents reported a well-being change of -1 to 1 pre-post transfer (this represents essentially no change in well-being). The remaining 58% reported at least a 2 point increase in well-being post transfer. This variety of impact is reflected graphically in the width of the 'after' bar, compared with the 'before'. There was no significant difference in household size or gender of household head for those that reported a positive change in well-being compared with those who did not.

Reflecting qualitative findings, positive changes in well-being scores were significantly associated with investment of the transfer and ability to save some amount of cash during the transfer ( $X^2=14.217$   $p<0.001$ ,  $X^2=5.408$ ,  $p=0.02$ , respectively). Thus, respondents who were able to save some amount during the transfer were more likely to report a positive change in their well-being post transfer. The same was true of those who invested some of the transfer money in a business.

MPESA agents interviewed for the qualitative research indicated that the transfer had a small temporary positive impact on their businesses. However, this was not sustained or

<sup>100</sup> Of the interviewed households 18 were still receiving the cash transfer and therefore were not asked to rank well-being post-transfer.

particularly significant relative to their normal turnover. Shopkeepers were unable to detect significant improvements in their business. This is unsurprising given the large population and number of shops – meaning that economics impacts were very dissipated.

## Family sizes and the transfer

The importance of family size for transfer per person can be seen in Table 4.2, adapted from the evaluation of the post-election violence recovery (PEVR) cash transfer initiative.<sup>101</sup> The second column indicates the average monthly transfer per person for a programme that gave recipients a per person transfer intended to cover 50% of their calorific needs – between around Ksh 550 and 600 per month, depending on market prices. The third column gives the per person monthly transfer from the Korogocho cash transfer (KCT) initiative. This varies between Ksh 1500 for a family of 1, to Ksh 150 for a family of 10 (and less for larger households). This indicates the vast difference in per person entitlement that a single value transfer creates.

This difference in per person amounts is exacerbated by the design of the Korogocho cash transfer initiative's targeting mechanism, which sets a criterion of Ksh 50 per household (not individual). The per person income equivalent for households of different sizes is given in the last column, ranging from Ksh 50 for a family of 1, to Ksh 5 for a family of 10.

Together, this means that a large household must be considerably poorer to receive the transfer, and the transfer is worth considerably less as a proportion of the household needs.

**Table 4.2 Per person transfers for different household sizes, PEVR programme and KCT**

Household size	Monthly transfer per person (Ksh)		KCT value as % of PEVR	Per person income to qualify for KCT (Ksh)
	PEVR (50% calorific requirements)	KCT (fixed 1500/month transfer)		
1	572	1500	262%	50.0
2	582	750	129%	25.0
3	592	500	84%	16.7
4	600	375	62%	12.5
5	586	300	51%	10.0
6	583	250	43%	8.3
7	577	214	37%	7.1
8	573	188	33%	6.3
9	555	167	30%	5.6
10	544	150	28%	5.0

Source: adapted from MacAuslan 2010.

The qualitative findings support this theory fairly clearly, with larger households experiencing less sustainable impact as they used up the transfer on immediate needs. This picture does not emerge so clearly from the quantitative results that find two main groups of recipients – one with high business investment and sustained impact, and one with low investment and

<sup>101</sup> MacAuslan 2010

***Evaluation of Concern Kenya's Korogocho emergency and food security cash transfer initiative***

little sustained impact. The quantitative results show that these groups do not differ by household size.

As set out above (see Figure 4.3), one interpretation of this is that the group with low impact contains two sub-groups. One sub-group has large families and the other sub-group has small families that are very poor. The group with high impact is wealthier and has a less diverse group of households in terms of family size.

## 5 Operations

### Targeting

Overall, targeting went well, showing an improvement from the PEVR programme, and given that targeting in Korogocho is difficult. Although precise estimates of errors are not available from the qualitative fieldwork, a high proportion of the recipients appeared in significant need of the transfer. However, there were problems with the design and implementation of the targeting system that generated some inclusion and significant exclusion errors.<sup>102</sup>

Targeting in Korogocho is not an easy task. Korogocho has a large, dense population with high rates of poverty. There is a high turnover of people, and their situations are very different and subject to rapid change. Unlike in smaller, more homogenous communities common in rural areas, people do not know each other. Techniques commonly used in rural targeting, such as community validations or house-to-house targeting, are therefore harder to implement.

The evaluation of the PEVR programme recommended greater oversight and tighter geographical targeting. It concluded that “a house-to-house approach seems crucial to capture the poorest, and community leaders could be involved in a supervised validation stage.”<sup>103</sup>

Targeting of the Korogocho cash transfer initiative partly followed this advice, and targeting design was an improvement on the PEVR programme. Specifically, community involvement in setting criteria, the use of targeting teams, the deployment of a house-to-house approach, and the use of cross-team validation.

Targeting quality is judged by inclusion and exclusion error. Good targeting minimises these errors in design and in implementation:

- **Design:** the operational targeting criteria set identify those the programme is trying to target.
- **Implementation:** the people selected meet the operational targeting criteria.<sup>104</sup>

A qualitative assessment does not permit the quantification of targeting error.<sup>105</sup> This section sets out indications of targeting quality, drawing on perceptions of recipients, non-recipients, initiative staff and researchers. The reflections above on the targeting system indicate potential sources of inclusion and exclusion error in both design and implementation.

The majority of recipient households both were struggling to obtain enough food and fell into some category of vulnerability. Some non-recipients and many recipients noted the accuracy of targeting. For instance: “We have problems but there are others who have

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<sup>102</sup> This is in some contrast to Concern’s expectations, as reported in interviews and Wallace 2010: 13.

<sup>103</sup> MacAuslan 2010: 52.

<sup>104</sup> See Hurrell 2009

<sup>105</sup> And the quantitative survey was not intended to assess this.

bigger problems than us. Like me there is no work I cannot do. Some are sick, with children to feed and they are unable to work."<sup>106</sup>

There appeared no significant problems to the extent that entire tribes were excluded in any area. Although the tribal composition of the recipients varied across villages, this largely reflected different concentrations of tribal groups in different villages rather than significant tribally based targeting.<sup>107</sup> 86% of recipients were female. This partly reflects a large number of single mothers but perhaps also a perception that women would use the transfer more wisely.<sup>108</sup> In addition, it may reflect a perception amongst potential recipients that the initiative was seeking to identify single mothers, and therefore portraying themselves as so.

### **5.1.1 Design errors**

'Design errors' seem relatively small. The targeting criteria were largely appropriate to identify the intended recipients. This is not surprising since the criteria were selected by community leaders and members. Most respondents described poverty in terms of either the ability to obtain enough food to eat for the household, or categories of vulnerability (particularly sickness) in conjunction with income. This tallied well with the criteria selected.

Despite the improvement on the PEVR programme, some sources of design error remained. These concern: the coverage rate, the criteria used, the reliance on observation to identify vulnerability, the lack of retargeting, and the requirement for an identity card.

