Ministry of Labour and East African Affairs (MLEAA)

Inua Jamii
TOWARDS A MORE EFFECTIVE NATIONAL SAFETY NET FOR KENYA

Progress Report




March 2016

NATIONAL SAFETY NET PROGRAM
Inua Jamii

KENYA VISION 2030

Inua Jamii

TOWARDS A MORE EFFECTIVE NATIONAL SAFETY NET FOR KENYA

PROGRESS REPORT

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ABBREVIATIONS AND ACRONYMS

ASALs	Arid and Semi-arid Lands
BWC	Beneficiary Welfare Committee
CT-OVC	Cash Transfer for Orphans and Vulnerable Children
DCS	Department of Children's Services
DFID	UK Department for International Development
DLI	Disbursement-linked Indicators
DLR	Disbursement-linked Results
DOSD	Department of Social Development
GoK	Government of Kenya
HISP	Health Insurance Subsidy Programme
HSNP	Hunger Safety Net Programme
IPRS	Integrated Population Registration Service
KCB	Kenya Commercial Bank
KIHBS	Kenya Integrated Household Budget Survey
M&E	Monitoring and Evaluation
MIS	Management Information System
MLEAA	Ministry of Labour and East African Affairs
MLSSS	Ministry of Labour, Social Security and Services
MODP	Ministry of Devolution and Planning
NDDCF	National Drought and Disaster Contingency Fund
NDMA	National Drought Management Authority
NIHF	National Insurance Hospital Fund
NSNP	National Safety Net Programme
NSPP	National Social Protection Policy
OPCT	Older Persons Cash Transfer Programme
OVC	Orphans and Vulnerable Children
PCK	Postal Corporation of Kenya
PforR	Programme for Results
PIBS	Programme Implementation and Beneficiary Satisfaction survey
PMT	Proxy Means Test
PWSD-CT	Persons with Severe Disabilities Cash Transfer
RC	Rights Committee
UFS-CT	Urban Food Subsidy Cash Transfer
UNDAF	United Nations Development Assistance Framework
UNICEF	United Nations Children's Fund
WFP	World Food Programme

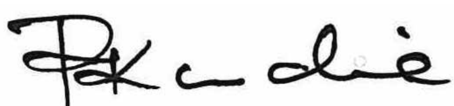
FOREWORD

The goal of social protection is to ensure that all Kenyans live in dignity and are able to exploit their human capabilities for their own social and economic wellbeing. Investing in social assistance improves the livelihoods of beneficiaries and in turn contributes to national development. The Government of Kenya has made social protection a priority in its policy and programming. As part of the government's initiatives to improve and enhance social protection in the country, much focus and attention has been placed on the cash transfer social assistance programs through the establishment of the National Safety Net Program (NSNP) in 2013. The NSNP is an important contribution of the government's efforts to reduce poverty and the vulnerability of the population to economic, social and natural shocks and stresses. The establishment of the NSNP builds on the Government's commitment to reducing poverty as articulated in the Kenya Vision 2030.

This 2016 report examines the progress that has been made in the National Safety Net Program since its inception. The report's findings reaffirms that the NSNP cash transfers have made a profound difference in the lives of beneficiary households by improving their welfare and increasing their resilience. As of today, more than 500,000 households are receiving cash transfers on a regular basis, and an additional 275,000 households in Northern Kenya are able to receive cash assistance in the case of extreme weather events. Significantly, the government has taken the lead in the financing of the NSNP, with over 228,271 new households having been enrolled across the programmes and financed by the Government of Kenya in the FY 2015/16. Importantly, the NSNP has increased the efficiency and effectiveness of the cash transfer programs by, for example, establishing management information systems, secure payments, and a functional complaints and grievance mechanism. All of these accomplishments have strengthened the safety net for vulnerable populations in Kenya and improved the welfare of all beneficiary households.

The NSNP has positively impacted the lives of many vulnerable households across the country by providing them with an effective safety net to enable them to maintain a decent living standard. Yet we can and must do much more to ensure that all vulnerable households in the country are able to access social assistance. We must also ensure that the NSNP's operations are managed effectively and efficiently to ensure that the cash transfers have a maximum impact on recipient households. The Government of Kenya and the Social Protection Secretariat is committed to the continued development and improvement of the social protection sector and the NSNP.

The NSNP involves the support and participation of many stakeholders, and I wish to acknowledge and thank the government staff and partners for their hard work and commitment in delivering a quality program to the many Kenyan households that benefit from cash transfers. In particular, I would like to commend the Social Protection Secretariat in my ministry, for making the NSNP a successful initiative. As the NSNP continues to develop, I am confident that the Government of Kenya will continue to deliver quality social assistance services to those who depend on them.



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ACKNOWLEDGEMENTS

Social protection initiatives have had a long history in Kenya, but it is, more specifically in the recent few years that the sector has grown significantly. These initiatives, particularly social assistance and cash transfer programs, have increased in terms of both coverage of beneficiaries and of the levels of benefits provided to recipients. The systems and structures used to deliver these programs have also been continuously improved.

In 2013, the sector was further strengthened by the launch of the National Safety Net Program (NSNP). The NSNP aims to increase the efficiency and effectiveness of safety net support to poor and vulnerable populations in Kenya by bringing a number of cash transfer programs under one common framework: the Cash Transfer for Orphans and Vulnerable Children (CT-OVC), Older Persons Cash Transfer Program (OPCT), and Persons with Severe Disabilities Cash Transfer (PWSD-CT) in the Ministry of Labor and East Africa Affairs and the Hunger Safety Net Program in the National Drought Management Authority (NDMA) in the Ministry of Planning and Devolution. Through this flagship program, the government of Kenya is ensuring that the social protection sector has stronger systems for identifying and registering beneficiaries, ensuring the timely delivery of payments, and improving accountability mechanisms. Moreover, the program is increasing the harmonization of the cash transfer programs, which will in turn make the sub-sector more coherent. Most importantly, the NSNP has expanded the coverage of the cash transfer programs in a coordinated manner.

Therefore, this report is a midterm assessment of the status of the program. The report finds that clear progress has been made over the past two years towards the achievement of the NSNP objectives and towards reducing poverty and vulnerability among our most disadvantaged households. The report also highlights some challenges that have been experienced in delivering this large and complex program and identifies areas in which our ministries can improve on the program.

The government is determined to continue working tirelessly to build on the successes achieved to date and to find innovative ways to address the challenges that remain. We recognize that our journey on the path to reducing poverty and vulnerability has benefitted from the support of our development partners, including the World Bank, the UK Department for International Development (DFID), UNICEF, the World Food Program (WFP), and the Swedish International Development Cooperation Agency (SIDA). We thank these partners for their continued support in this important area. We also recognize the effort and hard work of our officers in ensuring that this vision becomes a reality.

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This report was prepared by a team jointly led by Winnie Mwasiaji (National Coordinator, Social Protection Secretariat, Ministry of Labour and East African Affairs) and Cornelia Tesliuc (NSNP Task Team Leader, World Bank). The primary author of the report was Kie Reidel, with support from Emma Mistiaen, Judith Sandford and Michael Munavu (World Bank). Comments and feedback were provided by Nicholas MacBotongore and Vera Mweu (Ministry of Labour and East African Affairs), Liz Drake and Florence Kinyua (DFID), Ric Goodman (Hunger Safety Net Programme), David Kamau (World Food Programme) and Luis Corral (UNICEF). The layout and design of the report was done by Robert Waiharo.

The 2010 Constitution aims to move Kenya towards a more equitable and inclusive future. As a key step in achieving this, the Constitution lays out the right of all Kenyans to social protection. In order to put this right into practice, the Government of Kenya has worked to develop the social protection sector with a particular focus on social assistance through five cash transfer programmes.

In recognition of the need to improve the social assistance sector, the Government of Kenya created the National Safety Net Programme (NSNP) in 2013 as a way to deliver these improvements. The NSNP acts as a mechanism to: (i) coordinate fragmented programming; (ii) strengthen implementation systems; and (iii) finance the scaling up of these programmes to ensure greater coverage. In the past few years, the NSNP has made considerable progress on increasing access to social assistance as well as increasing the effectiveness and efficiency of the cash transfer programmes. Further, as the NSNP has developed, the government has continued to identify further potential areas for improvement as well as other potential cash transfer programmes that might serve Kenya's vulnerable populations. This report discusses in detail the specific aims of the NSNP and the progress that it has made in securing a more efficient and effective safety net in Kenya.

1. INTRODUCTION

1.1 CASH TRANSFERS AND THE SOCIAL PROTECTION SYSTEM IN KENYA

Since 2000, there has been steady economic growth and modest rises in incomes in Kenya. However, high rates of poverty persist in Kenya, particularly among vulnerable groups such as children (especially orphans and vulnerable children), older people, and people with disabilities. To meet these persisting challenges, the Government of Kenya has been investing in social protection programmes, including social insurance schemes and safety net programmes.

This focus on social protection is specifically laid out in the 2010 Constitution, which aims to move Kenya towards a more equitable and inclusive future. The Constitution specifically lists a right to social protection. Article 43(1)(e) provides that "Every person has a right to social security…[and] the State shall provide appropriate social security to persons who are unable to support themselves and their dependents."[1] Kenya's Vision 2030, Kenya's medium-term economic development strategy, further emphasizes the need for social protection as a necessary part of providing a high quality of life for all of its citizens. The Vision 2030 strategy aims to reduce poverty through investing in vulnerable groups and recommends the establishment of a consolidated Social Protection Fund.

To operationalize this emphasis on social protection, the Kenyan government has taken many steps to increase and improve the safety net services provided to Kenyan citizens. Among the safety net programmes provided by the Government of Kenya, many resources have gone into its cash transfer programmes, specifically to increase the reach of and improve the services provided by these programmes.

[1] The right to social security includes both social assistance and social insurance and thus is synonymous with social protection.

The Government of Kenya currently has four major cash transfer programmes[2] that have nationwide coverage. Between them, they provide benefits to over 500,000 vulnerable households (see Table 1). The four cash transfer programmes are as follows:

- **Cash Transfer for Orphans and Vulnerable Children (CT-OVC):** The CT-OVC programme aims to improve the welfare of poor households caring for orphans and vulnerable children (OVCs)[3] and reducing poverty among the poorest segments of society. The programme's main activity is providing cash payments to poor households caring for OVCs.
- **Older Persons Cash Transfer (OPCT):** The OPCT programme aims to strengthen the capacity of older people and improve their livelihoods. The programme targets extremely poor households that include a member aged 65 or older who does not receive a pension.
- **Persons with Severe Disabilities Cash Transfer (PWSD-CT):** The PWSD-CT programme aims to provide immediate relief from extreme poverty to people with severe disabilities, while enhancing their basic rights through the provision of regular cash transfers. The programme targets people with severe disabilities who are unable to look after themselves and require a caregiver.
- **The Hunger Safety Net Programme (HSNP):** The HSNP aims to reduce poverty in the drought-prone arid and semi-arid regions of northern Kenya by delivering regular cash transfers to extremely poor households in four counties.

Table 1: The Four Cash Transfer Programmes that Constitute the NSNP

Programme	Year Launched	Implementing Agency	Transfer value (per household per month)	Coverage (2015)	
				Households	Counties
Cash Transfer for Orphans and Vulnerable Children	2005	Department of Children's Services (MLEAA)[a]/	Ksh 2,000	255,643	47
Older Persons Cash Transfer	2006	Department of Gender and Social Development (MLEAA)	Ksh 2,000	162,695	47
Persons with Severe Disabilities Cash Transfer	2011	Department of Gender and Social Development (MLEAA)	Ksh 2,000	25,471	47
Hunger Safety Net Programme	2007	HSNP Secretariat (NDMA)	Ksh 2,550	84,340[b]/	4
Total				**519,878**	**47**

Note: [a]/ There have been changes to the names and structures of the ministries since the inception of the cash transfer programmes, the most recent of which involved the ministerial reorganization the Ministry of Labour, Social Security, and Services (MLSSS) into the Ministry of Labour and East African Affairs (MLEAA). See section 1.3 for more information on the changes. [b]/ The numbers reported here refer to the HSNP households selected to receive bi-monthly cash transfers in 2015 and not those for whom accounts have been opened to receive emergency cash transfers when needed (see section 2.6 for further information).

[2] When the NSNP was launched, a fifth programme – the Urban Food Subsidy Cash Transfer – was also operational and was included in the NSNP. This was phased out in 2014 as discussed in section 1.3 below.

[3] OVCs are defined in the programme as children who have lost one or both parents, are chronically ill, have a chronically ill caregiver, and/or live in child-headed households due to having been orphaned.

While these cash transfer programmes provide significant support to targeted vulnerable households around the country, the Government of Kenya realized that there was scope to improve coordination between the programmes and to make them more effective, both by increasing their coverage and by implementing them more efficiently. The cash transfer programmes have many aspects in common, including their targeting methods, payment systems, monitoring and evaluation frameworks, and complaints and grievance mechanisms. Given these shared features, the Government of Kenya realized that harmonizing and coordinating key implementation activities for each programme would greatly increase the efficiency and effectiveness of the cash transfers.

Following a comprehensive review of the social protection system,[4] the Cabinet approved a National Social Protection Policy (NSPP) in May 2012. The NSPP outlines a vision for realizing the right to social protection and the government's ambition to enhance social assistance in Kenya.[5] The NSPP states that the right to social protection will be achieved by: (i) ensuring that the design and implementation of programmes is coordinated; (ii) strengthening and scaling up existing social assistance programmes; (iii) putting in place the institutional frameworks to ensure consistent and adequate levels of support; and (iv) conducting reviews based on standards agreed upon by stakeholders. As a first step towards achieving these goals, the government established the National Safety Net Programme (NSNP) in 2013 with the aim of strengthening the operational systems of the cash transfer programmes while expanding coverage of the programmes.

1.2 BUILDING A NATIONAL SAFETY NET: THE KENYA NATIONAL SAFETY NET PROGRAMME

The National Safety Net Programme is coordinated by the Social Protection Secretariat within the Ministry of Labour and East African Affairs (MLEAA). The cash transfer programmes comprising the NSNP are implemented by two ministries, the Ministry of Labour and East African Affairs (MLEAA) and the Ministry of Devolution and Planning (MoDP), through the National Drought Management Authority (NDMA). The three programmes under the supervision of the MLEAA are the Cash Transfer for Orphans and Vulnerable Children (CT-OVC) in the Department of Children's Services (DCS) and the Older Persons Cash Transfer (OPCT) and the People with Severe Disabilities Cash Transfer (PWSD-CT) in the Department of Social Development (DOSD). Each of these departments has dedicated staff at both the central and sub-county levels. The Hunger Safety Net Programme (HSNP) is being implemented by the NDMA, a semi-autonomous agency under the Ministry of Devolution and Planning (MoDP). An internationally procured Programme Implementation and Learning Unit (PILU) exists within the NDMA to support the implementation of the HSNP. The NSNP is also supported by various development partners including the World Bank, the United Nations Children's Fund (UNICEF), the UK Department for International Development (DFID), the Government of Sweden, the Australian Department of Trade, and the World Food Programme (WFP). Together, the Government of Kenya and development partners are committed to improving the cash transfer programmes and expanding their coverage to support Kenya's vulnerable households.

4 Ministry of State for Planning (2012). "Kenya Social Protection Sector Review" Nairobi, Kenya.
5 MGCSD (2011). "Kenya National Social Protection Policy," Ministry of Gender, Children, and Social Development, Nairobi, Kenya.

The main objective of the NSNP is to improve the welfare and increase the resilience of the beneficiaries of the four cash transfer programmes with the aim of reducing poverty and vulnerability in Kenya. To achieve these objectives, the NSNP aims to improve programme operations in several areas. The NSNP has identified six key results that need to be achieved by 2017 and multiple activities that need to be implemented to achieve each key result. Achieving these results will greatly improve the social safety net in Kenya and help to improve the lives of many vulnerable Kenyans. The six key results that the NSNP aims to achieve by 2017 include:

1. The most vulnerable and poorest households in Kenya are enrolled in the NSNP.
2. NSNP beneficiaries receive appropriate, reliable, and accessible payments.
3. Citizens are able to appeal and complain to improve programme performance.
4. Monitoring and learning systems are functional.
5. The cash transfer programmes are harmonized and government-managed.
6. Programmes are responsive to shocks.

The World Bank set up a Programme for Results (PforR) to help the government to achieve the key results that will deliver the objectives of the NSNP. To achieve this, the Bank also set in motion a Disbursement Linked Indicator (DLI) process to release funds upon the achievement of particular results. Within the NSNP's monitoring and evaluation (M&E) framework, nine disbursement-linked indicators were identified, each with specific disbursement-linked results (DLRs). These are listed in Box 1. Once the government achieves each DLR, the World Bank releases the relevant funds. The specific DLRs will be listed in more detail later in the report.

These DLIs reflect specific areas where progress will need to be made in order to achieve the key results of the NSNP. Since its inception, the NSNP has worked towards achieving each of these DLIs and has made significant progress towards achieving the programme's key results. In section 2,we list each of the key results, explaining the importance of these results to the NSNP, describing the progress that has been made towards achieving these results, and discussing what progress has been made on specific DLIs and what funds have been disbursed.

Box 1: Disbursement Indicators for the Programme for Results

- DLI 1: A set number of additional households have been enrolled in the NSNP according to the expansion plan.
- DLI 2: A set percentage of programme beneficiaries meet the targeting criteria for the programme in which they are enrolled
- DLI 3: The single registry is fully operational and programme MISs are using agreed standards for internal payroll controls.
- DLI 4: A set percentage of NSNP payments are being made electronically using two-factor authentication.
- DLI 5: A set percentage of payments are being disbursed to payment service providers on time
- DLI 6: Functional complaint and grievance mechanisms have been created.