Exclusion errors derived from the low coverage rate. An initial plan to restrict the initiative to small areas within Korogocho was not followed. This was because community leaders felt it would be inappropriate and unfair. Focus group respondents agreed that poverty was not concentrated geographically.<sup>109</sup> Covering the entire area but targeting the same number of recipients (intended to be 2,400) meant, however, that the coverage rate was an estimated 7% of households and 38% of the extreme poor.<sup>110</sup> This could be compared with the 19% in the poorest class identified in Alkema et al 2009 (see section 0). Such a low coverage rate made exclusion errors likely, even with perfect implementation,<sup>111</sup> but these errors are exacerbated by inclusion errors.

The criteria chosen were difficult to implement. For example, it would have been extremely difficult to implement targeting based on the income criterion. The Ksh 50 per day per household criterion was inappropriate because larger households had to have lower per capita incomes to qualify (see Table 4.2). A brief perusal of the registration data shows that most households did not meet this income criterion. Households in Korogocho are extremely unlikely to respond honestly to questions about income, and are very accustomed to manipulating surveys. The use by targeting staff of alternative criteria may therefore have been sensible. Moreover, there was no indication of how to prioritise the categorical criteria

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<sup>106</sup> Non-recipients, Githathuru

<sup>107</sup> See Wallace 2010: 18.

<sup>108</sup> See also Wallace 2010: 11, Devereux et al 2006, 2007.

<sup>109</sup> There was some confusion amongst Concern staff as to whether targeting was limited geographically, but targeting teams confirmed that it was not.

<sup>110</sup> Based on a target of 2000 households, a population of 140,000, and an extreme poverty rate of 19%. See Joint Proposal.

<sup>111</sup> Exclusion errors describe eligible households not being registered.

## ***Evaluation of Concern Kenya's Korogocho emergency and food security cash transfer initiative***

(orphanhood, age, disability, etc.). Targeting staff were therefore compelled to use their own judgement during selection.

The process of communicating the criteria involved community leaders in the generation of targeting criteria and in a validation process. However, despite participating in these workshops, targeting staff still appeared unclear about what the criteria were (or at least differed from Concern's understanding). In practice, targeting staff used a variety of criteria. Some registered any household eating only one meal a day, others all older persons, others any households with orphans, and still others made their own subjective judgements about the state of the household.

The reliance on observation to implement the targeting criteria was problematic because observed wealth may not be a good proxy for poverty, unless accurately calculated. Some respondents (including most targeting staff and many recipients) felt that it is possible to assess the need of a household by observing their home. For example: "When you get to that persons' house, there won't be a bed and maybe he sleeps on the floor, his clothes will be different and when you even look at the skin colour of the children, they won't be in good healthy condition. There will not be any seats or tables. Even the house that he lives in won't be in a good condition and that's when you'll know that this person is poor."<sup>112</sup> Other respondents, particularly non-recipients, felt that this could be misleading. They argue that household goods may reflect inherited assets rather than current earnings, and the value of the assets may be low. For example: "A person may be walking and he is needy. It all depends on how you judge them. Some may dress smartly, have television sets in their house but they cannot eat this television. One cannot sell items from the house to use this money for food."<sup>113</sup> The difficulty of obtaining accurate information on income and the risk of subjectivity and overall difficulty with observing wealth may indicate the value of a better-defined objective approach to targeting based on clear, observable and measurable household characteristics, such as a proxy means test approach.<sup>114</sup>

Note that according to most respondents, not all categories of vulnerability indicate poverty, but only those that affect the balance between earning and spending. For example, the following household types indicate poverty: those with debilitating sickness, disability, and large families (including having many orphans) and few earners. This is because their needs are great and incomes low. Many respondents felt, by contrast, that older persons, single mothers, and people with HIV may not be the poorest if they have incomes, wealth, or people supporting them. This supports the initiative's use of a combination of income, support and categorical criteria.

As noted above, urban areas change very fast. Respondents emphasised that households and individuals move very quickly in and out of poverty, due to death, illness, loss of livelihood, and lack of savings. This has two consequences of relevance here. First, it is difficult to tell who is poor, as discussed above. Second, households who are not poor (and not eligible) during targeting may rapidly become poor (and eligible), even during the lifetime of a small initiative. Since retargeting is costly, initiatives have usually to accept this 'dynamic exclusion error'.<sup>115</sup> This can lead, however, to legitimate complaints and hazardous

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<sup>112</sup> Recipients, Korogocho B.

<sup>113</sup> Non-recipients, Githathuru

<sup>114</sup> See e.g. Chen et al 2008. Note that this has other difficulties that need exploring.

<sup>115</sup> And less commonly inclusion error, for households that gain income.

exclusions. In a longer term intervention, it is therefore important to give thought to a targeting mechanism that can be implemented on a regular basis.

The other errors inherent in the design, of which Concern staff are aware, are the exclusion of people without identity cards and the exclusion of people not living in households. Respondents in Korogocho also noted this. People who lack identify cards are often exactly within the initiative's target group. This includes child-headed households, those with old identity cards (including the very elderly), and those without identity cards (who may not have benefitted from any programmes). Not all of these households were able to obtain replacement or up to date cards (and certainly not the children). However, some were able to, and they received their payments when they could obtain an identity card. Those not living in households are often very poor, but are also extremely difficult to reach with a cash transfer initiative.<sup>116</sup>

### **5.1.2 Implementation errors**

The use of nine virtually independent targeting teams made up of three individuals allowed for a range of the quality of implementation of targeting. Many targeting staff appeared to select recipients impartially and honestly, based on their perception of need. However, the low level of supervision permitted deviations from the design and other staff did not perform so well.

Overall, the exclusion errors were driven more by the low numbers of transfers available than by significant problems in implementation. This represents a significant improvement from the PEVR programme.

Inclusion errors and exclusion errors remained. A reasonable proportion of recipients did not satisfy many of the criteria. Of this proportion, it was probably more common to satisfy the categorical criteria only. Inclusion errors were driven by staff bias and mistakes and respondents who were misleading or who made mistakes. More mild examples of staff error include using a subjective assessment of the criteria that include poor households but not households with incomes under Ksh 50 per day. Several in-depth interviewees (around 50% of a small sample) were very clear that their incomes were substantially higher than Ksh 50 at the time of targeting. One, a 70 year old widow caring for six orphans (mentioned previously), earned between Ksh 200 per day and Ksh 800 per day brewing *chang'aa* illegally, depending on the amount of police bribes she needed to pay. This lady provides a good example of the difficulty of using subjective criteria. Her income was substantial, but she met many categorical characteristics, and lived in very poor conditions, and anyone examining her situation visually and learning of her family size would have registered her. The size of her income, however, meant that the transfer of Ksh 1,500 per month was merely a small amount for her.

Some targeting staff, however, were less than impartial. Targeting staff did not travel together, but split into individual groups, which meant that they were able to exercise considerable individual discretion in selection. This was exacerbated by the lack of oversight and the role of subjectivity inherent in the targeting criteria meant that they tended to select based on networks and obligations. These networks included tribe, family, friendship,

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<sup>116</sup> Concern recognise this, and operate on an assumption that they are assisted by churches, mosques, other faith-based organisations and community-based organisations, with whom Concern tried to create links.

religious affiliation and political affiliation.<sup>117</sup> Many recipients felt that it is “the normal thing” to prioritise friends and relatives in targeting,<sup>118</sup> and many recipients reported knowing the targeting staff. Village elders were most prone to this, and were more involved than had been planned, travelling with the teams and sometimes operating independently. RGC also announced targeting in church meetings, thereby privileging its members.<sup>119</sup> A negative example is given in Box 5.3.

Respondents being misleading takes various forms, and includes collusion with targeting staff. The most concerning reports are of recipients who, informed by staff, travel to Korogocho to register, pretending to occupy a house. It is difficult to assess the extent of this, but several respondents in different groups and interviews noted this.

Moreover, exclusion errors were significant and driven by a range of factors. First, it is very clear from interviews that the targeting teams did not travel together and did not go house-to-house, but were directed to houses by ‘knowledgeable’ individuals. This meant that the teams (or individuals within them) simply did not visit many households and did not make any assessment of their eligibility. Households likely to have been missed out were those with fewer connections, new arrivals, and those in areas with less effective community elders or health workers. This problem was exacerbated by the size of the area and the impossibility of going to each house in the short time-frame.

Second, some households missed targeting because they were not informed about targeting, were absent when the teams visited, and they felt they had inadequate opportunities to follow up. This is concerning because many poor (eligible) households have members who look for employment or who are working on the dumpsite during the day. Although some targeting individuals returned to households and areas on different days and even at night, it seems that this did not occur in all villages. Some non-recipients were clear that this, not anything more sinister, was the reason for their exclusion. For example: “I wouldn’t say there was tribalism because when people were being registered, I was not in and that’s why I was not registered.”<sup>120</sup> Third, other households avoided registration because they were suspicious about the provenance of the money. This was largely because the targeting was conducted by – and therefore associated with – RGC, an evangelical Christian church. Some (though by no means all) Muslim groups had heard a rumour that this was tainted money and that recipients would be somehow selling their children or religion by participating.

Fourth, this specific problem was exacerbated by a general problem of poor communication about the aims and objectives of the registration. It was not clear to many individuals what the registration was for. In part, this can be an effective strategy by targeting staff to prevent households from manipulating the targeting process. However, uptake may have been higher if more people had known about the cash transfer.

Finally, Concern staff were not alert to the potential for large exclusion error. This was because they believed that targeting staff were simply unable to find any more households who met the targeting criteria.<sup>121</sup> This was not confirmed by interviews with targeting staff,

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<sup>117</sup> This is not to suggest that entire tribes were excluded (as noted above), but that some targeting staff might prioritise their own tribes unfairly.

<sup>118</sup> Non-recipients, Korogocho B

<sup>119</sup> Although this is not to say that the majority of those selected were RGC attendees: they were not.

<sup>120</sup> Non-recipients, Kisumu Ndogo.

<sup>121</sup> As stated in interviews with several Concern staff.

most of whom reported regret at having to leave out so many deserving households. This communication problem contributed to some unnecessary exclusion, since a limited budget was available to register (a few) more households.

### **Box 5.3 Staff manipulation of targeting**

Inclusion and exclusion were driven by staff manipulation. This did not happen with every targeting staff member. At worst, however, the manipulation by staff involved political influence, tribalism, personal networks, and bribery. Here is a particularly concerning account:

“We followed [the people moving] and we got to know what its purpose was. We went to the village elder’s office. When we arrived, they told us they were not picking people at that time, but at two o’clock. It was ten o’clock by then. At two o’clock, they asked us what tribe we were from. I said a Luia and he told me to go to Sarah. There were PNU and ODM offices, and the village elder was in the PNU group and Sarah was in the ODM. The third person who I don’t remember was also in Sarah’s group. The first day they told us to go and come back again the next day. In the afternoon they said the number they had gotten was enough. The second day I went with some Kikuyu we used to live with. The village elder called them and told them they needed not suffer any more. They were called aside and we were sure of being picked because we were together. We tried again and they chased us away. The two Kikuyus who were sisters, one had a husband and the other one a widow came back later and they were picked but we were left out. When I questioned why they said your hand helped you to get picked. I didn’t know what she was talking about but she meant that if you had two hundred shillings, you would be lucky. During that time my child and I were sleeping hungry most of the days. I thought of where I would get the two hundred shillings and yet I had not paid my house rent for three months. After some time they came back and chose more people. We didn’t give up but followed them where they went. They chased us away again. They picked those that were there and left. We asked them to write our name on debt and we would pay them in small amounts later. They asked us who told us they were taking bribes. My neighbours were the ones who told us about it and we were very sure they took money. They refused completely and I went back home. They called a meeting and the area chief asked people to name those who were taking bribes. There was an old man who was ready to name them, but because the majority of those present were getting this money he was unable to say them. That is what we went through.”

## **Payment**

The payment system received an overwhelmingly positive response. In contrast to targeting, payment systems are rather easier to implement in urban areas with developed infrastructure.<sup>122</sup> The PEVR programme evaluation report noted that the MPESA payment system worked well except where recipients gave a wrong number in registration and where recipients nominated someone to collect the transfer on their behalf. It recommended that all recipients have a “registered simcard and/or phone prior to starting payments.”<sup>123</sup> The PEVR programme transfer varied by household size and monthly prices, and the evaluation also recommended greater clarity to recipients on how much they were receiving, so they would know whether they were being defrauded.

<sup>122</sup> See e.g. Barca et al 2010

<sup>123</sup> MacAuslan 2010: 53

## ***Evaluation of Concern Kenya's Korogocho emergency and food security cash transfer initiative***

The Korogocho cash transfer payment system dealt with these problems. Following an intervention by the government, the transfer value was brought into line with other government cash transfers – an invariant transfer of Ksh1,500/household/month. This led to very different impacts for households of different sizes (as discussed above), but had the advantage that recipients knew exactly what they were getting each month. In the few reports of people being cheated, they were immediately aware of this because they knew their entitlements. For example: “There was this time that I went to get my money, I was told by the MPESA agent that I had not been sent a message yet to collect the money but he had already received the message only that he was lying and asked me to go home. When I went and came back again, he told me the same lie which I didn't believe but when I told him that I was going to consult with customer care and would come with the police to check if the money had been transferred or not, he called me saying that money had been transferred to my Simcard and he then gave me the money and I never went back there again.”<sup>124</sup>

MPESA was the preferred distribution method of all recipients. As found in the PEVR programme evaluation, the secrecy of MPESA reduced the probabilities of being mugged after withdrawing the money and removed the influence of distributors. Secrecy was particularly important given the insecurity of Korogocho. In other programmes that made distributions through the chief's camp, powerful people were able to control distributions, and violent people waited outside.

Focus group participants asked whether they preferred food or cash unanimously preferred cash. This was for three main reasons. First, respondents faced a variety of problems and cash allowed them to address the most pressing. Second, cash allowed recipients to start their own business. Third, cash allowed recipients to buy their preferred food type.