1.3 KEY CHANGES SINCE PROGRAMME APPROVAL

In addition to the main areas of progress outlined below, two key changes in government administration and programme composition have taken place since the launch of the programme. These are as follows:

- The merger of many ministries, including those responsible for the cash transfer programmes that constitute the NSNP
- The closure of the Urban Food Subsidy Cash Transfer (UFS-CT), which was one of the cash transfer programmes originally included in the NSNP.

Following the 2013 election and in line with the new constitution, the number of ministries in Kenya was reduced from 47 to 18. As a result, the ministry overseeing the NSNP programmes changed. The CT-OVC, OPCT, and PWSD-CT programmes were moved from the Ministry of Gender, Children, and Social Development (which ceased to exist) to the Ministry of Labour, Social Security, and Services (MLSSS), while the HSNP was moved to the Ministry of Devolution and Planning (MoDP), which replaced the Ministry of Northern Kenya and Other Arid Lands. More recent restructuring has resulted in the MLSSS changing into the Ministry of Labour and East African Affairs (MLEAA), which is now responsible for the CT-OVC, OPCT, and PWSD-CT programmes. The coordinating departments of these programmes remained the same. The CT-OVC continues to be managed by the Department of Children's Services (DCS), the OPCT and PWSD-CT are managed by the renamed Department of Social Development (DOSD), and the HSNP is managed by the National Drought Management Authority (NDMA).

At the start of the 2014/15 financial year, the DOSD made the decision to streamline its cash transfer programmes and closed down the UFS-CT in order to prioritize its remaining two cash transfers (the OPCT and the PWSD-CT). As a result, beneficiaries of the UFS-CT received no more transfers after June 2014. This closure did not result in a net reduction in the total number of cash transfer beneficiaries in Kenya because the expansion of the OPCT nationwide compensated for the reduction of beneficiaries in the geographic areas that had been covered by the UFS-CT programme (selected constituencies of Mombasa). However, few – if any – UFS-CT beneficiaries are now benefitting from other programmes as only the OPCT expanded coverage in the 2014/15 financial year. The OPCT expansion covered few UFS-CT programme beneficiaries because only limited expansion took place in UFS-CT constituencies and the OPCT targeting approach is likely to have excluded previous UFS-CT beneficiaries.

2. KEY ACHIEVEMENTS OF THE NSNP

Since the launch of the NSNP in 2013, substantial progress has been made towards achieving the six key results outlined in section 1.2 above. A results framework was developed to measure this progress that includes, but is not limited to, the DLIs outlined in Box 1. This section describes some of the key actions that have been taken and the progress made so far as measured by these indicators.

2.1. THE MOST VULNERABLE AND POOREST HOUSEHOLDS IN KENYA ARE ENROLLED IN THE NSNP

This result involves identifying the households to benefit from any of the four NSNP cash transfers and ensuring that they meet the eligibility criteria. As such, it relates to steps taken by the government to: (i) expand the coverage of the cash transfer programmes;(ii) improve the procedures by which beneficiaries are selected; and (iii) take steps to ensure that the registry of beneficiaries remains upto date. DLIs 1 and 2 of the World Bank Programme for Results were developed to measure these improvements.

Each of the four programmes has its own eligibility criteria for targeting potential beneficiaries. For the three programmes managed by the MLEAA, the criteria combine a poverty threshold with a categorical element (that a household has at least one member who can be classified as belonging to a vulnerable group). Each of the three programmes has their own categorical element - orphans and vulnerable children, older people (those aged over 65), and people living with severe disabilities respectively for the CT-OVC, OPCT, and PWSD-CT programmes. Eligibility for the HSNP is solely poverty, but the programme covers only the four northern counties (Turkana, Marsabit, Mandera, and Wajir). All of the four programmes first target resources to the poorest geographical areas and then, within those areas, identify households

Box 2: Disbursement-linked Indicators for Result #1

The specific disbursement-linked indicators (DLIs) that relate to this result are:

DLI 1: A set number of additional households is enrolled in the NSNP according to the expansion plan.

- DLR 1.1: Adoption of expansion plan for the NSNP informed by poverty and vulnerability criteria
- DLR 1.2a: Enrollment of 65,000 additional households in the NSNP in accordance with the Expansion Plan and paid for by the government
- DLR 1.2b: Enrollment of 130,000 additional households in the NSNP in accordance with the Expansion Plan and paid for by the government
- DLR 1.2c: Enrollment of 235,000 additional households in the NSNP in accordance with the Expansion Plan and paid for by the government

DLI 2: A set percentage of programme beneficiaries conform to the targeting criteria for the programme in which they are enrolled.

- DLR 2.1: Establishment of baseline
- DLR 2.2: Increase of 15 percent in the number of programme beneficiaries who conform to the targeting criteria for the programme in which they are enrolled.

that fall into the categories that are eligible for support. However, there is not enough funding to address the needs of all eligible households so exclusion errors are inevitable.

2.1.1 Expanded Coverage and Increased Government Financing of Project Beneficiaries

A key commitment of the government through the Constitution and the Social Protection Policy is to expand the coverage of social protection services to reach those most in need. The government aims to almost double the number of people receiving social assistance over the life of the NSNP.[6]

Expansion Plan. In order to ensure that the cash transfer programmes expand in accordance with need and in a coherent and effective manner, the government developed and adopted an Expansion Plan to guide the geographical targeting of the NSNP. The programmes adopted the Expansion Plan in October 2014, but then further revised it in October 2015. The Expansion Plan outlines how each of the programmes is expected to expand between fiscal years 2014/15 and 2016/17. It does so by estimating the total number of potentially eligible households under each programme in each part of the country, using a combination of data from the 2009 Census and from the 2005/06 KIHBS. This made it possible to estimate both the numbers of households likely to meet the categorical criterion for each programme and the probable poverty level for each location. It was then possible to set expansion targets taking into account the number of existing beneficiaries.

The Expansion Plan also sets out the process for prioritizing locations for expansion in each financial year. It specifies that 30 percent of any new number of beneficiaries allocated to a cash transfer programme in each fiscal year should be distributed among all 290 constituencies in Kenya, with the remaining 70 percent being allocated to locations prioritized according to their poverty levels. Originally it was expected

[6] This information contained in the section is drawn from Sandford, Judith (2015), The 2015 Targeting Review, Chapter 2: Evaluation of Achievement of DLR 1.2.

that the 30 percent would be allocated within each constituency starting with the poorest location in a constituency, but in late 2015 the decision was made to allow the 30 percent to be distributed equally among any locations not prioritized by the 70 percent allocation and that have not already met their full target of eligible households. No location may have more beneficiaries than the number of potentially eligible households estimated in the Expansion Plan.

The Expansion Plan also specifies how the cash transfer programmes will be implemented when multiple programmes are operating in the same locality. It also confirms that the 46 locations sampled for the CT-OVC impact evaluation will not benefit from any expansion. Furthermore, it stresses that the goal is the overall expansion of the NSNP as a whole, so any measurement of expansion must be net of any households who have left any of the cash transfer programmes.

The DLI measures the expansion of the NSNP and also any households that used to be financed by development partners and are now being financed by the Government of Kenya.

HSNP Expansion. During the 2013/14 financial year, the government adopted a large-scale retargeting plan for the HSNP. The aim was to identify 100,000 eligible households in the four northern counties of Kenya. However, not all of the households that were identified as eligible were enrolled into the HSNP or paid any benefits during 2013/14 because a high proportion of households lacked a valid national ID and because there were delays in the opening of bank accounts. As a result, by the end of the 2013/14 financial year, only 46,777 beneficiaries had received a payment from the HSNP.[7] This figure continued to increase throughout the 2014/15 financial year to 76,069 households in June 2015. It now stands at 84,340 (as of January 2016).

Expansion of MLEAA Programmes before the Expansion Plan in 2013/14. The three cash transfer programmes managed by the MLEAA started prior to the development of the Expansion Plan. In financial year 2013/14, the government substantially increased the budget available for cash transfer programmes and planned to substantially expand the coverage of the MLEAA programme by approximately 207,500 beneficiaries. However, the government decided to focus on equalizing beneficiary numbers across constituencies rather than according to the distribution of poverty and vulnerability (as outlined in the expansion plan and protocols for the DLI). The government and its development partners therefore agreed that the 2013/14 expansion would not be counted towards achieving the DLI. The planned and actual scale-up of the MLEAA programmes in the 2013/14 financial year are presented in Table 2.

Table 2: Proposed and Actual Expansion of MLEAA Cash Transfer Programmes in 2013/14

Program	Active Beneficiaries in July/ August 2013	Planned Expansion	Actual Expansion	Active Beneficiaries as of July/August 2014
CT-OVC	155,340	90,000	100,258	255,598
OPCT	57,447	105,000	106,495	163,942
PWSD-CT	14,500	12,500	12,293	26,793
TOTAL	**227,287**	**207,500**	**219,046**	**446,333**

Source: Sandford, Judith (2015), The 2015 Targeting Review, Chapter 2: Evaluation of Achievement of DLR 1.2

[7] This figure actually reflects the number who had received payments by mid-July 2014.

Expansion of the OPCT in 2014/15. The actual expansion of any of the NSNP cash transfer programmes is dependent on the budget available. In the 2014/15 financial year, only the OPCT received a budget increase that was sufficient to enable an expansion in the number of beneficiary households. Initially an expansion of 46,000 new beneficiaries of the OPCT was planned for the financial year. However, following a budget amendment and after the Department of Social Development (DOSD) took some expected savings into consideration, the planned number for expansion was increased by 24,334 to nearly 71,000. In practice, the actual expansion of the OPCT was closer to 61,400. The shortfall can largely be accounted for by the fact that expansion targets in the four northern counties were not achieved because of: (i) challenges involved in expanding to these remote, low-capacity counties; (ii) the fact that a number of potentially eligible households were already receiving another cash transfer (most frequently the HSNP); and (iii) households could not be enrolled without valid national ID and many households do not possess an ID.

However, it should be noted that this expansion was slightly off-set by the reduction in beneficiaries caused by the closure of the UFS-CT. The termination of this programme led to 9,268 households exiting the NSNP.

Increased Government Financing. The Government of Kenya has also increased the budget allocated to the NSNP. This increase has not only helped to finance the increase in beneficiary numbers but has also begun to replace funding initially provided by development partners. In the 2014/15 financial year, the Government of Kenya financed over 61,400 beneficiaries of the CT-OVC programme who were previously financed by the World Bank and UNICEF, which no longer provide direct financing for transfers. Additionally, the HSNP was previously fully financed by development partners, but by June 2015 transfers to approximately 24,500 households had been switched to government financing. As a result, the government is financing the majority of the cash transfer programmes, which has greatly increased the sustainability of the NSNP. These changes are discussed in more detail in section 2.5.

Table 3: Number of Additional Households Enrolled in the NSNP According to Agreed Expansion Plan and Paid for by the Government Compared with July 2013 Baseline

Programmes	Baseline		Current Situation		2013/14 expansion not counting towards DLI (c)	Number of additional households [(b)-(a)-(c)]
	Total	Government Financed (a)	Total	Government Financed (b)		
CT-OVC	152,331	47,139	255,470	215,470	100,258	68,073
OPCT	58,113	58,113	218,497	218,497	106,495	53,889
PWSD-CT	14,518	14,518	25,505	25,505	12,293	-1,306[a]/
UFS-CT	9,268	9,268	0	0	0	-9,268
HSNP	68,261	0	76,069	24,490	0	24,490
TOTAL	**302,491**	**114,384[b]/**	**575,541**	**483,962**	**219,046**	**150,532[c]/**

Source: Sandford, Judith (2015), The 2015 Targeting Review, Chapter 2: Evaluation of Achievement of DLR 1.2
Notes: [a]/ This is largely comprised of households exiting the programme that have not yet been replaced. [b]/ This column does not add up because of differences in the provisional data provided by the cash transfer programmes. [c]/ This is not a sum of the numbers in the "Number of Additional Households" column, but rather the number of beneficiaries supported through the current payroll minus the baseline figure of 114,384 and the 2013/14 expansion that is not counted towards the achievement of the DLR.

As Table 3 shows, 150,532 additional households have been enrolled in the NSNP according to the agreed Expansion Plan and are paid for by the Government of Kenya in comparison with the July 2013 baseline. This figure includes households that have been newly targeted in accordance with the Expansion Plan and households that used to be financed by development partners and are now financed by the Government of Kenya. However, it is net of households that have exited the NSNP either temporarily or permanently (including those beneficiaries who have exited because of the closure of the UFS-CT).

2.1.2 Improved Targeting Processes

Considerable progress has been made in improving the quality of targeting in each programme since the inception of the NSNP. It has been particularly important to strengthen targeting processes given the rapid expansion of programmes since that time. All programmes have developed targeting procedures that combine community-based targeting with an administrative tool to assess the level of need of targeted households. However, the actual processes followed vary from programme to programme.

The three programmes managed by the MLEAA start with a process in which community members identify those households that they believe meet the eligibility criteria. After this, enumerators from the cash transfer programmes visit and survey those households to verify that they meet the eligibility criteria and assess each identified household's poverty level. The methodology for this assessment varies. The PWSD-CT and OPCT programmes use a poverty score card that is calculated using pre-determined weights on the household information collected by enumerators and entered in the programmes' management information systems (MIS). Households are then ranked based on their poverty score, and those that are below the cut-off for being considered "extremely poor" are added to the programme. The CT-OVC programme makes use of a proxy means test (PMT) to determine which households are "extremely poor" and should therefore be enrolled in the programme. The PMT uses a set of weighted variables that are proxies for the characteristics of poor households to determine which households are eligible based on data from the 2005/06 Kenya Integrated Household Budget Survey (KIHBS).[8] Households that have been identified in the community targeting and consequently visited by enumerators are assigned a PMT score based on their household characteristics. Households below the pre-defined PMT cut-off are enrolled into the programme.

The HSNP also uses a PMT, but it combines the result of the PMT with the results of a community targeting process. It is the combined score from these two approaches that are then used to rank households.

The introduction of a single registry system for all of the NSNP programmes has made it possible check that potential beneficiaries of one cash transfer are not already benefitting from another. Through its links to the Integrated Population Registration System, the Single Registry makes it possible to confirm the validity of any national ID information submitted by prospective beneficiaries, thus reducing the possibility of error or fraud.

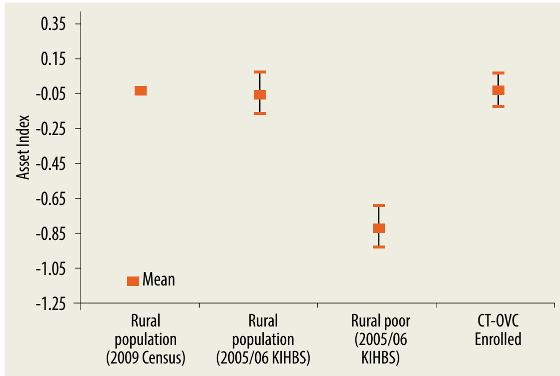
[8] The Central Bureau of Statistics is currently implementing a new household survey, which should yield more recent and accurate national household data.

Evidence of the Accuracy of the Targeting Process. One of the key improvements that the NSNP is expected to deliver is more accurate targeting, in particular a decrease the proportion of households that do not meet the targeting criteria of the individual cash transfer programmes.[9]

A consultancy firm has been contracted by the government to measure how many households meet the programme targeting criteria as part of the Programme Implementation and Beneficiary Satisfaction (PIBS) Survey. At the time of writing, the firm has surveyed a representative sample of beneficiaries from all four cash transfer programmes, asking them the same questions that each programme asks during its targeting process. The firm is applying the same PMT weights and poverty score measures to the responses received from the surveyed beneficiaries to assess what proportion of them fit the poverty targeting criteria. The firm is also assessing if households meet the categorical targeting criteria of each programme. Initial estimates from the PIBS survey suggest that a large majority (nearly 90 percent) of beneficiaries meet the targeting criteria. However, the PIBS consultancy firm is currently reviewing these estimates and a precise measurement of targeting accuracy will be provided in the near future.

Although the PIBS survey seems to show that households that are benefitting from the NSNP broadly meet both the categorical and the poverty criteria, this does not prove that the poorest households in each community have been selected. The 2012 CT-OVC baseline impact evaluation conducted a targeting analysis to assess if households enrolled in the programme were among the poorest.

Figure 1: The Distribution of an Asset-based Wealth Index among Rural Households



Source: Ministry of Labour, Social Security and Services, prepared by Mott MacDonald (2015), Kenya Orphans and Vulnerable Children Cash Transfer Programme Impact Evaluation Baseline Report, Chapter 3: Targeting. Data are for the rural population from the 2009 census and the 2005/2006 KIHBS, the rural poor from the 2005/2006 KIHBS, and CT-OVC enrolled households

The targeting analysis compared the consumption and asset ownership of households enrolled in the CT-OVC with those of the rural population in the 2009 Kenya Census and the 2005/06 Kenya Integrated Household Budget Survey (KIHBS). As Figure 1 shows, the analysis found that the asset index (a combined score of consumption and asset ownership) of the CT-OVC enrolled households was similar to the average asset index of all households living in rural areas as per the Kenya Census and higher than the rural poor households in the KIHBS. There may be a number of reasons for this. One possible explanation is that the poorest households may be unable or unwilling to care for OVCs and hence the average asset ownership of CT-OVC households may be higher than the average for rural poor households in general. It may also be a reflection of the data collected rather than a reflection of the situation on the ground. The baseline survey was completed in 2012, over six years after the KIHBS survey and three years after the Census. While many comparisons can still be made between these populations, it is important to

[9] This, in fact, is the Disbursement-linked Indicator 2, "the establishment of a baseline for proportion of households conforming to the targeting criteria of the programmes" and a follow-up disbursement after "the proportion of beneficiaries conforming to the targeting criteria increases by 15 percent compared to the baseline."

recognize that some of the variations between populations could be due to time rather than actual existing differences.