The distribution of simcards meant that the chances of fraud were dramatically reduced. None was detected by the evaluation.

While not all recipients had handsets, those without were able to borrow from friends, relatives, and in some cases, MPESA agents. This can potentially lead to fraud. For instance, “for the old people who don't know how to operate a phone and they don't get genuine help...the agents or the people who help them can easily steal from them without their knowledge.”<sup>125</sup>

Recipients reported no additional costs to them of collecting the transfer, and were able to collect in the course of their normal activities.

As in the PEVR programme, bed-ridden recipients were unable to collect their own transfers. This meant they were reliant on their carers. The PEVR programme evaluation noted that individuals in full-time care might need other types of support. The carers interviewed in the present evaluation indicated the usefulness of the cash transfer, although it was not sufficient to pay for significant medical fees. The evaluation found no cases where carers diverted the money inappropriately.

Overall, however, problems were minimal, and any substantial difficulties such as loss of cards or the money not being transferred were swiftly dealt with through RGC/Concern or Safaricom staff. In these cases, recipients were reimbursed for the transfers they had missed.

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<sup>124</sup> Recipients, Kisumu Ndogo.

<sup>125</sup> Recipients, Gitathuru

## **Communications**

Communication is important in both directions between the Concern/RGC on one hand and recipients and non-recipients on the other. Since the payment system worked very well, recipients typically had little to communicate about with the Concern/RGC staff. As noted above, where they did need to communicate about payments, this was usually resolved by Safaricom customer service.

Non-recipients that wanted to communicate with the initiative about their exclusion from targeting were generally rebuffed with the argument that they should wait until next time. They were typically too nervous to pursue their complaint further, fearing that they would be forever removed from targeting lists. This fear is perhaps reasonably well-founded because the same individuals (such as the village elders) are involved in targeting several other programmes.

Other complaints mechanisms (such as telephone numbers to call) were very rarely used – and then only by well connected individuals.<sup>126</sup> The recommendation in the PEVR programme evaluation for “an alternative complaints mechanism” was not implemented.

Communication with recipients and non-recipients in various ways. First, during targeting, where, as noted some non-recipients felt that they were provided with inadequate information about the initiative. Second, during and after registration recipients were told that the cash was designed to be spent on food, and for two months RGC required recipients to provide receipts to prove that they were spending on food. After intervention from Concern, this restriction was lifted, and most respondents were aware of this change – and reported changing their behaviour as a result.<sup>127</sup> Third, social workers were responsible for following up in recipient households to discover what they were spending on, and to inform them about the transfer dates – important for recipients without handsets. While RGC submitted reports to Concern detailing spending patterns, not all recipients reported that staff had been to visit them. More usually, they discovered about the transfer through their friends and neighbours. Towards the end of the transfer, the 15<sup>th</sup> of each month became known as ‘Mama’s salary’, and this reminder was less necessary.

There is an example of poor communications imposing costs on individuals. Several individuals expected Concern to deliver livelihoods grants at the end of the initiative, following training and preparation. Some are making investments, such as renting retail space, pending their expected grant. While this programme is in preparation, it has been delayed. The delay has increased the costs sunk by expectant recipients.

## **Efficiency**

The efficiency of the initiative describes the relationship between inputs and outputs. It was beyond the scope of this evaluation to conduct a review of costs or other inputs. However, some observations about efficiency can be made.

First, the use of the MPESA transfer system meant that Concern were able to make transfers with low recurrent costs (such as staff to distribute the cash) and were charged only the Ksh25 per transfer for withdrawal fees and Ksh 30 per transfer for sending the money.

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<sup>126</sup> One example was a member of staff from a local research organisation calling Concern to complain about targeting

<sup>127</sup> See also Wallace 2010: 15.

***Evaluation of Concern Kenya's Korogocho emergency and food security cash transfer initiative***

Second, the reliance on local individuals for targeting and communications lowered costs compared to undertaking a house-to-house census with external enumerators. However, this may have contributed to inclusion and exclusion errors, as noted above. Moreover, the use of unpaid volunteers does not appear sustainable or likely to lead to high quality implementation in a scaled up programme.

Third, transfers started in November 2009, while the first idea for an emergency programme was conceived almost a year before this. The delays to this process are beyond the scope of this study, but it was apparent from price data that the urgency of the transfer had somewhat receded by the time it was started.

Fourth, the initiative invested time and money in monitoring food prices monthly,<sup>128</sup> but since the transfer value was invariant to price this was probably not efficient. In a report assessing the relationship between cash transfers and women's empowerment, Wallace (2010: 16) had queried whether this price monitoring was necessary, or should have been replaced by a greater focus on the meanings of and changes caused by cash transfers, particularly for women.

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<sup>128</sup> Wallace 2010: 8.

## **6 Conclusions and recommendations**

### **Overall conclusions**

The Korogocho cash transfer initiative has been a success. It should be built upon as part of a wider long-term government-led system of social protection in urban areas, which is important and necessary. It has also shown that cash transfers through M-PESA are likely to work effectively in urban emergency settings.

However, the current initiative is mislabelled as an emergency initiative. Arguably by the time the initiative began, and certainly by its end, Korogocho was not in an emergency. Rather, it was an area of chronic poverty. This move from emergency to chronic poverty was driven independently of the transfer by reductions in maize prices of almost 50% during the transfer period. In turn, this meant that many recipients were able to spend more of the transfer on investment, rather than food alone.

The transfer had a positive impact on the majority of recipients, although recipients were extremely diverse in their characteristics. They were able to buy more food, to eat more, and to consume a wider variety of food items. The transfer also assisted with paying school fees, with businesses, with rent, and with savings in merry-go-rounds. Recipients were able to reduce their use of negative coping strategies. 86% of transfers went to women, and for the most part, relations within households improved as the stress of not covering needs reduced. Relations between households were not significantly affected.

The payment system worked very well. Targeting was improved from the PEVR programme, and performed well given the difficulty of targeting in Korogocho. However, there was still inclusion and significant exclusion error. These were driven by the low coverage rate, by lack of clarity and objectivity on the targeting criteria, and by the lack of supervision in the process that allowed some (but not all) targeting staff to exercise more personal discretion in selection than was appropriate. This led to some resentment from non-recipients.

As a result of the discretion in the targeting process, three broad groups of recipients emerged. Each group experienced a different impact.

- Households who met the income targeting criterion and had large families or who were bed-ridden spent most of the transfer on immediate food and school needs, which were not covered by the invariant Ksh 1,500 per household. For these households, there was almost no lasting impact as they were not able to invest. When the transfer ended, the well-being of these households returned to pre-transfer levels.
- Households who met the income targeting criterion but had small families were able to save and invest some of the transfer. This generated a sustainable impact, if the returns to their investment were positive. This was most often the case for households that were able to add to their existing business, which was easiest in trading with durable stock.
- A smaller group of households who did not meet the targeting criteria but were selected as a result of their connections with those involved in targeting. These households were able to save and invest a large proportion of their transfer, and experienced lasting impact. Paradoxically, bad targeting led to more lasting impact.