Once data from the 2015/16 KIHBS are available, they will provide stronger evidence on this question. After a successful coordination between the Social Protection Secretariat and the Kenya National Bureau of Statistics, questions were added to the KIHBS asking whether or not households are benefitting from cash transfer programmes. Therefore, using these data, it will therefore be possible to compare the welfare of those who receive transfers with the welfare of those who do not. Furthermore, the results of a targeting assessment that was conducted as part of the HSNP baseline assessment should also shortly be available.

It is also interesting to note that a small sample of households that were caring for OVCs was also interviewed for the CT-OVC baseline survey, but these households were ultimately excluded during the community targeting process. Comparing the asset index of enrolled households and the asset index of these excluded households reveals that the CT-OVC enrolled households had lower levels of consumption and scored lower in the asset wealth index than the excluded households, indicating that the community targeting process was successful in excluding the relatively better-off eligible households.

Despite some of the weaknesses in this analysis, it demonstrates the need for more work to be done to ensure that the poorest and most vulnerable households are enrolled in the CT-OVC programme. All of the programmes as well as the NSNP as a whole are currently reviewing or are planning to review the targeting criteria for beneficiary enrollment. For example, once the KIHBS for 2015/2016 is completed, the programmes that use a proxy means test (PMT) will update the PMT scores based on the new poverty thresholds as identified by the KIHBS. The programmes will also review the results of the PIBS survey on targeting accuracy with a view to finding ways to improve their targeting practices and thus improve overall programme performance.

Harmonized Targeting and Use of a PMT. As part of the process to improve the targeting of individual programmes, the NSNP is developing a harmonized targeting process for all of its constituent programmes given that they all use poverty as a criterion for being enrolled. This will ensure that all programmes will apply poverty criteria in the same manner. Because proxy means tests can rank and objectively compare the poverty status of households across a wide area, all of the programmes are working towards developing a common targeting PMT tool. What progress has been made on this will be discussed in a later section.

2.1.3 Actions Taken to Ensure that the Registry of Beneficiaries is Up to Date

All of the cash transfer programmes take a range of actions to ensure that the registry of beneficiaries is kept up to date. These include ongoing change management actions regarding the reporting of deaths or a change of caregiver and the use of the programme MIS to identify when orphans reach the age of 18. The programmes have also begun to introduce regular recertification or retargeting of beneficiaries to ensure that the registry is up to date and accurate.

In early 2015, the Department of Social Development (DOSD) conducted a recertification of all OPCT and PWSD-CT beneficiaries who had been enrolled prior to the 2013/2014 financial year. This recertification took place in all 290 constituencies in Kenya and involved nearly 57,000 beneficiaries of the OPCT and 14,700 beneficiaries of the PWSD-CT (82.7 and 79.4 percent of the total number of enrollees of each programme respectively). As Table 4 shows, 41,451 OPCT beneficiaries and 11,670 PWSD-CT beneficiaries were recertified as eligible to receive cash transfers. However, around 11 percent (5,407) of OPCT beneficiaries and 8 percent (906) of PWSD-CT beneficiaries[10] were found to have died. The DOSD experienced problems in reaching 17.3 percent and 21.2 percent of OPCT and PWSD-CT beneficiaries respectively. The reasons for this included logistical issues in conducting the recertification (such as language barriers or bad weather) and beneficiaries being away or having moved away from the locations in which they had been enrolled.

The recertification exercise used the revised PMT model that is being developed as a potential common targeting and recertification tool for the NSNP. The exercise found that only 1.1 percent of OPCT beneficiaries and 0.8 percent of PWSD-CT beneficiaries were also receiving cash transfers from another program, which is currently not allowed. Also, nearly all of the beneficiaries met the categorical criteria for each program, with over 99 percent of OPCT beneficiaries being over the age of 65 and all PWSD-CT beneficiaries having a disability and requiring 24-hour care. Additionally, in reviewing the welfare characteristics of households, the recertification exercise found that the beneficiaries of both programmes could be characterized as generally poor. The DOSD is planning to review those households who no longer appear to meet the programme enrollment criteria (for example, because they are deceased, enrolled in multiple programmes, receive pensions, or do not meet the categorical criteria) before deleting them from the relevant programme.

Table 4: Recertification Coverage for the OPCT and the PWSD-CT, 2015

	Frequency	Percentage
OPCT Recertification		
Number of constituencies covered	290	100
Number of households targeted for recertification	56,767	100
Number of households covered (out of total targeted)	47,257	82.7
Number of beneficiaries deceased (out of total reached)	5,407	11.4
Number of households analyzed for recertification (out of total reached)	41,451	87.7
PWSD-CT Recertification		
Number of constituencies covered	290	100
Number of households targeted for recertification	14,700	
Number of household covered (out of total targeted)	11,670	79.4
Number of beneficiaries deceased (out of total reached)	906	8.4
Number of households analyzed for recertification (out of total reached)	10,764	92.2

Sources: (1) Ministry of Labour, Social Security and Services, prepared by Sahara Institute of Management (2015). The Recertification of OPCT and PWSD-CT Programmes. (2) Ministry of Labour, Social Security and Services (2015). Recertification Strategy for Cash Transfer Programmes in Kenya: 2015-2030, draft.

[10] This refers to the eligible household member, which in the case of the OPCT means the member who is over 65 years old and the in the case of PWSD-CT it means the member who is registered with the programme as severely disabled.

The CT-OVC programme is currently designing a recertification process for its beneficiaries, some of whom have been enrolled in the programme since 2005. In the 2015/16 financial year, the CT-OVC programme will pilot a recertification exercise in two counties—Kwale and Kisumu—to help the programme to understand the implications of recertification as well as to fine tune the processes and methodologies involved in recertifying households. Following the pilot, the CT-OVC programme will develop a recertification framework to guide future recertification, graduation, complementarity with other programmes, and exits from the programme. This recertification framework will also be used in the recertification processes for the other cash transfer programmes as they recertify their beneficiaries in the future.

The HSNP is also planning to retarget and recertify beneficiaries in 2016. This process is currently being designed in consultation with the other programmes that make up the NSNP.

2.2 NSNP BENEFICIARIES RECEIVE APPROPRIATE, RELIABLE, AND ACCESSIBLE PAYMENTS

An essential component of any cash transfer programme is a payment system that delivers regular and reliable transfers in a way that is accessible to beneficiaries. All four cash transfer programmes aim to pay a transfer to their beneficiaries every two months. The CT-OVC, OPCT, and PWSD-CT programmes provide each beneficiary household with Ksh 2,000 per month, or about US$20, and the HSNP provides each beneficiary household with Ksh 2,550 (approximately US$25) per household per month.[11] However, at the time of the launch of the NSNP, programme implementers recognized that these cash transfers were often paid late and that there were some weaknesses in the payment delivery system.

Box 3: Cash Transfer Values

- CT-OVC: Ksh 2,000 (US$20)
- OPCT: Ksh 2,000 (US$20)
- PWSD-CT: Ksh 2,000 (US$20)
- HSNP: Ksh 2,550 (US$25.50)

Box 4: Disbursement-linked Indicators for Result #2

The specific disbursement-linked indicators (DLIs) that relate to this result are:

DLI 4: A set percentage of NSNP payments are being made electronically using two-factor authentication.

- DLR 4.1: 60 percent of NSNP payments are being made electronically using two-factor authentication.
- DLR 4.2: 90 percent of NSNP payments are being made electronically using two-factor authentication.

DLI 5: A set percentage of payments are being disbursed to payment service providers on time.

- DLR: 5.1: 45 percent of all payments are being disbursed to payment service providers on time.
- DLR: 5.2: 65 percent of all payments are being disbursed to payment service providers on time.

[11] At the time of the NSNP's inception in 2013, HSNP transfer payments amounted to Ksh 1,750 per month.

2.2.1 Payment Mechanism

At the time when the NSNP was launched, the cash transfer programmes used two payment service providers, Equity Bank and the Postal Corporation of Kenya (PCK).[12] The PCK made payments through post office branches and required only national IDs or programme IDs to authenticate the identity of beneficiaries. Payments were made manually, and the reconciliation was a labour-intensive, paper-based process. The two programmes that used Equity Bank (the HSNP and the CT-OVC in a limited geographical area) made payments through a network of Equity Bank agents, using a smart card and biometric data to validate beneficiaries' identities (in accordance with two-factor authentication). The payment reconciliation process with Equity Bank was completed electronically.

With the development of the NSNP, the government committed itself to addressing weaknesses in the current system. One aim of the NSNP has been to ensure that all future contracts with payment service providers comply with Kenya's Anti-Money Laundering Act, which requires the payment service providers be regulated financial service providers.[13] Policymakers also intended that the NSNP would use mainstream payment infrastructure in which payments would be made using two-factor authentication involving both a mag-stripe card and PIN.

In the past year, the government has put considerable effort into improving the NSNP's payment mechanism. In 2014 the government launched a bidding process for a new payment service provider for all MLEAA-managed programmes, and the contract was awarded towards the end of the year to the Kenya Commercial Bank (KCB). In early 2015 the government made an intensive effort to register and biometrically enroll almost all beneficiaries of the MLEAA-managed programmes (except beneficiaries of the CT-OVC who were already being paid by Equity Bank) to enable them to receive their payments from the KCB. This new payment mechanism uses two-factor authentication to verify that payments are being made to the correct beneficiaries and should reduce the amount of time spent on reconciliations because it uses electronic systems.

Table 5: Beneficiaries on Payroll and Those Given a KCB Card (MLEAA Programmes)

	Beneficiaries on payroll	Beneficiaries who had received a card as of. . . .			
		June 2015		January 2016	
		#	%	#	%
CT-OVC	200,984	173,371	86	185,896	92
OPCT	225,045	136,080	60	199,757	89
PWSD-CT	26,000	19,800	76	22,847	88
TOTAL	**452,029**	**329,251**	**73**	**408,500**	**90**

Source: MLEAA (January 2016).

12 Equity Bank made payments to households enrolled in the CT-OVC and HSNP programmes. The Postal Corporation of Kenya made payments to households enrolled in the CT-OVC, OPCT, and PWSD-CT programmes.

13 Other requirements of the Anti-Money Laundering Act are that: (i) all payments must be made in real time online; (ii) banks must fulfill stringent "know your customer" checks, making it nearly impossible to make payments to recipients without a national ID; (iii) agents cannot be exclusive to a single bank; and (iv) no systems can be used that are based on technologies or standards that cannot be integrated with other elements of the national payments system.

The HSNP also updated its payment mechanism around the time of the launch of the NSNP. After a competitive process, it signed a new contract with Equity Bank, but, unlike the system used by the MLEAA-run programmes, the mechanism requires beneficiaries to have a fully functional bank account. However, the mechanism cannot be considered mainstream as the ID cards used are program-specific. This was because HSNP programme implementers felt the need to provide beneficiaries with a biometric means of authentication to ensure security in places where many recipients had low literacy levels and limited understanding of banks and PIN numbers. CT-OVC households that previously received their payments through Equity Bank continue to do so and did not change to the KCB.

There have been a number of challenges involved in switching payment service providers, including difficulties in getting all households biometrically enrolled, the slow establishment of payment agents, and organizational difficulties. Some beneficiaries have been unable to open bank accounts due lack of IDs and due to operational and organizational challenges, and as a result, these beneficiaries have not been paid. As shown in Table 5, as of June 2015, only 73 percent of beneficiaries had received a KCB card and were able to receive payments, but by January 2016 this had increased to 90 percent. However, despite these challenges, the Government of Kenya was able to submit evidence to the World Bank in May 2015 that they had met the relevant DLRs, with 95 percent of NSNP cash transfer payments now being made using two-factor authentication. Table 6 presents the evidence that the Government of Kenya submitted to the Bank in relation to achieving this DLI.

The MLEAA and the NDMA continue to follow up with their payment service providers regarding the recruitment of payment agencies.[14] The aim of the HSNP is for beneficiaries to have to travel no more than 20 kilometers to reach a payment agent, while the MLEAA programmes

Table 6: Number of Cash Transfer Payments Made with Two-factor Authentication in May/June 2015

	Total number of Beneficiaries	Beneficiaries paid using electronic two- factor authentication system	Payment Cycle	Payment Provider	Payment Instrument Description
CT-OVC	251,764	59,352	March-April 2015	Equity Bank	Branch and agency model with point of service (POS) devices and biometric smart card
		192,412	March-April 2015	KCB	Branch and agency model with POS devices and biometric smart card
HSNP	100,000	76,069	May-June 2015	Equity	Full bank accounts with biometric and PIN-enabled smart card
PWSD-CT	27,200	25,864	March-April 2015	KCB	Branch and agency model with POS devices and biometric smart card
OPCT	164,000	160,553	March-April 2015	KCB	Branch and agency model with POS devices and biometric smart card
Total	**542,964**	**514,250**			
Percentage of NSNP beneficiaries paid using electronic two-factor authentication system		95%			

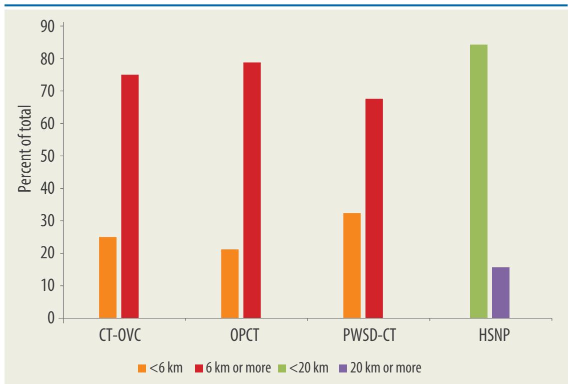
Source: Ministry of Labour, Social Security and Services (May 2015). Kenya National Safety Nets Programme Payments Report: Beneficiaries Paid through Electronic, Two Factor Authenticated Instrument

[14] An agent is any commercial entity which can act on behalf of a bank as a point of service to provide cash to beneficiaries.

aim for no more than 6 kilometers.[15] However, the PIBS survey asked beneficiaries how far they had to travel to reach a payment agent (see Figure 2), and over 75 percent of the CT-OVC and OPCT recipients and over 65 percent of PWSD-CT recipients reported having to travel more than six kilometers. On the other hand, only 16 percent of HSNP beneficiaries reported having to travel more than 20 kilometers to a payment agent, which is relatively low considering the expansiveness of the four counties in which the HSNP operates.

As noted above, the programmes are working to recruit additional payment agencies to ensure that beneficiaries do not have to travel long distances to collect their payments. As can be seen from the HSNP data in Table 6, Equity Bank has made significant progress in terms of the coverage of their payment agents, with most locations in the four northern counties being serviced by at least one agent. To date, the MLEAA programmes have focused on biometric enrollment and the issuing of cards to beneficiaries, but in the future there will be a greater focus on the quality of service that they provide.

Figure 2: Distance Traveled by Beneficiaries to Reach a Payment Agent



Source: Ministry of Labour, Social Security and Services, prepared by Promin Consultants and Development Impact Consultants (2015), Programme Implementation and Beneficiary Satisfaction Survey Cycle 1 Report, draft.

2.2.2 Timeliness of Payments

As mentioned previously, NSNP payments to payment service providers and beneficiaries have often been late as a result of a number of operational issues. In recent years, the HSNP has been making regular timely payments, but the other programmes have continued to suffer from delays in payment and unpredictable payment schedules. These delays have a negative effect on the welfare of the recipient households as they cannot rely on having funds by a particular date which makes household financial planning very difficult.

Table 7 shows the timeliness of payments made by the four NSNP cash transfer programmes since 2013. As can be seen in the table, the timeliness of HSNP payments has increased significantly since the launch of the programme but this remains a challenge for the remaining three programmes. The introduction of a new payment mechanism was expected to improve the situation through timely reconciliation at the end of each payment cycle. HSNP has improved in payment timeliness and payments are now made according to a defined schedule. Even the MLEAA programmes were able to pay on time for a while at the end of the 2014/15 fiscal year with the new payment system. However, challenges have remained particularly at the start of the financial year. Paying the first payment of the financial year on time has always been a struggle for the programmes as there is often a delay in the release of Treasury allocations to the programmes. These delays were exacerbated at the beginning of the 2015/16 financial year saw, thus causing continued delayed payments to beneficiaries. The ministries and programmes are actively seeking ways to resolve these delays, including by establishing a regular dialogue with Treasury to find ways to prevent future delays in receiving financing.

[15] While the MLEAA programmes have some beneficiaries in the remote and vast Northern counties of Kenya, the majority of beneficiaries are located in more populated areas of Kenya, thus making the six kilometer or less travel distance goal a realistic one.

Table 7: Timeliness of Payments to Beneficiaries

OnTime / Late

Payment Cycle	HSNP	OPCT	PWSD-CT	CT-OVC	NSNP - All
Jul 2013 - Aug 2013	N/A	Late 47 days	Late 47 days	Late 57 days	Late
Sep 2013 - Oct 2013	N/A	On Time	On Time	Late 70 days	Late
Nov 2013 - Dec 2013	N/A	Late 76 days	Late 197 days	Late 67 days	Late
Jan 2014 - Feb 2014	Late 37 days	Late 17 days	Late 139 days	Late 8 days	Late
Mar 2014 - Apr 2014	Late 19 days	Late 125 days	Late 79 days	Late 9 days	Late
May 2014 - Jun 2014	Late 44 days	Late 15-79 days[a]/	Late 34 days	On Time	Late
Jul 2014 - Aug 2014	Late 1 day	Late 98 days	Late 163 days	Late 92 days	Late
Sep 2014 - Oct 2014	On Time	Late 63 days	Late 102 days	Late 113 days	Late
Nov 2014 - Dec 2014	On Time	Late 2 days	Late 41 days	Late 51 days	Late
Jan 2015 - Feb 2015	Late 4 days	Late 50 days	Late 42 days	Late 65 days	Late
Mar 2015 - Apr 2015	On Time	On Time	On Time	On Time	On Time
May 2015 - Jun 2015	On Time	On Time	On Time	On Time	On Time
Jul 2015 - Aug 2015[b]/	On Time	Late	Late	Late	Late
Sep 2015 - Oct 2015	On Time	Late	Late	Late	Late
Nov 2015 - Dec 2015	On Time	Late	On Time	Late	Late

Notes: [a]/ New beneficiaries experienced a payment delay of 79 days, while initial beneficiaries experienced a payment delay of 15 days. [b]/ Data on the number of days on which payments were made late were not available in time for this report.