Although recipient consumption increased, the principal objective (see section 0) of ensuring that all recipients have enough food was not met. This was largely because the payment amount was changed from a per person entitlement to a per household entitlement. In

addition, recipients spent on other needs, such as school costs and rent, which reduced the spending on food.

The impact findings indicate that continued cash transfers are still needed for particularly vulnerable households – households with low incomes and no other support, and with large families. This is because once the transfer ended, many of these households returned to or towards their initial state of low food consumption, poor dietary diversity, and high use of negative coping strategies. These all have long-term negative consequences that will reduce their productivity and increase the burden on the state and non-government actors in the future. Responding to their needs now with a cash transfer will reduce the burden on public policy and state finances in future.

For households who can invest in business, a regular cash transfer may not be the most appropriate form of support, given that the emergency context had receded. Instead, these families could be provided with a combination of grants and loans to improve their businesses. This was recommended by many such recipients and non-recipients in qualitative interviews and groups. This would increase the potential for sustainable impact, and reduce the need for future social protection.

The recommendations below therefore propose two types of programmes, moving forward. The first type caters to the households whose constraints to labour or high dependency means that they are unable to meet basic food and shelter needs. These households need longer-term regular support. The second type caters to households who can invest and make sustainable improvements in their businesses.

Targeting is extremely difficult in the urban context of Korogocho. Concern responded to several suggestions from the PEVR programme evaluation, and targeting improved, but there were still problems in the targeting system and implementation. The low coverage rate, high population, unclear criteria and low level of supervision meant that targeting staff had to use their discretion. In part, this resulted from the speed of roll-out and the desire to register households before too much information spread. However, discretion inevitably led to some inclusion errors where some staff were more susceptible to using personal, political, tribal and religious networks. It also led to exclusion errors, since staff did not go house-to-house and missed many potentially eligible households who were not present during the visits of the targeting teams. Households without identity cards were also excluded.

The move from emergency to social protection programming is relevant for conclusions on the targeting system, particularly if the targeting process is to be applied to larger urban informal areas in Kenya. A social protection system would imply some form of retargeting as households move in and out of poverty and vulnerability. Using subjective or income criteria is likely to be susceptible to considerable manipulation. Respondents recommend using outsiders for targeting and going house-to-house, warning communities of the process and returning when people are not present during the initial visit. This is costly, particularly if done on a regular basis. Unless targeting criteria are well designed and targeting systems cleverly implemented, it also leaves room for manipulation by respondents who could either lie about their assets and income. If this social protection system had wider geographical coverage, the problem of non-residents claiming to live in Korogocho should reduce. The design of the targeting system needs to take into account these various design factors, and some recommendations are presented below.

The payment system through MPESA and simcard distribution worked very well. Fraud was low, and respondents valued the secrecy and subsequent security, and always ranked

MPESA as the best transfer system. This indicates that it should be replicated in future cash transfers in an urban context, if cost-effective.

The evaluation did not look at the cost of the M-PESA transfer system, but it seems likely to be relatively low compared to other transfer systems. Costs to recipients of collecting M-PESA transfers were zero (as transaction and withdrawal costs were covered by Concern), while direct and opportunity costs to recipients in other transfer mechanisms may be positive, as recipients have to travel and wait. The administrative costs of a scaled-up programme would largely reflect the commission, transaction charges, the number of recipients, and whether the programme needs to distribute simcards. In the case of government involvement, and especially given increasing competition in the mobile phone and mobile banking markets in Kenya, it seems possible that commissions and transaction charges could be negotiated, and the cost of providing simcards subsidised.

The transfer value involves trade-offs. The single value transfer (Ksh1,500 per month per household) was brought in to align the initiative with government systems. A fixed amount assisted with clarity and recipients were better able to address potential fraud (as compared with the variable PEVR programme transfer). It also reduced incentives to exaggerate family size during targeting. However, it led to very differential impact, as larger households were penalised. This dramatically reduced the impact on food security. Moreover, the potential for fraud was reduced, compared with the PEVR programme, because nominees were not used. The short duration of the transfer, and the fact that prices were reducing during it, meant that not linking to inflation did not penalise recipients. However, a longer-term transfer would need indexing to inflation, at least annually.

## **Recommendations**

These recommendations follow the conclusions, and are designed principally to assist with cash transfer programming in the current context in Korogocho. They are relevant to cash transfers in other urban informal settlements in Nairobi.

The current context is understood as one of chronic poverty, rather than of emergency. The design recommendations are intended to contribute to a long-term programme in a 'social protection' context. It is important, however, that programmers are able to differentiate between social protection and emergency settings. As noted above, Concern, Oxfam and others are involved in developing indicators appropriate to identify urban emergencies in time to respond. This work is clearly important and it is recommended that research on this continue, in close collaboration with the government.

The long-term social protection system outlined below could form the basis for an emergency response, which could use the existing systems and add an additional targeting process aimed at those considered to be suffering the most significantly from the emergency. If this included the existing recipients (which given the suggested vulnerability profile seems likely), their transfers could be increased to cope with the new situation. Emergency programming could be triggered by verifiable indicators such as the price of a minimum basket of essential foodstuffs, water, minimum rent and school fees. These prices could be regularly monitored at specific sentinel sites. These prices should be compared to a minimum income – from washing clothes, for instance and other support, such as the OVC cash transfer, for a given dependency ratio. While actual incomes in a family may change frequently, average minimum incomes are unlikely to change very rapidly and could be monitored every six months. Once the price of a minimum basket crossed a threshold of, for example, 150% of the minimum income, emergency programming could begin.

The main recommendations are on programme design:

- **Programme type:** Two sorts of programme should be designed.
  - A long-term cash transfer to households with high dependency ratios (e.g. large families, few earners) and low incomes. This is intended as a system of regular long-term social protection for households who would otherwise engage in negative coping strategies. This programme would ensure that individuals' productivity, education and health is maintained, reducing future burdens on the government and on these households. This programme would cover the first type of impact group identified in Section 4: low incomes and many dependents.

This transfer could be made to households headed by much older or bedridden persons, but it is possible that they may need further support through social care or social work. In these cases, social workers could assist recipients to spend the cash, but should be carefully monitored with receipt checking.

This programme would need regular retargeting reflecting the dynamic nature of households' circumstances.

This long-term cash transfer should be government-led and part of a wider government system including the OVC cash transfer. It should recognise, however, that the targeting of the OVC cash transfer on households with orphans is inadequate to cover vulnerability in urban areas. Households should not receive both forms of support – they should be ineligible for the proposed social protection programme if they receive the OVC cash transfers.

This programme could be combined with nutritional education to help to ensure that greater incomes for recipients lead to improved diets. Specifically, recipients should receive nutritional education at the start of the programme, and regular visits from staff to help them plan better diets. These staff would need to receive remuneration for this, and possibly performance rewards for households in their care whose nutritional status improved.

The programme could also be combined with existing attempts to retain children in school. For example, staff visiting recipient households containing children could obtain school attendance lists (if these are regularly completed) to ensure children are attending school and follow up where this does not occur.
  - A livelihoods grant made up of a mix of cash and loans, complemented with business training. This transfer could build on existing microfinance initiatives, and should be targeted at poor households but should be kept separate from the cash transfer.