2.2.3 Benefit Levels

The main objective of the NSNP is to improve the welfare and increase the resilience of beneficiaries by providing them with regular and predictable cash transfers. The cash transfers have significantly improved the well-being of recipient households (see section 3.3 of this report), yet some households and programme officials believe that the value of the cash transfers is not high enough and should be increased. The Programme Implementation and Beneficiary Satisfaction (PIBS) survey had a qualitative component in which beneficiary households and programme officials were interviewed, many of whom stated that the transfer values were too low and should be increased to have more impact.

Currently households enrolled in the CT-OVC, OPCT, and PWSD-CT programmes receive Ksh 2,000 per month while households enrolled in the HSNP receive Ksh 2,550 per month. These differing benefit levels reflect the different histories of the programmes and how recently there have been any adjustments to the transfer levels. The value of the transfer paid by the CT-OVC programme was initially (in 2007) set at a level that took into account the average incomes of the target group, the ratio of the transfer to the poverty line, and average monthly expenditures on health and education, and the OPCT and PWSD-CT programmes followed suit. The result was a transfer level of Ksh 1,500, which represented around 12 percent of the poverty line and 25 to 30 percent of the income of poor households. On the other hand, the HSNP benefit level was initially set at a value calculated to be 75 percent of the cost of a full food basket food ration.

Since then there has been significant consumer and food price inflation in Kenya. In response, the MLEAA increased the value of the transfers paid by its three programmes from Ksh 1,500 to Ksh 2,000 in December 2011, while the value of the HSNP transfer has been increased several times, most recently in July 2015, as shown in Table 8.

Table 8: Increase in HSNP Cash Transfer Value over Time

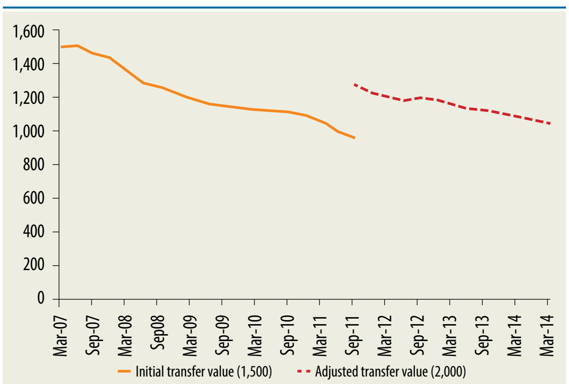
Dates transfer value in effect	Amount (Ksh)
March 2009 - August 2011	1,075
September 2011 - February 2012	1,500
March 2012 - June 2013	1,750
November 2013 - July 2014	2,300
July 2014 - June 2015	2,450
July 2015 - Feb 2016 (current)	2,550

Source: Programme administrative data.

However, despite the increases in 2011, the purchasing power of the MLEAA transfers has diminished over recent years. Figures 3 and 4 use a simple calculation based on the consumer price index to show the diminishing purchasing power of the CT-OVC transfer compared with that of the HSNP transfer, which increased slightly in March 2012 and more substantially in June 2013.

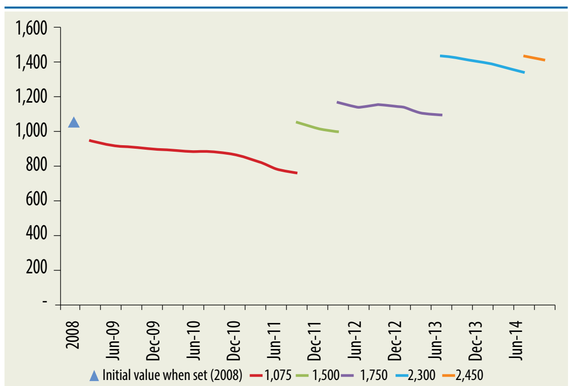
As seen in Figure 3, the real value from the CT-OVC increased back to its level in 2008 (approximately Ksh 1,300) after the transfer value raise was approved in 2011. However, since 2011, the purchasing power of the CT-OVC beneficiaries has continued to decrease and is currently near the levels immediately before the last raise was approved at only Ksh 1,000. As seen in Figure 4, the purchasing power of HSNP beneficiaries, on the other hand, has been steadily rising. There has been some initial dialogue among the government and its development partners about increasing the cash transfer values of the MLEAA programmes, but to date, no concrete actions have been taken.

Figure 3: Real Value of CT-OVC Transfer



Source: Sandford, Judith (2015). "Protecting Benefit Levels from Inflation". Paper presented at the June 2015 JRIS Mission, Naivasha, Kenya.

Figure 4: Real Value of HSNP Transfer



Source: Sandford, Judith (2015). "Protecting Benefit Levels from Inflation". Paper presented at the June 2015 JRIS Mission, Naivasha, Kenya.

2.3 CITIZENS ARE ABLE TO APPEAL DECISIONS AND LODGE COMPLAINTS TO IMPROVE PROGRAMME PERFORMANCE

Another key result the NSNP is working towards achieving is the establishment of a system to enable citizens to appeal against decisions, lodge complaints, and provide general feedback to programme implementers. The NSNP aims to ensure that all four cash transfer programmes have a functional complaints and grievance mechanism in place to strengthen their accountability. At the time of development of the NSNP in 2013, both the HSNP and CT-OVC programmes already had functioning complaints and grievance mechanisms and ways to inform communities about the existence and rules of these mechanisms. Both programmes were able to collect complaints and grievances from beneficiaries and channel them to programme managers for action. Both programmes also had Service Charters detailing the rights of programme beneficiaries. However, the other two programmes, the PWSD-CT and the OPCT, were using existing government anti-corruption committees to receive and respond to complaints.

2.3.1 Progress on Developing Functional Appeals and Complaints Processes

Functional Complaints and Grievance Processes. The NSNP has developed a coordinated approach to delivering functioning complaints and grievance mechanisms for all four programmes. While complaints are still handled at the local level by each individual program, the programmes all make use of similar processes to collect, record, and respond to complaints. At the national level, all complaints and grievances are recorded on the NSNP Single Registry system. Complaints by beneficiaries can be classified as either general complaints or complaints related to fraud and corruption. These two types of complaints are handled in different ways.

All four programmes now have clear procedures for making, receiving, recording, and responding to complaints, and these procedures are clearly laid out in the Operation Manuals of each cash transfer programme. Each programme has established Beneficiary Welfare Committees (BWCs) or, in the case of the HSNP, Rights Committees (RCs). These BWCs and RCs play a number of roles: (i) disseminating information to programme beneficiaries, (ii) receiving and documenting all complaints; (iii) addressing complaints that can be resolved locally; and (iv) escalating beneficiary complaints to higher authorities when necessary. BWCs and RCs are expected to record all complaints in a specified format and then forward these complaints to the relevant officials for action. BWCs and RCs have been

Box 5: Disbursement-linked Indicators for Result #3

The specific disbursement-linked indicator (DLI) that relates to this result is:

DLI 6: Functional complaint and grievance mechanisms

- DLR 6.1a: A complaints and grievance mechanism is functional at the national level for all cash transfer programmes.
- DLR 6.1b: A complaints and grievance mechanism is functional at all levels for all cash transfer programmes.
- DLR 6.2a: 45 percent of programme beneficiaries can name two ways to make a complaint
- DLR 6.2b: 65 percent of programme beneficiaries can name two ways to make a complaint.

established in all locations for the HSNP and CT-OVC programmes, but to date the OPCT and the PWSD-CT programmes are still in the early stages of establishing BWCs. Until recently, these two programmes have received minimal resources to finance programme management and support, but the establishment of BWCs is a priority in this financial year (2015/16).

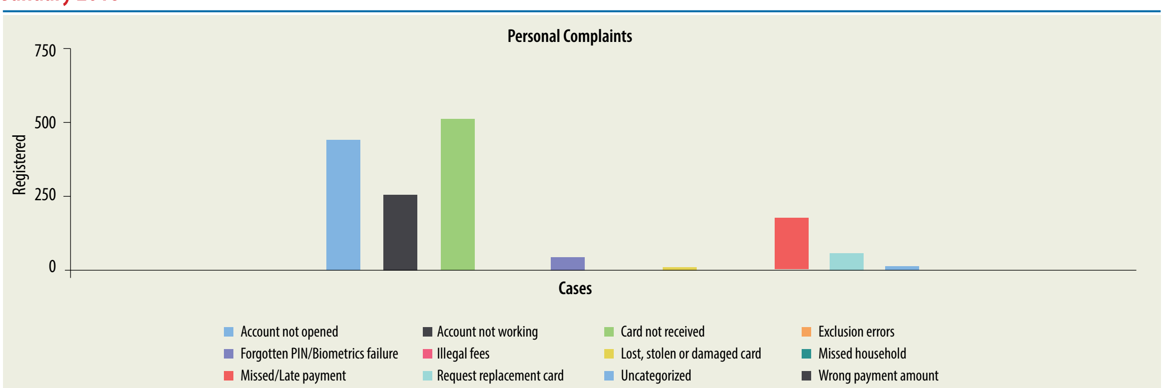
Additionally, as part of the complaints and grievance mechanism, all programmes have developed management information systems (MISs) that include a module to record all complaints and grievances received by the programme. However, many complaints are never entered into the MIS. Because of this, responsibility for maintaining the complaints and grievance modules of the MISs of the MLEAA programmes is being decentralized to the county level. So far, a pilot initiative has decentralized the complaints and grievance modules of the MISs to 10 counties, and the results of this pilot will inform the NSNP as it extends this decentralization across the country.

The complaints and grievance module for the HSNP MIS has also been decentralized. This module has been turned into a case management information system that tracks complaints, requests for information, and household updates submitted by beneficiaries. The system is able to isolate complaints from any other requests made by beneficiaries. The system is further able to break down complaints into categories, for example those related to bribery, account problems, card problems, or missing payments, and is able to track how and when these complaints are addressed. Figure 5 provides a screenshot of some complaints submitted by beneficiaries to the HSNP case management system.

Further, staff have been assigned to manage complaints in each of the program's management units, and a complaints and grievance hotline has been set up, though the NSNP implementers are making efforts to ensure that it is functioning effectively. However, the broader call center system is not fully operational because of staffing constraints.

Despite this progress, programmes have faced some challenges in responding to complaints and grievances. In the first round of the PIBS survey in 2015, households were asked about the complaints and grievance processes and among those households that had submitted a complaint, 63.7 percent allege to have not

Figure 5: Number and Type of Personal Complaints Submitted to the HSNP Case Management System between February 2015 and January 2016



Source: Programme administrative data (HSNP) received any response. Of those that did receive a response, 70.2 percent reported that this response was unsatisfactory.

- 63.7% of beneficiaries who have made complaints have not received a response.
- 70.2% of beneficiaries who received a response on their complaints say it was unsatisfactory.

Now that a complaints and grievance management system has been established at the national level for the NSNP as a whole, the related DLI has been achieved. However, the MLEAA is still seeking to recruit more staff to manage the hotline to ensure that it is appropriately staffed at all times. Before the DLI related to functioning systems at the county and community levels can be considered as having been met, BWCs need to be established in all of the programmes and the systems for recording and escalating complaints from the local level to higher authorities need to be improved.

Awareness of Complaint Mechanisms among Beneficiaries. Another key challenge facing the NSNP is ensuring that beneficiaries are aware of the complaints and grievance mechanisms that exist. It is imperative that beneficiary households, as well as other community households, are aware of the complaints and grievances processes and know how to make a complaint. The HSNP complaints and grievances programme has a strong outreach component designed to make communities and beneficiaries aware of how to register a complaint with the programme. As a result, the HSNP has received more complaints than the other programmes. However, the CT-OVC, PWSD-CT, and OPCT programmes have recently started implementing more initiatives to make their beneficiaries aware of their complaints and grievance procedures.

The HSNP began raising awareness of its complaints and grievances procedures in October 2014 with a series of local radio scripts. These radiocasts informed communities about many aspects of the program, including household registration into the program, bank account openings, programme entitlements, payment requirements, modes, and frequency, complaints channels, and ID registration. By understanding all of the processes of the HSNP, households should easily be able to identify any issues with the programme and register a complaint or grievance. Furthermore, the HSNP has distributed service charters that explain the rights of beneficiary households to Rights Committees and households in the four counties covered by the HSNP - Wajir, Mandera, Turkana, and Marsabit. This outreach by the HSNP has been fairly successful as the number of complaints made regarding the HSNP is higher than in the other NSNP programmes.

The CT-OVC, OPCT, and PWSD-CT programmes have recently completed several activities related to raising awareness of complaints and grievances procedures. The programmes' field offices were provided with a variety of materials to be disseminated to beneficiaries including 600,000 NSNP complaints and grievance charters in both English and Swahili, 300,000 CT-OVC programme charters, and 50,000 programme charters for the PWSD-CT and OPCT programmes. Furthermore, 10,000 posters about complaints and grievances were put up in public places within communities, and public meetings were held in 16 counties to raise awareness of the complaints procedures among beneficiary households.

To ensure that further outreach activities are effective, the government contracted with a survey firm to find out the extent of awareness among beneficiaries about the existence of the complaints and grievance processes as part of the PIBS survey. The survey included questions asking respondents if they know how to make a complaint and if they can specifically name the different ways of making complaints.

The data from the survey (June to September 2015) revealed that considerable work is still needed to make beneficiaries aware of the complaints and grievances mechanism. Among all of the beneficiaries surveyed, only 36.7 percent responded that they were aware of how they could give feedback or register complaints to programme personnel. When asked specifically to name the ways to make a complaint, only 25.5 percent were able to name one way and only 11.1 percent were able to name two or more ways.

- 36.7 percent of beneficiaries are aware of how to provide feedback or register complaints.
- 25.5 percent of beneficiaries can name one way in which a complaint can be made.
- 11.1 percent of beneficiaries can name two or more ways in which a complaint can be made.

2.4 MONITORING AND LEARNING SYSTEMS ARE FUNCTIONAL

Another key result that the NSNP aims to attain is to have functional monitoring and learning systems in place.[16] During the development of the NSNP, the government with the support of its development partners established a monitoring and evaluation system framework that included a number of indicators to monitor progress in implementing the NSNP. Data on these indicators would be collected through each program's management information system (MIS) and used to gauge progress towards the achievement of the NSNP's goals. At that time, all of the programmes had an MIS but only two were functioning well – those for the CT-OVC and the HSNP. Thus, the NSNP set a goal of developing well-functioning management information systems for each of the four cash transfer programmes.

Furthermore, the NSNP aimed to build strong M&E capacity within the government and to put efficient M&E systems in place to provide regular updates and reports on programme operations. Similarly, the NSNP aimed to conduct regular evaluations of its constituent programmes to gather feedback on the impact of cash transfers and to assess the effectiveness of the programmes.

Box 6: Disbursement-linked Indicators for Result #4

Although there are many aspects related to having a functional monitoring system, there is one particular disbursement-linked indicator that relates to M&E:

DLI 3: The Single Registry is fully operational with programme MISs using agreed standards for internal payroll controls.

- DLR 3.1 Programme MISs are fully operational using agreed standards for internal payroll controls.
- DLR 3.2 The Single Registry is fully operational and linked to the Integrated Population Registration Service (IPRS).

[16] The objective of the monitoring and learning system is also to build capacity to use the evidence to influence policy and make operations more efficient.

2.4.1 *Progress on Developing Monitoring and Learning Systems*

The NSNP M&E framework links inputs, activities, outputs, outcomes, impact, and the results that the Government of Kenya aims to achieve. In addition, the framework details the data collection procedures and reporting functions that the government intends to undertake to monitor progress towards the achieving the program's objectives.

Since the NSNP was created in 2013, considerable progress has been made towards achieving the objectives and key indicators of the programme. With regard to M&E, the four cash transfer programmes have all begun to report on the common indicators as set out in the NSNP monitoring framework. Furthermore, each programme now has a functioning MIS that is able to record and report on all pertinent program-related information. Additionally, there are several monitoring and evaluation activities that have taken place by external independent firms or are currently underway to collect additional information on the progress that the NSNP has been making towards achieving its objectives. There has also been considerable capacity building in the government on M&E related functions. For example, there are now dedicated M&E staff members in the Social Protection Secretariat and a greater awareness of M&E functions among all cash transfer programme staff. Also, the government organized an M&E learning event in June 2015 that involved government officers from all different programmes.

Programme MISs. In order to make the programmes more accountable and make their operations more efficient, it was necessary for each cash transfer programme in the NSNP to develop a functional MIS. As mentioned previously, the HSNP and CT-OVC already had MISs in place in 2013, but the OPCT and PWSD-CT did not. However, by June 2014, all programmes had functional and operational MISs in place with standards for internal payroll controls. This met the disbursement-linked indicator DLR 3.1.

Each programme MIS has multiple features that connect with other operational aspects of the programmes, such as payments, targeting, enrollment, complaints, and M&E. Each program's MIS contains a registration module for both targeting and enrollment that contains beneficiary data. The MIS also has a payment module to make post-payroll checks and reconciliations more efficient, accurate, and timely. In addition, each MIS has a change management module that can produce beneficiary lists that identify households that no longer meet the eligibility criteria. The MISs also contain modules for registering complaints and grievances, and, as mentioned previously, they are currently being decentralized to the county level to improve the management of incoming data from the local level. Additionally, each MIS is able to support M&E by being able to produce reports on any data of interest. Finally, the programme MISs are able to link to and provide information to the common Single Registry, which is discussed in more detail in section 2.5.1.