Households should, however, be eligible to receive both the cash transfer and the livelihoods grant, in order to allow them to invest while meeting their essential needs without resorting to negative coping strategies. This combination proved effective in the PEVR programme and should enable households to graduate from the cash transfer (although this graduation would need careful management).

If feasible, the livelihoods grant programme could be combined with other livelihoods programmes operating in local areas. Failure rates of new small businesses can be high, but this need not imply failure by the entrepreneur, but a difficult business environment. Efforts to improve this environment might include skill development and market linkage programmes, ongoing financial

services support to ensure that new businesses have access to cheap capital, and better guarantees of ownership of trading land at small scale.

- **Payment:** MPESA should be used as a payment system in future cash transfers in urban informal settlements.
  - All recipients should be provided with simcards to which the transfer is made.
  - Providing handsets is recommended but not essential.
  - Recipients should be provided with training on MPESA before the transfers begin.
  - Information should be provided on laminated cards on the date of the transfer, the amount per person in the first year, and a number to call both the programme and Safaricom with complaints or queries.
  - Households without identity cards at the time of targeting should be given the opportunity to obtain them and register later.
  - Households unable to obtain identity cards (e.g. child-headed households) should not be ignored but be supported through programmes designed specifically for them.
- **Transfer amount:** The cash transfer should be a monthly, long-term entitlement per person in order to cover individual food needs, but the livelihoods grant should be per household.
  - Individual entitlements should be a rounded number – such as Ksh 500/month.
  - Individual entitlements should be indexed annually to inflation. However, changes should only be made in units of Ksh 50 (i.e. Ksh 550, Ksh 600, etc.). This means, for instance, that with a Ksh 500 transfer if inflation is less than 5% in year 1, the value should not be increased (because the new value would be less than Ksh 525). Recipients should be updated to changes.
  - The livelihoods grant should be a one off grant of a fixed amount – such as Ksh5000.
  - The livelihoods microfinance loan component could be varied with the business application.
- **Targeting:** The current targeting system needs revision. These recommendations apply to both proposed programmes.
  - The performance of the existing targeting process could be further assessed using Demographic Surveillance Survey (DSS) data. To ensure confidentiality, a list of recipient names could be submitted to the African Population and Health Research Centre (APHRC), who run the DSS. APHRC could generate a dataset without names, but with a column for recipient (yes/no). These data could be analysed to check for differences in health, nutritional status, work type, dependency, age, educational status, etc. This would generate a quantifiable assessment of targeting.
  - Targeting should be conducted on a house-to-house basis, with external individuals visiting each house and returning to houses where residents were not in (if finances permit). These external enumerators could be accompanied by a local resident, perhaps elected by the population. Households should also be allowed to apply on demand and be verified by external visitors.
  - There is a risk that a long targeting process would allow information to spread that might contribute to cheating. For instance, information that enumerators are recording assets might encourage people to hide assets or occupy

different houses. This could be offset by hiring larger targeting teams and breaking the area into smaller sub-units, targeting faster.

- The involvement of village elders in the programme is probably important, but their involvement, both actual and perceived, in the selection process is likely to cause problems. Village elders should be informed about the programme, and could be asked to preside over the election of the person accompanying the enumerator.
- Targeting teams could have rewards for good performance, with individuals financially rewarded for low inclusion and exclusion errors in their zones.
- Residents should be asked to provide some proof of residence, which could be an affidavit signed by neighbours.
- Targeting criteria should be clearly specified and difficult for respondents to manipulate. This does not include income or meals consumed per day, but verifiable assets or verifiable anthropometric indicators (i.e. an ability to prove these children are part of the household).

On this basis, a poverty scorecard could be developed and tested, based on survey data collected in urban informal settlements. An example is given in Annex C. Note that the development of a poverty scorecard is not a simple task, and has high data and expertise requirements.

Ideally, poverty scorecards used for national programmes (such as the OVC cash transfer) should be used. These are likely to be cheaper and easier to integrate with national programmes at a later date. In a government-led system, shared targeting approaches would ensure consistency and comparability in the MIS.

An appropriate urban-specific scorecard is vital. The OVC cash transfer's scorecards should be examined as a first option, but should this not seem appropriate to urban areas, alternatives could be developed using Demographic Surveillance Survey data combined with household budget survey modules. The latent class analysis that identified 19% in the poorest group in Korogocho is an example of how these data can be used, and gives a helpful indication of the widest range of coverage group (though the cash transfer coverage is likely to be narrower).

For the cash transfer, verifiable categorical indicators (such as disability) are most appropriate as additional qualifying criteria. For the livelihoods grant, households should be asked to submit a business plan, but categorical indicators are less relevant.

- All households should be informed about the outcome of the targeting process.
- Women appear to be the most appropriate recipients, and should be selected in a household where both male and female are present. Single men should not be excluded.
- Retargeting for at least the cash transfer is important if this is a long-term programme. The frequency of retargeting will depend on finances, but annually seems appropriate as a minimum. Retargeting could take place through:
  - Communications to potential recipients to encourage applications.
  - Referral from other programmes.

***Evaluation of Concern Kenya's Korogocho emergency and food security cash transfer initiative***

- Recipients should be able to exit the programme through an improvement in their situation, or the death of the recipient, and changes in households' circumstances should be actively monitored.

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***Evaluation of Concern Kenya's Korogocho emergency and food security cash transfer initiative***

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## **Annex A Activities conducted**

**Table A.1 Focus group discussions**

<b>Village</b>	<b>Recipients</b>	<b>Non-recipients</b>	<b>Total</b>
Githathuru	1	1	2
Grogon B	1	1	2
High Ridge	1	1	2
Kisumu Ndogo	1	1	2
Korogocho A	1	1	2
Korogocho B	1	1	2
<b>Total</b>	<b>6</b>	<b>6</b>	<b>12</b>

**Table A.2 Qualitative in-depth interviews**

<b>Location</b>	<b>Respondent</b>
Concern	Concern staff members
Korogocho Chief's camp	Korogocho chief
Grogan A	Male recipient
Grogan A	Female non-recipient
Redeemed Gospel Church	Social workers and other Redeemed staff
Korogocho Chief's camp	Korogocho village elders
Korogocho B	Male recipient
Korogocho B	Female non-recipient
Korogocho B	Female non-recipient
KENWA	Community health worker
Kisumu Ndogo	Female recipient
Kisumu Ndogo	Male recipient
Kisumu Ndogo	Male non-recipient
Kisumu Ndogo	Female non-recipient
Grogan B	Male recipient
Korogocho A	Female recipient
Korogocho A	Female non-recipient
Korogocho A	Male recipient
Korogocho A	Female recipient (caregiver)
Korogocho A	Female non-recipient
High Ridge	Male recipient
High Ridge	Male recipient
High Ridge	Female recipient
High Ridge	Female recipient
Githathuru	Male recipient
Githathuru	Female recipient
Githathuru	Male recipient
Githathuru	Female recipient
<b>Total</b>	<b>28</b>