Building M&E Capacity. Considerable work has been done by NSNP personnel to build the program's M&E capacity. Each of the cash transfer programmes has M&E staff in place, and the Social Protection Secretariat also has a dedicated M&E officer. Several training sessions have been held for staff and managers of other programmes to raise awareness of the importance of M&E and of how best to use M&E information in the design and operations of programmes. The government held an M&E

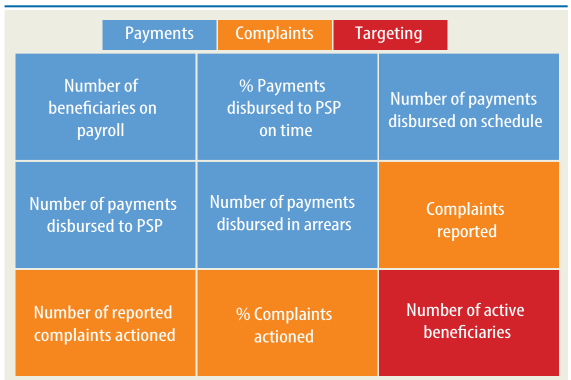
learning event for the personnel of the NSNP cash transfer programmes in June 2015, which gave participants an opportunity to assess progress being made by all of the NSNP's programmes using monitoring reports produced by the NSNP. Participants identified key challenges and developed action plans to overcome these challenges. Also, ongoing training sessions on M&E are being held for NSNP officers at the county level, which are especially important as the programme MISs are being decentralized to this level.

Connecting the NSNP MIS to Other Government Processes. One of the aims of the NSNP is to provide high-level policymakers and the public with information on social protection. As part of this goal, the NSNP is seeking ways to link its MIS with the Government of Kenya's National Integrated Monitoring and Evaluation System (NIMES). NIMES was established in 2004 and is currently being used to track the medium-term plans associated with Kenya Vision 2030, of which social protection is a key aspect. The NSNP provides data on two indicators on social protection to NIMES - the number of households on the NSNP payroll and total NSNP expenditure. Having these indicators on NIMES is likely to help policymakers and the public to have a clear understanding of the social protection landscape in Kenya.

The NSNP worked closely with the Kenya National Bureau of Statistics over the past couple of years to ensure that social protection questions were incorporated into the 2015/2016 Kenya Integrated Household Budget Survey (KIHBS). The KIHBS is designed to collect socioeconomic data on the Kenyan population to be used to update poverty, welfare, and employment statistics. The KIHBS now includes questions designed to identify those households that are benefitting from the NSNP cash transfer programmes, which will yield data that can be used to monitor the progress of the NSNP.

Monitoring and Evaluation Reports. In addition to building the M&E capacity of the government, the NSNP is also planning to use data from the Single Registry and programme MISs to produce bi-monthly, bi-annual, and annual M&E reports on its progress in areas such as enrollments, payments, and complaints and grievances. However, the NSNP has so far found it difficult to ensure the accuracy of the information being collected in the MIS and thus has not been able to produce the intended reports. The Social Protection Secretariat M&E team is working with each programme and the Single Registry to produce more accurate and reliable reports that programmes can use to inform their operations. Figure 6 shows some of the key indicators that the NSNP's M&E system is collecting.

Figure 6: Key Indicators Collected in the NSNP M&E System



The NSNP and its individual programmes have contracted with a number of consultants to undertake independent and external monitoring and evaluations of the programme. One assessment that is currently underway and that has been mentioned previously is the Programme Implementation and Beneficiary Satisfaction (PIBS) survey, which is designed to gather information from beneficiaries on how well various programme operations are implemented. It will also collect information pertaining to the achievement of certain DLIs (namely targeting and complaints and grievances).The PIBS survey will involves three rounds, the first of which took place in June to September 2015. The next two rounds will take place in 2016. The NSNP is also procuring an operational monitoring consultant who will provide in-depth monitoring and reporting on key areas of interest by visiting and observing operations in various programme locations. This work is anticipated to take place throughout 2016.

Finally, there are two ongoing impact evaluations, one for the HSNP and one for the CT-OVC programme. The CT-OVC impact evaluation conducted a baseline survey in September 2012, and an end line survey is anticipated for 2016. This evaluation is exploring the impact that cash transfers have on beneficiary households, while also investigating the impact of making the receipt of cash transfers conditional on beneficiaries fulfilling certain conditions. The HSNP's impact evaluation is gathering data for an operational evaluation and for continuous monitoring of the programme. This evaluation will analyze the program's design and implementation as well as investigating the impact on beneficiaries of both the regular cash transfers provided by the HSNP and the emergency scale-up cash transfers provided to additional at-risk households in times of crisis. The consultancy that is conducting the HSNP evaluation is finalizing its baseline report and will continue with follow-up surveys in the upcoming years.

2.5 THE CASH TRANSFER PROGRAMMES ARE HARMONIZED AND GOVERNMENT-MANAGED

The four cash transfer programmes are implemented by different departments and ministries. The CT-OVC programme is implemented by the MLEAA's Department of Children's Services, and the OPCT and PWSD are implemented by the same ministry's Department of Gender and Social Development. Meanwhile, the HSNP is implemented by the National Drought Management Authority (NDMA). These varied implementation arrangements had resulted in a high degree of fragmentation, duplication, and inefficiency among the programmes. Furthermore, the disjointed implementing arrangements failed to optimize implementation capacity or support a coherent approach to capacity-building across the sector.

The NSNP is working towards harmonizing the cash transfer sector and making all cash transfer programmes fully government-managed. The government conducted a functional review in 2014 to:(i) identify any current gaps in staffing capacity and physical resources to quantify the need for capacity building in the short term and (ii) provide evidence for whether and how best to harmonize and consolidate the CT programmes. The functional review found that the processes used in all four cash transfer programmes were largely the same, including programme design, targeting/enrollment, payments, case management, grievances, MISs, and monitoring and evaluation. The functional review further found that consolidating the management of the various cash transfer programmes would have significant benefits in terms of increasing both the total number of households covered by safety nets and the efficiency of the programmes' operations.

Box 7: Disbursement-linked Indicators for Result #5

The specific disbursement linked indicators (DLIs) that relate to this result are:

DLI 8: A strategy for consolidating the cash transfer programmes is developed.

- DLR 8.1: Adoption by the NSNP of a strategy for consolidating the CT-OVC, OPCT, and PWSD-CT programmes.
- DLR 8.2: Implementation of a strategy for consolidating the CT-OVC, OPCT, and PWSD-CT programmes.

DLI 9: The government finances the HSNP in line with its budget and policy commitments.

- DLR 9.1: GOK finances the HSNP in line with budget and policy commitments

As part of this harmonization process, the NSNP aims to link each program's MIS to a Single Registry, which will contain information on the beneficiaries of all four cash transfer programmes. The Single Registry will not only be able to provide consolidated information on beneficiaries of all cash transfer programmes but will also be able to prevent households from benefitting from more than one program, strengthen the process for verifying beneficiaries' identities, and provide a foundation for developing other consolidated systems such as payment systems.

Based on this functional review, the government intends to formulate a consolidation and harmonization plan to deliver more effective services to cash transfer beneficiaries. This consolidation plan will coordinate the activities of the four cash transfer programmes to take advantage of any economies of scale and streamline implementation arrangements. A key aim of the NSNP is for all of the cash transfer programmes to be managed and funded by the government instead of by its development partners as this will make them more likely to be financially sustainable.

2.5.1 Progress on Harmonizing Systems within the NSNP and Moving Towards Government Management of the NSNP

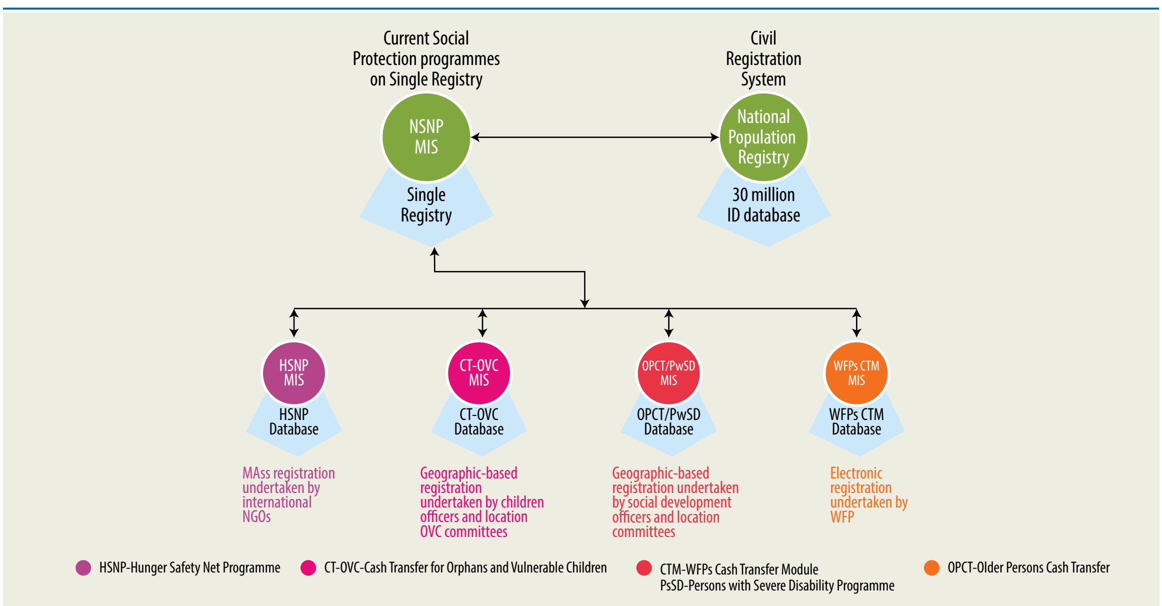
The Single Registry. As a first step towards the harmonization integration of all cash transfer programmes, the NSNP created a Single Registry of Beneficiaries in early 2015. The Single Registry will make it possible to build a picture of NSNP beneficiaries as a whole and will enable policymakers and programme managers to verify that beneficiaries fit the eligibility criteria, are not receiving more than one cash transfer, and have a valid ID number. The Single Registry has several useful features. First, it is housed on servers in the Social Protection Secretariat, but the MISs of each individual cash transfer programme can instantly and automatically input information into the Single Registry. Second, it is able to cross-check beneficiaries from each cash transfer programme to ensure that no households are benefitting from more than one NSNP programme. Third, the Single Registry is linked to the Integrated Population Registration Service (IPRS) to enable each programme to cross-reference the national ID number for all beneficiaries with the IPRS database to determine if it is a valid ID number and if the person meets the age criteria for the cash transfer programmes. Figure 7 shows the links between the Single Registry and the individual programme MISs.

The Single Registry also has a module for M&E indicators. While each individual program's MIS can also do this, before the Single Registry, compiling all the information from each MIS into a single monitoring report for the NSNP as a whole was a cumbersome and difficult process. With the Single Registry, it is now much faster and more efficient to compile accurate and up-to-date information on programme operations. Currently, the Single Registry's M&E module is being updated to incorporate reporting mechanisms for variables of interest, including targeting, change management, payments, complaints and grievances, and enrollment. However, when producing bi-monthly M&E reports, the Single Registry is still only able to report on 60 to 70 percent of variables of interest, while the remainder have to be retrieved from the MISs of the individual programmes. The government is currently trying to incorporate these remaining variables into the Single Registry reporting system.

Even though the Single Registry is setup and functioning and is linked to the individual programmes' MISs and to the Integrated Population Registration Service, a recent audit report of the Single Registry noted that there are still some areas that could be improved. The report made the following recommendations:

- The Single Registry should incorporate reporting mechanisms for the other M&E variables of interest that currently have to be collected from the MISs of the individual programmes.
- The Single Registry dashboard should be accessible to national, county, and sub-county officers (at present it is only accessible to the Single Registry administrator).
- The current disaster recovery plan for the Single Registry should be improved as it has never been tested so there is no assurance that it will be possible to recover the data in the case of an unforeseen incident.

Figure 7: Links between the Single Registry and Each Programme's MIS



Source: WFP complimentarity initiative update, June 2015.

While the government is working on these improvements, the progress made to date means that both DLRs 3.1 and 3.2 have been achieved.

Consolidation of the NSNP. The government is seeking to develop a consolidation strategy and a common targeting process for all of the NSNP cash transfer programmes. The development of this strategy has proven challenging because of differing views among cash transfer programme implementers over the level of consolidation that is feasible or desirable. A functional review was conducted in 2014, on the basis of which the government developed a draft consolidation strategy but recognized the need for further technical support. At present a consultant is helping the government to finalize the consolidation strategy by facilitating dialogue between the four NSNP cash transfers and other key stakeholders, including the Treasury.

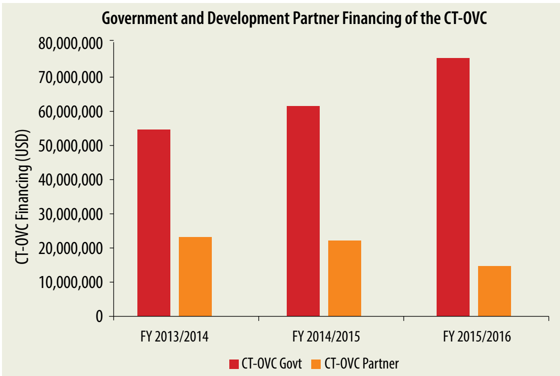
One of the critical areas of the consolidation strategy is the development of a harmonized targeting and recertification process, including the targeting tools used by each programme (including the PMT and the community screening and validation processes) and the targeting and recertification implementation processes. The consultant has identified several areas of agreement and disagreement among stakeholders and has noted that the targeting tools for all the cash transfer programmes are similar (approximately 90 percent of the questions are similar), although there is a slight difference in methodologies and in the weighting of variables. Based on this analysis, the consultant has created a draft of a harmonized targeting tool that will be reviewed at a future meeting by cash transfer programme personnel. This tool will be piloted by the NSNP cash transfer programmes with technical assistance from the WFP and UNICEF.

To date, the disbursement-linked indicators for this result have not been met. However, it is anticipated that the consolidation strategy and harmonized targeting process will be finalized and adopted in the 2015/2016 financial year.

Government Management of the NSNP. The Government of Kenya has substantially increased its financing of cash transfers in recent years, having funded all of the recent expansion of the NSNP. As a result, there has been a significant increase in the number of beneficiary households that are paid from government funds as opposed to development partner financing (as was discussed in section 2.1). Most significant has been the decision by government to take over the financing of the HSNP, which had previously been entirely financed by development partners, as part of the Programming Framework to End Drought Emergencies in Kenya. Specifically, when the government adopted this framework in 2012, the goal was it to contribute Ksh 312 million to the HSNP the following year and increase this by a further 10 percent each year to the tune of 30 percent of the total HSNP budget. At the inception of the NSNP, the government had not yet achieved this financing goal, but by June 2014, it began to finance the HSNP in line with its policy commitments. This means that the related disbursement-linked result has been met.

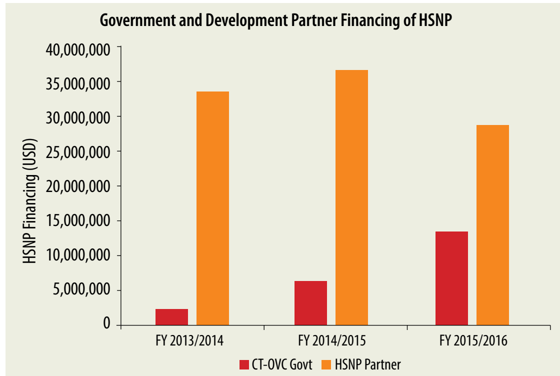
Figures 8 and 9 show the increased government financing of both the CT-OVC and HSNP programmes. The remaining two programmes – the OPCT and the PWSD-CT - are already fully financed by the government. A more detailed table showing the evolution of government and development partner funding of the NSNP can be found in Annex 1.

Figure 8: Government and Development Partner Financing of the CT-OVC between FY2013/2014 and 2015/2016



Source: CT-OVC programme administrative data.

Figure 9: Government and Development Partner Financing of the HSNP between FY2013/2014 and 2015/2016



Source: HSNP and CT-OVC programme administrative data.

2.6 PROGRAMMES ARE RESPONSIVE TO SHOCKS

Recurrent drought can undermine the impact of social protection programmes by inducing vulnerable populations to deplete their assets. There is much evidence in arid areas of the strong and direct correlation between worsening weather conditions and decreased household consumption and expenditure. Scaling up and down cash transfer programmes in a timely manner before a drought situation deteriorates has been shown to be more effective and cost-efficient than initiating *ad hoc* emergency responses.

International evidence has shown that scaling up existing safety net programmes is more effective at protecting livelihoods than emergency food aid. However, at the time of the development of the NSNP, none of the cash transfer programmes had the ability to respond to shocks by rapidly scaling up their coverage or increasing the amount of support that they provide. This undermines the ability of cash transfer programmes to provide effective safety net support to poor and vulnerable households.

In this context, the NSNP created the National Drought and Disaster Contingency Fund (NDDCF) for the HSNP. The NSNP is focusing on the HSNP in the first instance because it operates in drought-prone areas. The National Drought Management Authority, which manages the HSNP, established mechanisms necessary to scaleup HSNP transfers, including the establishment of an early warning system and local contingency plans. When the warning indicators are triggered, the HSNP will be able to use those contingency funds to extend its cash transfer support to populations affected by the shock.

Box 8: Disbursement Linked Indicators

The specific disbursement linked indicator (DLI) that needs to be achieved to help meet this result is:

DLI 7: System for scaling up the NSNP as part of the national drought risk management system

- DLR 7.1: A system for scaling up the NSNP as part of the national drought risk management system that has been created with agreed levels of GOK contingency financing

2.6.1 *Progress on Making the Programmes Responsive to Shocks*

In its normal operations, the HSNP provides approximately 100,000 households with regular cash transfers that are paid into the households' functioning bank accounts. In order to be ready to respond to shocks and emergencies, the HSNP has developed a second list of 272,000 households with open bank accounts. These households do not receive cash transfers under normal circumstances, but are provided with cash assistance from the HSNP in the event of drought or other emergency situations. It is thought that providing cash early before households feel the full impact of a crisis is the best way to mitigate the adverse impact of drought or other emergency situations.

This expansion of coverage of the HSNP cash transfers is triggered by satellite data that are generated every 10 days. These data are reported in a "vegetation condition index" that the NSNP considers to be quantitative, objective, and financially acceptable. The vegetation condition index works by comparing the current vegetation satellite images and index with the range of values observed in the same period in previous years. If the vegetation is on the worse end of the range of values from previous years, this indicates an extreme vegetation deficit and triggers the HSNP to widen its coverage temporarily to mitigate the effects of drought on households living in the HSNP areas. Table 9 presents an example of the vegetation condition index produced in September 2015 for a few selected counties of Kenya.

Table 9: Vegetation Condition Index for Samburu, Isiolo, and Turkana Counties, September 27, 2015

Color	VCI values 3-monthly average	Drought Category
(dark green)	≥50	Vegetation greenness above normal
(light green)	35 to 50	Normal vegetation greenness
(orange)	21 to 34	Moderate vegetation deficit
(light red)	10 to 20	Severe vegetation deficit
(red)	<10	Extreme vegetation deficit

ADMINISTRATIVE UNIT				Remarks
COUNTY	Sub County	VCI as at 21st September	VCI as at 28th September	
SAMBURU	County	21.37	19.85	The county continues to experience worsening trend. S. East remains in the severe band with north in the moderate band and fast deteriorating. S. East has ongoing response activities after the activation of the contingency plan. S. North needs to be monitored closely to understand the repercussions for local livelihoods and to prepare a possible drought response.
	S East	14.02	13.48	
	S. North	24.83	22.56	
	S. West	39.61	36.71	
ISIOLO	County	17.79	17.06	A significant vegetation deficit that has marginally deteriorated further. The entire county remains in the severe band. Contingency plans have already been activated and are being implemented. Need to review effectiveness of the interventions.
	I. North	19.88	18.93	
	I. South	14.6	14.2	
TURKANA	County	25.61	23.4	General worsening trend with T. Loima experiencing severe vegetation deficit. Need to review contingency plans in readiness for possible response activities.
	T Central	34.57	33.07	
	T. East	27.64	25.33	
	T. Loima	20.63	18.85	
	T. North	22.22	20.02	
	T. South	26.02	23.53	
	T. West	28.18	25.57	

The HSNP has completed two pilots testing this cash assistance expansion approach. Poor rains in April and May of 2015 triggered Kenya's first emergency scale up of HSNP coverage across the four counties. In April 2015, the HSNP paid out Ksh 417 million (approximately US$4.3 million) to an additional 90,648 households and in May 2015, the HSNP paid out Ksh 95 million (approximately US$1 million) to an additional 38,961 households (see Table 10). The payments were made within two weeks of the drought trigger being reached, a quicker, cheaper, and less costly crisis response than food aid alternatives.

Table 10: HSNP Expansion of Cash Assistance Pilot, April and May 2015

	Number of Households	Amount Paid (Ksh)	Amount Paid (US$)
April Expansion	90,648	417 million	4.3 million
May Expansion	38,961	95 million	1 million

Source: HSNP programme administrative data.

On the basis of these two pilots, plans have now been established to create an institutionalized drought risk management system and contingency fund, which is expected to be a key financing mechanism in the future. The National Drought Management Authority (NDMA) has drafted the necessary legal framework, fund regulations, and deed of trust for this contingency fund. These have been reviewed by the legal advisor for the World Bank Disaster Risk Financing team and have been submitted to Treasury for review. Once the Treasury responds, the National Drought Contingency Fund can be established.

3. THE NSNP'S CONTRIBUTION TO IMPROVING WELFARE AND INCREASING RESILIENCE IN KENYA

The main objective of the National Safety Net Programme is to improve the welfare and increase the resilience of beneficiaries, with the aim of reducing poverty and vulnerability in Kenya. The aim of the NSNP cash transfer programmes is to provide regular and predictable cash transfers to vulnerable households.[17] There is plenty of evidence worldwide that cash transfer programmes can be an effective means of alleviating poverty and facilitating the attainment of an adequate standard of living for beneficiary households. Cash transfers have been shown to improve household welfare by increasing consumption, improving health, increasing school attendance, raising self-esteem, and improving diet.[18]

Kenya's cash transfer programmes within the NSNP are no exception, and several evaluations and monitoring reports have provided evidence that they are improving the welfare of recipient households. Rigorous impact evaluations of the CT-OVC programme and the HSNP have revealed that the programmes have had significant positive effects on beneficiaries' consumption, dietary diversity, and assets and have had spillover effects in the local economy. Furthermore, a recent beneficiary satisfaction survey of over 3,000 households enrolled in the NSNP cash transfer programmes revealed that beneficiaries feel that the cash transfers have significantly improved their livelihoods. This section presents the results of the CT-OVC and HSNP impact evaluations and of the beneficiary satisfaction survey in more detail.

[17] Households in the cash transfer programmes are considered to be vulnerable based on their circumstances (caring for orphans and vulnerable children, people with severe disabilities, or older people) or based on where they live (those living in arid and semi-arid regions of Northern Kenya).

[18] See "DFID, 2011, Cash Transfers: Evidence Paper, London: Department for International Development, Policy Division" for a literature review of the evidence of the impact that various cash transfer programmes worldwide have had on reducing poverty and vulnerability.

3.1 IMPACT EVALUATION OF THE CT-OVC

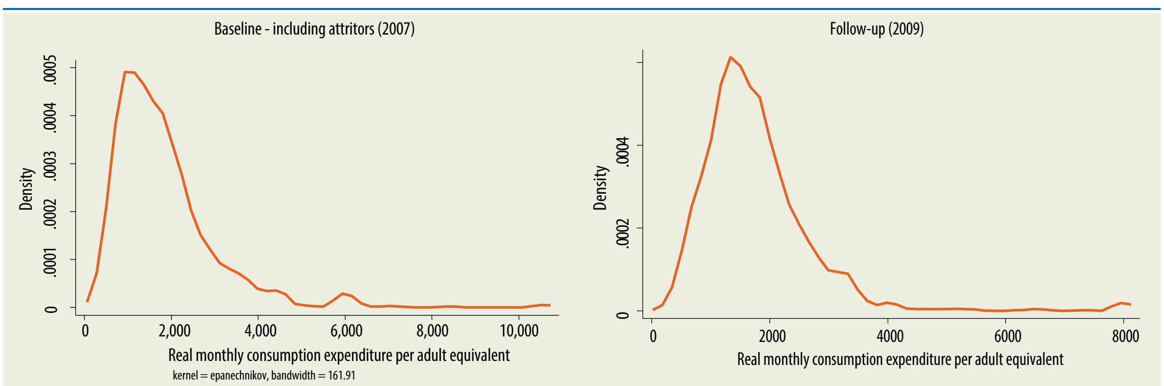
An external independent consultant conducted a rigorous impact evaluation of the CT-OVC programme between 2007 and 2009, with a baseline survey of a sample of beneficiary households in 2007 and a follow-up survey in 2009. The evaluation revealed that the programme had a broad range of positive effects on beneficiary households, including reducing poverty, increasing food consumption and dietary diversity, increasing school attendance and use of health care, and strengthening the local economy.

The survey data revealed that the CT-OVC programme had significantly reduced the share of beneficiary households living on less than 1 dollar a day and increased their consumption of both food and non-food products (see Figure 10). The programme also increased per capita expenditure, particularly on food, with the result that the diversity of the diet of beneficiary households increased as they consumed more animal products and more fruit. In addition, smaller and female-headed households tended to consume a significantly larger share of dairy/eggs, meat/fish, fruit, and other foods derived from their own production.

The impact evaluation also showed that the cash transfers improved the care of orphans and vulnerable children in a variety of ways. Significantly, the programme led to a significant reduction in child labour on farms, particularly for boys. The CT-OVC programme also had a positive impact on school enrollment for older children. Children between 13 and 18 years of age living in beneficiary households were more likely to be enrolled in school, had half a year more of grade completion, and were less likely to drop out of school than the control households.

The CT-OVC programme also had a significant impact on younger children who were born after the baseline survey was carried out, which suggests that the programme was having an inter-generational impact. In particular, the programme led to a reduction in the incidence of diarrhea among 3 to 5 year olds living in beneficiary households as well as a significant increase in households seeking care for children suffering from diarrhea. The likelihood of 3 to 5 year olds in beneficiary households being vaccinated against measles and accessing preventive health care also increased.

Figure 10: Distribution of Real Consumption Expenditure per Adult Equivalent (baseline and follow-up survey)



Source: Ministry of Labour, Social Security and Services, prepared by Oxford Policy Management (2010). CT-OVC Operational and Impact Evaluation 2007-2009 Final Report: Annex E.

Box 9: CT-OVC Impact Evaluation Highlights

- Income multipliers of Ksh 1.34 and Ksh 1.81 in West and East regions
- A 13 percent reduction in the share of households living on less than 1 dollar a day
- A 13 percent increase in measles vaccination among children aged 3 to 5 years old
- A 13 percent increase in access to preventive care for children under the age of 5
- A 9.1 percent increase in school enrollment among children aged 13 to 18 years old

The impact evaluation also showed that the CT-OVC programme had improved outcomes related to adolescent sexual behavior and social behavior. Adolescent children enrolled in the cash transfer programme were less likely to have sex, less likely to have unprotected sex, and less likely to have multiple partners than adolescents in control households. Furthermore, young women enrolled in the programme were 5 percentage points less likely to become pregnant than their counterparts not enrolled in the programme. Mental health outcomes also were better for adolescent youths enrolled in the program, with lower rates of depression, greater belief in their own agency and self-efficacy, and more positive views of the future than young women in control groups.

The evidence from impact evaluation indicates that the CT-OVC programme affected some aspects of the livelihoods of beneficiaries and their communities in rural Kenya, particularly in the case of female-headed and smaller households. Female-headed households and smaller households enrolled in the cash transfer programme owned more small animal livestock than control households that were not enrolled in the programme.

The CT-OVC programme also influenced the type of income-generating activities in which the beneficiary households participated, most of which involved casual or informal labour. For adults in female-headed households, receiving the transfer was associated with an increase in participation in household-run, non-farm business enterprises. For those individuals (particularly women) who lived far from markets, the receipt of the transfer helped them to participate in casual wage labour activities. The programme was also associated with an increase in working in casual non-agricultural wage labour (particularly for males) and a decrease in working in agricultural wage labour.

The CT-OVC programme increased social capital and strengthened informal safety nets and risk-sharing arrangements in beneficiary households. Even in the case of the poorest households, transfers increased self-esteem and increased their ability to engage in community and religious activities.

When beneficiaries spend their cash transfers, they pass on the benefits of the extra income to others inside and outside the local economy, often to households that are not eligible for the cash transfer who tend to own most of the local businesses. The study found income multipliers from the CT-OVC programme in the West and East regions, in which every Ksh transferred to poor households raised local income by Ksh 1.81 in the East region and Ksh 1.34 in the West region. However, the impact evaluation report noted that these income multipliers are potentially limited by poorly functioning labour, capital, and land markets that may constrain the supply response of local producers. Key findings from the impact evaluation are in Annex 2.

3.2 IMPACT EVALUATION OF THE HSNP

An external independent consulting firm completed an impact evaluation of the first phase of the Hunger Safety Net Programme (HSNP 1), with a baseline survey in 2009 and a follow-up survey in 2012. The impact evaluation revealed that HSNP 1 had significantly increased consumption and reduced poverty in beneficiary households. It also showed that the programme had resulted in significant improvements in terms of food security, child education, savings, and spending on healthcare.

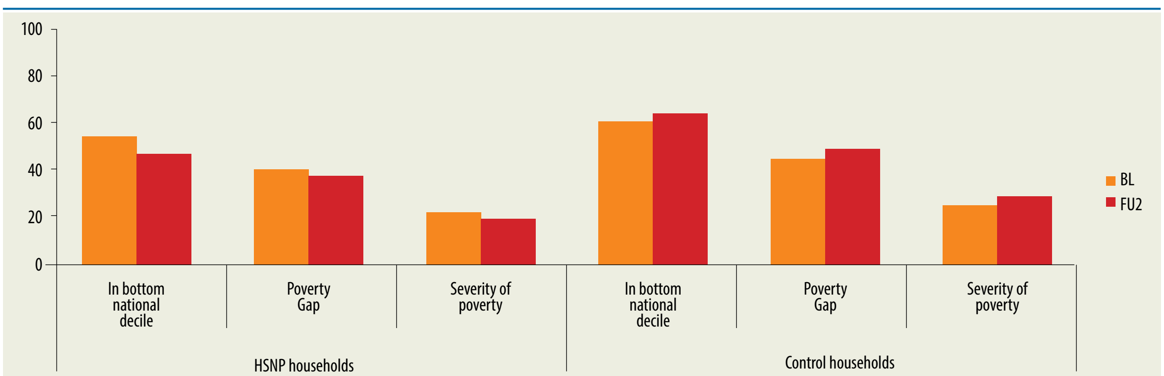
The follow-up survey conducted three years after the baseline survey showed that there had been a decrease in the severity of poverty among HSNP households and a reduction in the percentage of households in the lowest national consumption decile. Figure 11 shows the impact of the cash transfers on the poverty indicators of beneficiary households. The results indicate that the HSNP cash transfers act as an important safety net for these households and mitigate the impact of adverse shocks such as the drought that occurred in 2011. There was no conclusive evidence that the programme had a significant impact on the ownership of livestock or other productive assets, but there is evidence to suggest the programme is enabling beneficiaries to increase their purchases of "non-productive assets" such as housing materials, clothing, and basic household items.

The cash transfers also had a significant effect on reducing hunger and increasing food security among beneficiary households. Many respondents referred to reduced hunger as the most fundamental impact that the HSNP had had on their wellbeing, with the majority of households responding that they had been able to have more and/or larger meals. This was evident in the increase in food consumption expenditure, particularly among poorer households, smaller households, and households who had received a higher cumulative per capita transfer value over the previous year.

The impact evaluation showed that the cash transfers had a small but significant impact on the average monthly amount spent on healthcare per household member. There was also a marked increase in the likelihood of seeking health care among those who suffered an illness or injury in the previous three months. However, this was the case for both the treatment and control groups so cannot be attributed to the HSNP.

In terms of education, the quantitative data from impact evaluation did not produce any definitive evidence of the HSNP having a positive impact on school attendance or expenditure. However, the qualitative research indicated that beneficiary households believed that the programme was helping households to meet the financial costs

Figure 11: Poverty rates of HSNP Beneficiary Households at the Time of the Baseline and Follow-up Surveys



Source: Ministry of Devolution and Planning, prepared by Oxford Policy Management (2013). Kenya HSNP Monitoring and Evaluation Component Quantitative Impact Evaluation Final Report, 2009-2012.

Box 10: HSNP Impact Evaluation Highlights

- A 10 percent reduction in extremely poor households, (those in the lowest national consumption decile)
- A 7 percent reduction in the severity of poverty and in the poverty gap
- 87 percent of beneficiary households reported eating more and/or larger meals

of accessing education. Additionally, there was some evidence that the programme was having a small positive impact on the proportion of children whose main activity is education. Furthermore, there was some evidence that the HSNP was having a positive effect on children who were already in school, with a significant increase in the proportion of children passing Standard 4 and in the highest grade achieved by children aged between 6 and 17 years old. This impact was most noticeable for the poorer and smaller households enrolled in the HSNP.

After one year of programme operations, a significant number of HSNP households reported positive changes in their work patterns and reported being able to expand or improve their existing businesses as a result of receiving the HSNP cash transfers. The impact evaluation also revealed that the cash transfers were enabling some women (specifically those in female-led households) to take more control of the household budget and to increase their participation in income-generating activities.

There was much evidence from the impact evaluation that the HSNP is having a statistically significant impact in terms of increasing the uptake of credit, particularly by poorer households. There were also significant increases in the proportions of HSNP households that had cash savings and that had borrowed cash in the previous month. Annex 2 lists some of the key findings of the HSNP impact evaluation.

3.3 BENEFICIARY SATISFACTION SURVEY

The Programme Implementation and Beneficiary Satisfaction survey (PIBS) is designed to provide the government with regular independent and rigorous data on the implementation of the NSNP and on beneficiaries' level of satisfaction with the services that it provides. The government procured an external independent consultant to complete the PIBS survey. This consultancy firm will regularly interview a random and representative sample of 3,222 NSNP beneficiaries located in all 47 counties of Kenya.

The first PIBS survey took place between April and September 2015, and the consultancy firm produced a first draft of the report in early October 2015.[19] This draft report shows that beneficiaries are satisfied overall with the NSNP's services and that the NSNP cash transfers have had a positive impact on their overall well-being. Over 90 percent of respondents reported improvements in their consumption and household diet. Additionally, over three-quarters of the respondents reported improvements in health, school attendance, and self-esteem. Beneficiaries also indicated that the cash transfers have had a positive impact on household participation in the community and their acceptance by the community. Some of the respondents said that the cash transfers had enabled them to buy assets and start income-generating activities. The findings of the PIBS

[19] At the time of writing this progress report, the PIBS survey report is not yet in final form and is not yet available to the public.