**Table A.3 Quantitative interviews**

<b>Village</b>	<b>Number of interviews conducted</b>
Grogon A	20
Grogon B	15
Gitathuru	21
Highridge	24
Kisumu Ndogo	18
N'gomongo	13
Korogocho A	11
Korogocho B	16
Nyayo	18

## **Annex B Targeting questionnaire**



## Annex C Example poverty scorecard

**Figure 1: A simple poverty scorecard for Kenya**

Entity	Name	ID	Date (DD/MM/YY)
Member:	_____	_____	Joined: _____
Loan officer:	_____	_____	Today: _____
Branch:	_____	_____	

Indicator	Value	Points	Score
1. How many household members are aged 25 or younger?	A. Three or more	0	
	B. None, one, or two	8	
2. How many household members aged 6 to 17 are currently attending school?	A. Not all	0	
	B. All	8	
	C. No children aged 6 to 17	21	
3. What is the material of the walls of the house?	A. Mud/cow dung, grass/sticks/makuti, or no data	0	
	B. Other	5	
4. What kind of toilet facility does your household use?	A. Other	0	
	B. Flush to sewer, flush to septic tank, pan/bucket, covered pit latrine, or ventilation improved pit latrine	2	
5. Does the household own a TV?	A. No	0	
	B. Yes	16	
6. Does the household own a couch or sofa?	A. No	0	
	B. Yes	14	
7. Does the household own a gas or electric stove?	A. No	0	
	B. Yes	12	
8. Does the household own a radio?	A. No	0	
	B. Yes	8	
9. Does the household own a bicycle?	A. No	0	
	B. Yes	5	
10. How many head of cattle are owned by the household currently?	A. None or unknown	0	
	B. One or more	9	

Built by Microfinance Risk Management, L.L.C., <http://www.microfinance.com> **Total score:**

Source: Chen et al 2008: 51.

## **Annex D Proposal and TOR<sup>129</sup>**

### **D.1 Background**

The global financial crisis, poor rains and low production of staple foods, the adverse impact of post election violence on social networks and livelihood patterns including employment opportunities, high food prices, and high inflation rates are just a few of the shocks that Kenyan population has faced recently. Statistics from Government reports highlighted that out of the total 9.5 million food insecure population, 4.1 million were urban dwellers. Due to a lack of institutionalized monitoring systems it has been difficult to get coherent and comprehensive data on the food security and nutritional status of these urban informal settlement residents. Nevertheless, a consortium of agencies comprising CARE International in Kenya, Concern Worldwide, and Oxfam GB in Kenya found compelling evidence that a food security crisis of emergency levels is currently unfolding and an estimated half a million urban informal settlement dwellers in Nairobi are affected and require immediate action.

Informal urban settlements suffer several significant deprivations.<sup>130</sup> Almost 50% of children in informal settlements are malnourished. Access to quality health services is limited by costs (which increased by 16% from 2007 to 2008, according to the KFSSG), and this contributes to higher than average rates of mortality and morbidity. Water and sanitation services are of low quality and are expensive (the price of water increased by 114% between 2007 and 2008). Settlements are overcrowded and many individuals do not have adequate care.

Populations in informal urban settlements purchase 90% of their food, and food insecurity has been exacerbated since 2007 by rising prices. The price of maize meal, for instance, increased by 133% from 2007 to 2008. Wages have not kept up with the increase in the price of services and goods – and average household incomes have declined by 21%.

Households have responded to the substantial decline in their purchasing power by reducing meal frequency and dietary diversity (90%), skipping meals (60%), and purchasing food on credit (80%). Households also report reducing expenditure on non-food items and social services (water, soap, sanitation, health and education.)

Households have employed other coping strategies that could be considered negative in the sense that the strategies reduce current or future expected well-being. For example, households have started engaging in high-risk livelihood strategies such as prostitution, crime, brewing/selling illegal brews and child labour. Up to 30% of the children have been taken out of school, rates of prostitution have increased to around 30%, whilst rates of scavenging among children were also reported to have increased to around 30%.

Given this background, Oxfam GB, Care International and Concern Worldwide have been implementing a cash transfer initiative in Kibera, Mukuru and Korogocho. This transfer targets 10,000 households in total, against a total population of 1.64 million. The table below indicates the numbers of households in total, very poor households and targeted households and rates by area.

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<sup>129</sup> This section comes from the draft TOR and the Joint Proposal shared with OPM.

<sup>130</sup> Care, Oxfam and Concern Worldwide, (2009), Joint Proposal on Food Security Crisis Intervention, Recovery and Development in Nairobi Urban Settlements.

**Table D.4 Actual and targeted populations, Nairobi**

Area	Pop'n	Total HH*	Very poor HH^	Target HH	Coverage as % total	Coverage as % very poor	Implementing agency
Mukuru	600,000	120,000	22,800	4,550	4%	20%	Oxfam
Korogocho	140,000	28,000	5,320	2,000	7%	38%	Concern

\* Assuming an average household size of 5. ^ Assuming 19% of population is very poor (average incomes between KES 20,000 and 40,000). Data from Joint Proposal.

Concern has been implementing the urban food crisis intervention in the informal settlements of Nairobi, whose objective was to improve access to food of the most vulnerable households in selected informal settlements in Nairobi, through a monthly cash transfer to approximately 2000 households in the informal settlement of Korogocho. This was meant to offer immediate relief to target communities being affected by the increase in food prices over a period of eight months starting from November 2009. Existing mobile phone technology (MPESA) has been used as a delivery platform.

Households selected for the transfer would receive KES 1500/month for six months, regardless of household size and market fluctuations. This was changed from the initial plan of varying the transfer with household size and market prices because the government wanted to align the programme with their existing social protection initiatives.

In order to identify the beneficiaries for this initiative, Concern employed a community targeting process where the most vulnerable were identified. 60% of the targeted households should be women headed households according to the proposal, but not in the final implementation.

As the initiative comes to an end in June/July, Concern would like to undertake an evaluation of the initiative to determine whether it has met its objective and the impact that it has had at the household/community level.

## **D.2 Objective of the Evaluation**

Working under the guidance of the Programme Manager, Urban Livelihoods and Social Protection, the purpose of the consultancy is to:

- a) Evaluate the extent to which the initiative has met its objective i.e.
  - The beneficiaries supported by the initiative were the most vulnerable
  - Beneficiaries have access to enough food
- b) Evaluate the implementation mechanism by looking at:
  - The targeting mechanism and how appropriate it was
  - The mode of delivery (M-Pesa) and how appropriate it was to the context

- Efficiency and timeliness of the implementation process
- c) Evaluate the overall impact of the initiative at the household and community level, including household food security, dietary diversity and use of negative coping strategies
- d) Evaluate the extent to which the food crisis intervention incorporated the recommendations of the previous cash transfer initiatives implemented by Concern

### **D.3 Evaluation questions**

More precise evaluation hypotheses will be developed during the initial phases of the evaluation (see below), but it is useful to set out some working questions and hypotheses that will be refined. The key questions (the main aspects listed above) will revolve around:

Impact at household and community level

- a. Recipients have access to enough food (key objective)
- b. Household food security
- c. Dietary diversity
- d. Negative coping strategies
- e. Other impacts (expected or not)

Implementation

- f. Targeting mechanism to target most vulnerable households
- g. Delivery mechanism through MPESA
- h. Efficiency and timeliness

Use of previous recommendations

This proposal sets out questions will be addressed through qualitative research. It will not be possible, therefore, to deliver anthropometric measurements of nutrition, statistical analyses of consumption poverty (to identify the poorest), or quantitative data on the relative impacts of cash or food. Rather, the evaluation will address these questions through people's perceptions and reports of whether impacts were achieved, targets were met, and distributions were relevant, effective and helpful.