Table 11: PIBS Survey – Proportion of Beneficiaries Reporting Positive Impact of the NSNP on Various Well-being Indicators

Indicator	CT-OVC	HSNP	OPCT	PWSD-CT	Overall
% of beneficiaries reporting a positive impact of the NSNP on household consumption	94.7	94.2	94.8	91.6	93.6
% of beneficiaries reporting a positive impact of the NSNP on household dietary diversity	92.8	94	95.3	92.7	93.8
% of beneficiaries reporting a positive impact of the NSNP on household members' school attendance and performance	95.4	82.8	68.9	75.3	79.2
% of beneficiaries reporting a positive impact of the NSNP on household health	89.7	81	88	86.7	85
% of beneficiaries reporting a positive impact of the NSNP on household members' self-esteem	82.4	76.7	78.5	79.2	78.4
% beneficiaries reporting a positive impact of the NSNP on acceptance by other community members	75.6	73.8	71	68.2	71.8
% of beneficiaries reporting a positive impact of the NSNP on households' participation in community activities	65.4	66.1	54.9	51.3	59.4
% beneficiaries reporting a positive impact of the NSNP on household ownership of assets	47.4	61	46.4	47.1	52.5
% beneficiaries reporting a positive impact of the NSNP on household income-generating activities	29.2	44.7	21.3	29.9	34

Source: Ministry of Labour, Social Security and Services, prepared by Promin Consultants and Development Impact Consultants (2015), Programme Implementation and Beneficiary Satisfaction Survey Cycle 1 Report, draft.

survey with regard to the impact of the NSNP on household well-being can be found in Table 11. The results are given separately for each cash transfer programme as well as collectively for the NSNP as a whole.

As shown by the PIBS survey, NSNP beneficiaries believe that the cash transfers have had positive effects on their welfare, particularly in terms of improving consumption, diet, school attendance, health, self-esteem, and community acceptance/participation.

3.4 ONGOING RESEARCH ON THE IMPACT OF THE NSNP CASH TRANSFER PROGRAMMES

Two further impact evaluations are currently in progress, one for the CT-OVC programme and another for the HSNP. The current HSNP evaluation, set to take place between 2015 and 2017, will follow on from the work of the first impact evaluation (2009-2012) and will investigate changes that have taken place in the programme. The quantitative aspect of the impact evaluation will look into the changes that have taken place in the programme since the last impact evaluation, including the types of households that are targeted, the value of transfers, and the scale-up of the programme to be responsive to shocks. In addition to this rigorous quantitative impact evaluation, the evaluation will use qualitative methods to investigate the effects of the HSNP cash transfers on the local economy, the context in which the programme is operating and how this is affected by the cash transfer, and the operation of the Arid Lands Support Programme.[20]

[20] The Arid Lands Support Programme is a DfID funded programme that aims to build more resilient livelihoods for some of the poorest people in northern Kenya. This programme complements the HSNP, to ensure longer-term resilience to drought and other shocks in the four counties of Turkana, Marsabit, Mandera and Wajir.

The 2012-2016 impact evaluation for the CT-OVC programme is also a follow-up to the previous impact evaluation (2007-2009) and will gather information on the program's recent pilots and initiatives. In addition to looking at the overall impact of the cash transfers, as in the last study, this impact evaluation is specifically investigating the piloting of conditional cash transfers, in which households are penalized by a reduction in their payment if they do not meet certain conditions pertaining to the education and health of their children. The evaluation is also analyzing the targeting of the CT-OVC programme to determine if the programme is reaching the most vulnerable households.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4. MOVING FORWARD WITH THE NSNP

At the inception of the NSNP, policymakers identified the key results that the programme had to meet and specific activities that it must undertake to achieve those results. As the NSNP develops and progresses, they are identifying other goals for the NSNP to pursue in the future to make it more efficient and effective and to realize the right to social security enshrined in the Constitution. Most importantly, they are working to ensure sustainability of the NSNP and cash transfers by passing the National Social Protection Policy into law and ensuring continued government commitment to funding the social protection sector. Additionally, the NSNP has identified several new potential ways to increase the impact of the cash transfers, ranging from indexing their value to inflation to varying the cash transfer amount based on household size and vulnerability. These initiatives are at various stages of design and piloting and may be added to the NSNP in the future. Finally, the NSNP is providing beneficiaries with links to other similar programmes such as with the World Food Programme's cash-for-assets programme and with other services that may help them further. As a result, the NSNP continues to evolve to better serve the needs of vulnerable populations in Kenya.

4.1 THE SUSTAINABILITY OF THE NSNP

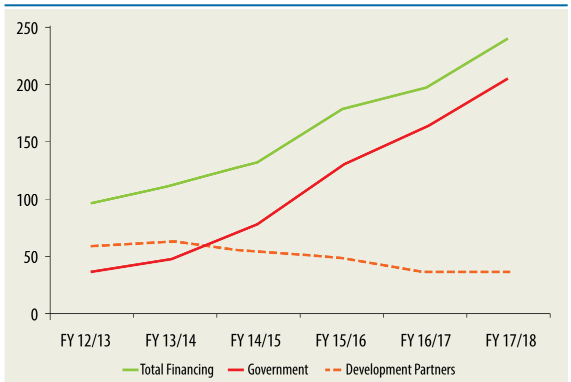
National Social Protection Policy as Law. The government developed the National Social Protection Policy (NSPP) in 2011 in response to the new Constitution of Kenya that specifically lays out a right to social protection. In Kenya's vision of moving towards a more equitable and inclusive future, the NSPP seeks to reduce poverty and vulnerability by protecting individuals and households from the impact of adverse shocks. The NSPP aims to achieve this by increasing the access of individuals and households to social welfare services.

The NSPP lays out policy measures in social assistance, social security, and health insurance. The National Safety Net Programme (NSNP) falls under the social assistance policy measures, which seek to establish institutions and provide resources to provide social assistance as well as coordinate approaches to the design and implementation of all social assistance programmes. In addition, the social assistance policy measures of the NSPP enable the government to scaleup existing social assistance programmes and widen their geographical and demographic coverage. Furthermore, the NSPP supports the government to regularly review the implementation of its social assistance interventions.

This National Social Protection Policy was approved by the Cabinet in May 2012. It has yet to become law but is currently before the National Assembly awaiting debate and approval. The sessional paper providing the broad strategies for implementation of the policy was approved by the National Assembly earlier in 2015. The National Social Protection Council Bill is awaiting discussion in Parliament and, once passed, will provide legal underpinning for the implementation of the policy. Once the NSPP becomes law, the NSNP will have a stronger basis for continuing to expand and improve its cash transfer programmes.

The Continued Expansion of the NSNP. In accordance with the National Social Protection Policy, the government is committed to scaling up existing social assistance programmes to reduce poverty and increase the resilience of individuals and households. It has developed an expansion plan for the NSNP that sets out clear goals for the coverage of the various cash transfer programmes through 2017. After 2017, the government of Kenya will be funding most of the NSNP's operating budget, thus ensuring the program's sustainability. Figure 12 shows the expected financing of the NSNP through FY2017/2018, demonstrating the continued expansion of the programme as well as the increasing funding being provided by the Government of Kenya. Even though an expansion plan for the post-2017 has not yet been developed, the Government of Kenya is committed to continuing the expansion of the NSNP to realize the Constitution's right of social protection for all.

Figure 12: Projected Financing for NSNP, FY 2012/2013-FY 2017/2018 (US$ millions)



Source: World Bank (2013). Programme Appraisal Document for the National Safety Net Programme for Results.

4.2 ACTIVITIES TO IMPROVE THE WELFARE AND INCREASE THE RESILIENCE OF BENEFICIARIES

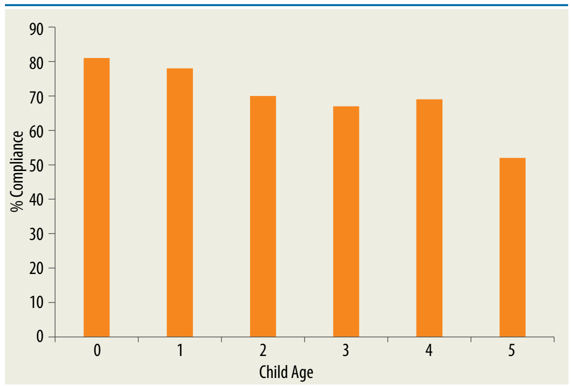
Conditional Cash Transfers. Many cash transfer programmes around the world, particularly in Latin America, are conditional in that they make the receipt of the cash transfer dependent upon the recipient households taking certain actions to improve their welfare, often in the areas of health or education. Other programmes, including the cash transfer programmes within the NSNP, have soft conditions in which households are supposed to make similar investments in their own well-being but do not cease to receive transfers if they do not make those investments.

While conditional cash transfers are very common in Latin America, they are not as widespread in Africa. Many researchers and practitioners have raised concerns about the feasibility of implementing conditional cash transfers in Africa due to the poorer quality of social services and more limited implementation capacity in many African countries than in Latin American countries. For example, if transfers become conditional on recipients investing in their family's health or education, then it is necessary to have well-functioning health and education systems to meet the demand. Also, strong government capacity is needed to implement a conditional cash transfer to collect and manage data required to ensure that households have complied with the conditions.

Because of this debate about how appropriate conditional cash transfers are in the African context, it is important to create an evidence base on the relative effectiveness of conditional versus unconditional (or soft condition) cash transfer programmes in Africa. The NSNP is currently conducting a pilot study of a conditional cash transfer within the CT-OVC. The households involved in this pilot study must meet certain conditions related to education and health in return for their transfers. The education condition is that beneficiary households are required to ensure that their children aged 4 and older are enrolled in and attend school at least 80 percent of the time. The health condition is that beneficiary households are required to ensure that their children under the age of 1 year old are up-to-date with their vaccinations and that their children under the age of 5 years old are taking Vitamin A supplements and attending growth monitoring clinics. If any households are not meeting these conditions, then money is deducted from their cash transfers for each payment cycle until the household begins to meet the conditions.

This pilot currently covers slightly more than 1,500 households spread around six counties. Households began to be penalized in March 2015, and an impact evaluation conducted between 2012 and 2016 will assess the effect that the conditions have had on the households. This impact evaluation will determine if the penalties used in the pilot have improved outcomes for households more than the soft conditions currently imposed by the CT-OVC programme. Programme staff who have visited the households receiving the conditional cash transfer report that many of the beneficiaries believe that imposing these conditions will help the CT-OVC programme to meet its objectives of improving school attendance and health outcomes, but the impact evaluation will produce hard evidence if the conditions affect these outcomes.

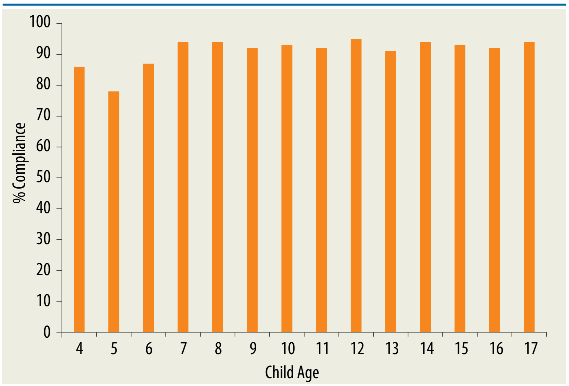
Figure 13: Compliance with Health Conditions in the CT-OVC Pilot, May/June 2015 payment cycle



Source: CT-OVC programme administrative data.

Initial data the CT-OVC programme has collected from the pilot show that households are more likely to comply with the health conditions related to the youngest children than with the older children. In data from the May/June 2015 payment cycle, nearly half of all of the 5 year olds from beneficiary families did not take Vitamin A supplements or attend growth monitoring clinics (see Figure 13) compared to over 80 percent of newborns who complied with health conditions. On the other hand, these data show that the oldest children, those over the age of 7, are the most likely to have complied with the education conditions, with over 90 percent being in compliance. Younger children are somewhat less likely to comply with the education conditions, with less than 80 percent of 5 year olds and less than 90 percent of 4 and 6 year olds being in compliance (see Figure 14). However, the actual impact of the conditions will not be known until the impact evaluation is completed at the end of 2016.

Figure 14: Compliance with Education Conditions in the CT-OVC Pilot, May/June 2015 payment cycle



Source: CT-OVC programme administrative data.

While the pilot will yield some interesting information on whether conditional transfers can improve household well-being, it has faced many operational difficulties and challenges. Due to logistical issues, it took several years for the pilot to be successfully launched. Once the pilot study started, it has proved to be time-consuming and resource-intensive to conduct verification checks to ensure that households are meeting the conditions. Verifying the health conditions involves enumerators going to every household, while verifying the education conditions involves enumerators visiting each child's school to check their attendance and enrollment. Households have often been penalized for failing to comply with conditions as a result of errors made by the school or health facility such as attendance sheets being filled out incorrectly by teachers, vaccine shortages, or health workers turning away OVCs for non-urgent growth monitoring. Once the impact evaluation results are available, policymakers will need to weigh any positive impact against the operational difficulties of implementing a conditional cash transfer to determine if it is worth continuing or expanding the programme.

Indexing Transfer Values to Inflation. Adjusting the value of cash transfers to prevent their purchasing power from diminishing was discussed in detail in section 2.2.3. Currently, the HSNP is the only programme to index cash transfer values to inflation. On the other hand, the value of the CT-OVC has not increased since 2011, which has meant that the real value of the cash transfer has greatly decreased over recent years. The government and its development partners have started an initial dialogue about how best to address the problem of the diminishing purchasing power of the cash transfers in the MLEAA programmes.

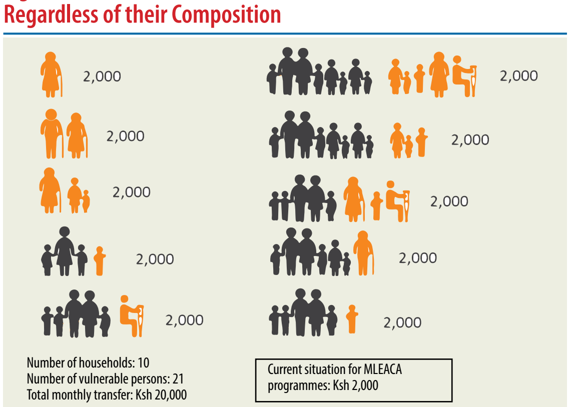
One option would be to index benefits to inflation. This is possibly the simplest option as it would only involve checking the consumer price index once a year to determine whether the purchasing power of the transfer has been eroded and then adjusting the value of the transfer for the following year. A second option would be to index transfers to a basic basket of goods, which was the approach initially used in the HSNP (75 percent of a full food basket). This approach has the advantage that it could take into account regional variations in benefit levels, thus making the purchasing power of the transfer consistent among different counties. A final option that managers of the NSNP and the MLEAA programmes are looking at would be to setting the cash transfer according to the minimum wage or to index it to a proportion of the minimum wage. These options have all been discussed by the government and its development partners, but to date no decisions have been made.

Variable Cash Transfer Values. Currently all households in the CT-OVC, PWSD-CT, and OPCT programmes receive Ksh 2,000 per month and all households enrolled in the HSNP receive Ksh 2,550 per month. These cash transfer amounts are the same for all households regardless of their circumstances. Previous impact evaluations of both the HSNP and the CT-OVC have shown that smaller households benefit most from receiving the transfer as the cash goes further among fewer people. Figure 15 presents an example. The figure assumes that there are 10 households enrolled in the cash transfer program, among whom there are 21 vulnerable people (indicated in orange). All of the households receive Ksh 2,000 regardless of their size and regardless of how many vulnerable people are in the household. For example, the household on the top left has only one older person and receives Ksh 2,000, while the household on the top right has 13 people, five of whom are considered vulnerable, yet this household also receives Ksh 2,000.

The programmes are beginning to look into ways to vary the value of cash transfers according to household circumstances. If a household has multiple vulnerable people, the household would be eligible to receive a higher cash transfer. Figure 16 presents an example of what a future cash transfer programme might look like if a programme were to vary the amount of cash transfer that it provided based on the number of vulnerable members in a beneficiary household.

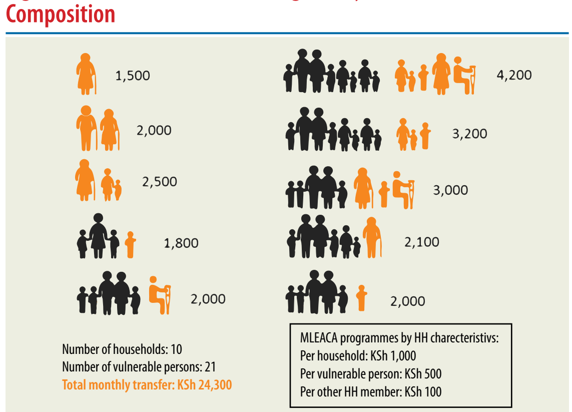
In the hypothetical situation presented in Figure 15, each household receives Ksh 1,000, each vulnerable person in the household receives Ksh 500 and each additional household member receives Ksh 100. The household on the top left now only receives Ksh 1,500, and the household on the top right now receives Ksh 4,200. If the NSNP chooses to vary the cash transfer value in the future, they could do so based on this example or they could choose to vary the transfer based on other household characteristics. For example, extra cash could be given per vulnerable member, per additional household member, and/or per working adult member. While increasing cash transfer values based on household composition would probably be more equitable, there are still many questions about efficiency, effectiveness, and availability of resources.

Figure 15: Same Cash Transfer Value for All Households Regardless of their Composition



Source: Power Point presentation at the June 2015 JRIS mission, Naivasha, Kenya.

Figure 16: How Cash Transfers Might Vary Based on Household Composition



Source: Power Point presentation at the June 2015 JRIS mission, Naivasha, Kenya.

The NSNP is looking into these questions to determine if variable cash transfers are a possibility for the future. It is being assisted by consultants engaged jointly by UNICEF and the WFP under the auspices of United Nations Development Assistance Framework (UNDAF) Social Protection group. These consultants are expected to come up with policy recommendations to the government on how transfer values can be adjusted regularly to take account of inflation and of the multiple vulnerabilities that characterize certain households. With these recommendations, the government will make decisions on any changes to the transfer values of the cash transfer programmes.

4.3 COMPLEMENTARITY WITH AND BUILDING LINKS TO OTHER PROGRAMMES AND SERVICES

While four of the government cash transfer programmes are working together as part of the NSNP, there are several other large-scale assistance programmes in Kenya, such as the WFP's food assistance programmes and the government's national school feeding programme that have many similarities to the NSNP programmes in terms of assistance provided and target groups. Programme managers are working towards achieving greater coordination between the NSNP and these other programmes.

Connecting Beneficiaries to Other Services. The National Social Protection Policy identifies the need to maximize the impact of social protection programmes by building graduation and exit mechanisms into safety net programmes, as appropriate and by ensuring complementarity across programmes. The NSPP commits the government "…to ensure that people who are receiving social assistance have access to other services that can help [to] transform their lives [such as] access to banking, credit, and savings… skills training and business development services to facilitate informal and formal employment…"[21] The need for policymakers to understand how these complementary mechanisms would function in the context of Kenya was also a key recommendation in the government's Social Protection Sector Review in 2012.[22]

The government is therefore increasingly interested in establishing systems that would enable safety net beneficiaries to transition from safety net programmes such as the CT-OVC to programmes aimed at helping them to rise out of poverty and into productive employment such as youth employment programmes.

Similarly, the government is exploring how best to help safety net beneficiaries to benefit from other social services such as health care. The government is currently piloting the Health Insurance Subsidy Programme (HISP), an initiative aimed at providing Kenya's poorest with a health insurance subsidy that covers both inpatient and outpatient care in public and private health facilities. The first phase of the programme covers 125,000 Kenyans in 21,777 households (selected from the Single Registry) in all of Kenya's 47 counties. Since around mid-2015, the National Hospital Insurance Fund (NHIF) has registered a total of 18,441 out of the 21,777 households and issued them with beneficiary cards. The registration of the remaining beneficiaries will continue until all targeted households are enrolled in the programme. Key stakeholders including NHIF county branch staff, county children officers, county governments, local leaders, beneficiary welfare committee (BWCs) members, community health workers, and health care providers have been made aware of the existence and importance of the HISP. Once the HISP starts providing health care coverage to these households, the programme will be evaluated and if the pilot proves to be a success, then the government will consider expanding the HISP design.

Complementarity with the World Food Programme. The Social Protection Secretariat is implementing a Complementarity Initiative with the World Food Programme (WFP) that aims to integrate the WFP's safety net programmes in Kenya with the National Social Protection Policy. The WFP has traditionally provided unconditional in-kind food assistance, but as part of its corporate strategic plan and focus, it has been gradually moving its focus towards supporting poor and food-insecure households to develop assets that contribute to their own and their communities' resilience rather than continuing to provide them with assistance that is primarily suited to emergency situations. At the same time, the WFP is currently providing the NSNP with technical assistance over the next four years to design and implement the complementarity strategy for integrating solutions to hunger into the Kenyan safety net.

Central to achieving effective coordination and collaboration of safety nets in Kenya is avoiding duplication of assistance and ensuring that programmes complement each other. The WFP and the NSNP are currently working together to ensure that the WFP's food assistance programmes (including cash-for-assets and unconditional cash transfers) will be fully integrated into the Single Registry of the NSNP. This is expected to result in greater coherence, coordination, and harmonization of the major safety net programmes in Kenya. In addition, accountability will be increased by the creation of an integrated and effective complaints and grievance mechanism for the NSNP.

> As many as 5.7 percent of Cash for Assets households are currently also receiving transfers from a MLEAA programme (CT-OVC, OPCT, and PWSD-CT). This overlap will continue to grow as the programmes expand.

It is also possible that government programmes in other sectors that target Kenya's vulnerable populations may make use of the Single Registry in the future.

[21] Republic of Kenya (2012) Kenya National Social Protection Policy , pp. 15

[22] Ministry of State, National Development, Planning, Vision 2030 (2012) Kenya social Protection Sector Review.

5. CONCLUSION AND RECOMMENDATIONS

Kenya's provision of social protection sector has improved and increased over the past decade. On the social assistance side, for example, a number of cash transfer programmes have been established and implemented over this period. Increasing numbers of robust impact evaluations have demonstrated the important impact that these programmes have had in reducing poverty and in increasing household resilience. However, in the course of implementing these often small, pilot programmes, the government, its development partners, and other stakeholders learned a number of important lessons. The first lesson learned was the need for stronger mechanisms for delivering cash transfers underpinned by comprehensive policies and institutional arrangements. Given the low coverage of the programmes in relation to the needs of the vulnerable, a key concern has been how best to progressively scale up these programmes. Second, there was also need to ensure a more harmonized and coordinated framework for delivering these programmes in order to leverage efficiencies and to ensure optimal impact for beneficiaries.

The National Safety Net Programme (NSNP) is an important mechanism through which issues of weak systems, fragmented programming and low coverage are being addressed. As this report shows, significant progress has been made in building accountability structures, ensuring harmonized information systems and creating a Single Registry of beneficiaries, using a more secure and efficient payment infrastructure, and expanding the number of poor and vulnerable households benefitting from cash transfers. Moreover, the follow-on benefits of building coherent national systems and infrastructure are already being observed, as in the case of the health insurance sub-sector using the Single Registry to expand its services to the poor and vulnerable.

Looking forward, the government and its partners will need to redouble their efforts to achieve the results specified in the NSNP. There are a few key challenges that the NSNP continues to face in terms of improving its performance and increasing its impact. The following recommendations are designed to help it to address these challenges:

1. **One of the biggest challenges to achieving the required results is the need to increase the timeliness and regularity of payments to beneficiaries, particularly in the case of the MLEAA programmes.** Delays and sporadic payments erode the benefits of the NSNP and make it difficult for households to budget or plan ahead. It is recommended that the ministries and cash transfer programmes have regular dialogue with the Treasury to reduce the current delays in the transmission of funds from the Treasury to the programmes.
2. **Another payment-related challenge is ensuring all beneficiaries are able to receive their cash transfer payments.** Many households have been unable to open bank accounts because of various operational challenges and therefore have been unable to receive their payments. It is recommended that the NSNP work closely with payment service providers to address the problems that are preventing certain households from opening bank accounts.
3. **Too few beneficiary households are aware of the existence of the programmes' complaints and grievance mechanisms, and the programmes resolve only a small percentage of the complaints that they receive.** The NSNP should scale up their activities to inform beneficiary households of the channels through which they can make complaints and express grievances. The DOSD programmes should establish beneficiary welfare committees to collect complaints and concerns. In addition, the NSNP should ensure that its complaints and grievances hotline is fully staffed and fully functioning in order to record and address any complaints or grievances submitted by beneficiaries.
4. **While most NSNP beneficiaries seem to meet the targeting criteria of the programmes, there is room for improvement in terms of ensuring that the most vulnerable households are enrolled in the programme.** Once the data from the 2015/2016 KIHBS are available, it will be necessary to update the poverty criteria used the programmes when calculating PMT scores (as the current PMT uses data from the 2005 KIHBS).
5. **While most NSNP beneficiaries have reported that the cash transfers greatly improve their well-being, over time the value of the cash transfer for the MLEAA programmes has diminished due to inflation.** The last time the value of the MLEAA cash transfers was increased was 2011. As a result, with inflation averaging 8 percent per annum, the cash transfers are worth less today than they were worth in 2011 in terms of purchasing power. It is recommended that the MLEAA cash transfer programmes should begin to index the value of their cash transfers to inflation.
6. **As the cash transfer sector has grown in the past few years as evidenced by this report, there is now a need for the government and its development partners to consider the shape of the social protection landscape beyond 2017.** An important consideration in this respect will be how best to build stronger links between cash transfers and other services and programmes such as health insurance, agriculture, and youth employment services to meet the wider needs of vulnerable people and communities.

Annex 1: Financing of the NSNP over Time

	2013/2014 FY		2014/2015 FY		2015/2016 FY
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET
CT-OVC Total	**KSH 6,736,038,365 USD 77,425,728**	**KSH 4,014,902,652 USD 46,148,306**	**KSH 7,755,540,606 USD 83,843,682**	**KSH 6,492,891,251 USD 70,193,419**	**KSH 9,024,644,619 USD 90,246,446**
GOK	KSH 4,763,061,693 USD 54,747,836	KSH 2,146,551,562 USD 24,673,006	KSH 5,699,286,882 USD 61,613,912	KSH 4,589,878,684 USD 49,620,310	KSH 7,541,028,395 USD 75,410,284
World Bank Loan	KSH 938,038,749 USD 10,782,055	KSH 933,495,690 USD 10,729,836	KSH 619,115,800 USD 6,693,144	KSH 516,643,667 USD 5,585,337	KSH 313,265,800 USD 3,132,658
Foreign Grant	KSH 1,034,937,923 USD 11,895,838	KSH 934,855,400 USD 10,745,464	KSH 1,437,137,924 USD 15,536,626	KSH 1,386,368,900 USD 14,987,772	KSH 1,170,350,424 USD 11,703,504
OPCT Total	**KSH 2,857,000,000 USD 32,839,080**	**KSH 2,560,112,645 USD 29,426,582**	**KSH 5,930,585,940 USD 64,114,443**	**KSH 5,602,223,299 USD 60,564,576**	**KSH 8,028,299,971 USD 80,283,000**
GOK	KSH 2,857,000,000 USD 32,839,080	KSH 2,560,112,645 USD 29,426,582	KSH 5,930,585,940 USD 64,114,443	KSH 5,602,223,299 USD 60,564,576	KSH 8,028,299,971 USD 80,283,000
World Bank Loan					
Foreign Grant					
PWSD-CT Total	**KSH 770,000,000 USD 8,850,575**	**KSH 770,000,000 USD 8,850,575**	**KSH 770,000,000 USD 8,324,324**	**KSH 775,686,797 USD 8,385,803**	**KSH 1,200,000,000 USD 12,000,000**
GOK	KSH 770,000,000 USD 8,850,575	KSH 770,000,000 USD 8,850,575	KSH 770,000,000 USD 8,324,324	KSH 775,686,797 USD 8,385,803	KSH 1,200,000,000 USD 12,000,000
World Bank Loan					
Foreign Grant					
HSNP Total	**KSH 2,226,000,000 USD 25,586,207**	**KSH 1,234,165,600 USD 14,185,811**	**KSH 4,261,558,730 USD 46,070,905**	**KSH 4,068,207,293 USD 43,980,619**	**KSH 4,255,527,660 USD 42,555,277**
GOK	KSH 312,000,000 USD 3,586,207	KSH 249,600,000 USD 2,868,966	KSH 624,000,000 USD 6,745,946	KSH 626,408,791 USD 6,771,987	KSH 1,349,527,660 USD 13,495,277
World Bank Loan					
Foreign Grant	KSH 1,914,000,000 USD 22,000,000	KSH 984,565,600 USD 11,316,846	KSH 3,637,558,730 USD 39,324,959	KSH 3,441,798,502 USD 37,208,632	KSH 2,906,000,000 USD 29,060,000
SPS Total	**KSH 138,332,413 USD 1,590,028**	**KSH 30,285,560 USD 348,110**	**KSH 577,848,656 USD 6,247,012**	**KSH 329,325,167 USD 3,560,272**	**KSH 779,088,073 USD 7,790,881**
GOK	KSH 19,263,413 USD 221,419	KSH 14,606,440 USD 15,679,120	KSH 14,795,906 USD 159,956	KSH 10,933,734 USD 118,203	KSH 13,244,073 USD 132,441
World Bank Loan	KSH 119,069,000 USD 1,368,609	KSH 15,679,120 USD 180,220	KSH 563,052,750 USD 6,087,057	USD 318,391,433 USD 3,442,070	KSH 762,844,000 USD 7,628,440
Foreign Grant	--	--	--	--	KSH 3,000,000 USD 30,000
NSNP Total	**KSH 12,727,370,778 USD 146,291,618**	**KSH 8,191,950,666 USD 94,160,352**	**KSH 19,295,533,932 USD 208,600,367**	**KSH 17,268,333,807 USD 186,684,690**	**KSH 23,287,560,323 USD 232,875,603**

Note: Reported in Kenya Shillings (Ksh) and in US dollars (using the average exchange rate of each financial year (Ksh 87 to US$1 in 2013/14 FY, Ksh 92.5 to US$ 1 in 2014/15 FY, and Ksh 100 to US$ 1 in 2015/16 FY)

Annex 2: Impact Evaluation Results

Key Impacts on Beneficiary Households from the CT-OVC Impact Evaluation (2007-2011)

- 13% reduction in the share of households living on less than one dollar a day.
- 20% increase in dairy and egg consumption among smaller-sized households and a 16% increase among female-led households.
- 14% increase in meat and fish consumption among smaller-sized households and a 7% increase among female-led households.
- 12% reduction in child labour on farm.
- 9.1% increase in school enrollment among children aged 13-18.
- 4.4% reduction of dropping out of school among children aged 13-18.
- Half a year more of grade completion among children aged 13-18.
- 11% reduction in incidence of diarrhea among children aged 3-5.
- 29% increase in care sought for children with diarrhea.
- 13% increase in measles vaccination among children aged 3-5.
- 13% increase in access to preventive care for children under age 5.
- 11% less likely for beneficiaries to have had unprotected sex three or more times in the past 3 months.
- 7% less likely for young women having had more than 2 sexual partners in the previous year.
- 15% less likely for young males (15-24) to suffer from depression.
- 19% more likely for young males (15-24) to score above the median on the Hope scale, an indicator of agency and self-efficacy.
- 7-9% increase in youth believing that life would be better in 1,3, and 5 years.
- 5% reduction in pregnancy among women aged 12-24.
- 15% increase in the share of smaller-sized households owning small animals and a 6% increase among female-led households.
- 7% increase in participation in household-run, non-farm business enterprises for female-led households.
- Income multipliers of Ksh 1.34 and Ksh 1.81 in West and East regions.

Key Impacts on Beneficiary Households from the HSNP Impact Evaluation (2009-2012)

- 10% reduction in extremely poor households, i.e. those in the bottom national decile.
- 7% reduction in severity of poverty and in the poverty gap.
- Beneficiary households spend Ksh 213 more on food per month per adult equivalent.
- 87% of beneficiary households report eating more and/or larger meals.
- 13% increase in positive changes in work patterns and 5% increase in being able to expand or improve existing business.
- Female beneficiaries, particularly in female-led households, have an increase in household empowerment with more control of the household budget and more likely to undertake income generating activities.
- Children in beneficiary households are more likely to have passed Standard/Grade 4
- Beneficiary households spend more on healthcare per capita.
- Beneficiary households are more likely to save money and access loans.

Annex 3: Progress on the Disbursement Linked Indicators (DLI)

Disbursement Linked Indicator	Disbursement Linked Result (DLR)				
	FY13/14 Assessment: September 2013	FY14/15 Assessment: July 2014	FY15/16 Assessment: July 2015	FY16/17 Assessment: July 2016	FY17/18 Assessment: July 2017
I. Expanding cash transfers to promote more comprehensive and equitable coverage					
1. Number of additional households enrolled in the NSNP according to the expansion plan.		1.1 Expansion Plan for the NSNP, informed by poverty and vulnerability criteria, adopted (US$ 10)	1.2a 65,000 additional HHs enrolled in the NSNP according to agreed Expansion Plan and paid for by GOK in comparison with July 2013 baseline (US$ 24.89)	1.2b 130,000 additional HHs enrolled in the NSNP according to agreed Expansion Plan and paid for by GOK in comparison with July 2013 baseline (US$ 24.89)	1.2c 235,000 new HHs enrolled in the NSNP according to agreed Expansion Plan and paid for by GOK in comparison with July 2013 baseline (US$ 40.21)
II. Strengthening Programme Systems to Ensure Good Governance					
2. Percent of programme beneficiaries who conform to the targeting criteria for the programme in which they are enrolled.		2.1 Establishment of baseline (US$ 5)		2.2 The percent of programme beneficiaries who conform to the targeting criteria for the programme in which they are enrolled increased by 15 percentage points (US$ 15)	
3. Single registry is fully operational with programme MISs using agreed standards for internal payroll controls.	3.1 Programme MISs fully operational using agreed standards for internal payroll controls (US$ 15)		3.2 Single Registry is fully operational with links to IPRS (US$ 10)		
4. Percent of NSNP payments made electronically using two-factor authentication. Baseline: 40%			4.1 60% of NSNP payments made electronically using two-factor authentication (US$ 6)		4.2 90% of NSNP payments made electronically using two-factor authentication (US$ 9)
5. Percent of payments disbursed to Payment Service Providers on time. Baseline: 25%		5.1 45% of all payments disbursed to Payment Service Providers on time (US$ 7.5)		5.2 65% of all payments disbursed to Payment Service Providers on time (US$ 7.5)	

6. Functional complaint and grievance mechanisms. Baseline 6.2 15%		6.1a Complaints and grievance mechanism is functional at national level for all five cash transfer programmes (US$ 5)	6.2a 45% of programme beneficiaries can name two means of making a complaint (US$ 10)	6.1b Complaints and grievance mechanism is functional at all levels for all five cash transfer programmes (US$ 10)	6.2b 65% of programme beneficiaries can name two means of making a complaint (US$ 10)
III. Harmonizing cash transfer programme to improve sectoral coherence					
7. System for scaling up the NSNP as part of the national drought risk management system.			7.1 A system for scaling up the NSNP as part of the national drought risk management system has been created with agreed levels of GoK contingency financing (US$ 20)		
8. Strategy for consolidating the cash transfer programmes.		8.1 Strategy for consolidating CT-OVC, OPCT, PWSD-CT and UFS-CT adopted (US$5 m)		8.2 Strategy for consolidating the CT-OVC, OPCT, PWSD-CT and UFS-CT implemented (US$ 10)	
9. The government finances the HSNP in line with budget and policy commitments.	9.1 GoK finances the HSNP in line with budget and policy commitments (US$5 m)				
Number of DLRs per assessment	2	5	5	5	3
Total disbursement per assessment	**US$ 20 million**	**US$ 32.5 million**	**US$ 70.89 million**	**US$ 67.39 million**	**US$ 59.21 million**

Note: Achieved DLIs are highlighted in blue.

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