#### **D.3.1 Impact**

The key expected impact is at present rather loosely defined. More precise definition will be necessary and will be finalised in discussions with the Concern team. The following will be used as working definitions and assumptions:

1. **Getting enough food.** 'Enough food' consists of the household being able to obtain (through purchase, labour, production or transfers) food to meet the daily calorific requirements of each of its members. In the absence of calorific measurements, this will be measured by asking whether household members ever went to bed feeling

hungry and whether they ever missed a meal or reduced consumption for any meals. Further work could develop normal adequate food baskets in the urban Nairobi setting.

The initial design of the transfer was expected to provide one full nutritious meal per day of ugali, maize and kales, or 1/3 of the household food basket. The provision of cash at 33% of the calorific consumption of each household member (index-linked to local food price inflation) is based on the assumption that food is obtainable from local markets with cash, that the index-linking is correctly report and up to date, that recipients face the same prices as reported in the market, that recipients spend the transfer on food until they have met their household food needs (and then on other items), that recipients can smooth food consumption during the period between disbursements, that the cash has no income-displacing effects, and that households can obtain the other 66% of food needs from other sources.

However, the change to the provision of a fixed amount of KES 1500 per month irrespective of household size and market price will have altered the ability of the transfer to cover household needs for larger households or if inflation was significant. The evaluation will explore these possibilities.

2. **Food security.** Household food security follows the same logic as the section on having enough food above. Research on impacts on household food security will also consider the impact of the cash transfer on households' sources of food in order to explore the effect of the cash transfer on the resilience of households' ability to obtain enough food. This assessment will explore whether households have diversified food sources or whether existing food sources have become more reliable as a result of the transfer.
3. **Dietary diversity.** This aspect of the evaluation is better captured through quantitative work, but the qualitative aspect of the evaluation will ask questions around households' understanding of dietary diversity, the perceived importance of dietary diversity and whether recipients feel the transfer has contributed to dietary diversity.
4. **Negative coping strategies.** Various negative coping strategies were set out in the background section, including reducing consumption but also engagement in risky livelihoods and taking children out of school. The qualitative evaluation will explore whether households feel they were engaging in livelihood strategies that they would have preferred not to, why they would have preferred to avoid this, and whether the cash transfer helped them to reduce their exposure to these strategies. It is unlikely that the evaluation will expose issues around transactional sex, since this is rare and respondents are anyway not always forthcoming.
5. **Other impacts.** The qualitative evaluation will ask recipients whether they felt there were other positive or negative impacts of the transfer. Two potentially important issues include the effect of the transfer on social networks (through jealousy and changes in sharing patterns) and on education. Transfers at this scale are unlikely to have a price effect in urban areas.

### **D.3.2 Implementation**

1. **Targeting.** The transfer aims to target the most vulnerable. Targeting analysis will be decomposed into an assessment of design and implementation in terms of their

inclusion errors (how many recipients fall outside the target group), exclusion (how many non-recipients fall inside the target group), and dynamic inclusion and exclusion (how many moved in and out of these categories during the initiative). Design will be analysed by looking at programme documents and assessing the likely errors from perfect implementation. Implementation will be analysed by assessing, based on fieldwork, the actual errors (which can then be decomposed into design and implementation).

The table above shows that the coverage rate of very poor households is 38% in Korogocho, which implies an exclusion error of 62% on very poor households even with perfect targeting. However, the Joint Proposal provides more specific targeting criteria:

- Child headed household not benefiting from the cash transfer program or any other food support
- PLWHIV or other terminal illness with no support with special consideration on the bedridden
- Elderly persons above 55 years taking care of 3 or more OVC
- Single mothers taking care of 3 or more OVC
- PLWHIV taking care of OVC on ARVs
- Households taking care of OVC on ARVs
- Pregnant and lactating mothers with a MUAC of <18.5cm
- Children with a MUAC of <13.5 cm

The Joint proposal also notes that 60% of recipient households should be women headed (page 9), but this was not agreed in the final approach.

Communities are asked to identify households who meet part or all of these criteria. These selections will be validated by home visits to a random sample of selected households, comparison of statistics from the AAC, checks with the Food by Prescription, and using identity cards for age checks.

The qualitative evaluation will not attempt to provide precise numbers for targeting exclusion and inclusion errors, but will identify likely categories and drivers of inclusion and exclusion. It will also generate perceptions on the design and implementation of the targeting process from recipients and non-recipients, in terms of community ownership, fairness, appropriateness given the objectives, and efficiency (time required to participate).

2. **Distribution.** Is the MPESA system appropriate to the context? The distribution mechanism will be looked at principally in terms of recipient (and non-recipient) perceptions. A distribution mechanism can be said to be effective when recipients say they prefer it to other methods. The hypothesis is that recipients prefer receiving cash through MPESA than through other systems (assuming that they don't need to be anywhere to collect their transfer at a particular time, and that they save time and transport costs, that MPESA outlets are trustworthy and accessible, that there is a phone network, and that recipients have easy access to phones). The answer to this may be very different for those with handsets and those without, since those without handsets were given simcards only and may therefore have been more reliant on

others to obtain their cash. If some recipients did not have handsets, the evaluation will explore their perceptions of any alternative modality set up.

The evaluation will provide indicative assessments of these hypotheses, since there is no direct comparison available. Typically, it is also the case that cash is cheaper to transfer per unit value than food, and MPESA is cheaper than post office handouts because no labour is involved once the system is set up. This issue will not be examined, but it seems a good basis to assume that MPESA cash is a good mechanism unless the hypothesis above is false.

- 3. Efficiency and timeliness.** The qualitative evaluation will assess also whether the initiative was implemented in an efficient manner and on time. This will involve examining deviations from the planned implementation, whether transfers were distributed at appropriate times, the seasonality of the transfers, and other issues that arise from working with partners and in the process of the transfer. Specifically, partners' responsibilities included selection, post-distribution monitoring and case management, and these issues will be explored.

### **D.3.3 Use of previous evaluations**

This section will look briefly at the programme design and guidance for implementation to check whether recommendations from previous evaluations were incorporated. These evaluations include:

The evaluation of the PEVR (2010)

The evaluation of the PEVR pilot (2008)

The evaluation of the FACT

The evaluation of the DECT