

# Scaling up Cash Transfer Programmes in Kenya

by Winnie Mwasijaji, National Coordinator, Social Protection Secretariat (MLSSS)

**The Kenyan Ministry of Labour, Social Security & Services (MLSSS)** implements three main cash transfer programmes that were scaled up in 2013 and will be further scaled up and integrated under the *Inua Jamii* programme:

- the Cash Transfer to Orphans and Vulnerable Children (CT-OVC), started in 2004 and which covered 259,000 beneficiary households in 2014;
- the Older Persons Cash Transfer Programme (OPCT), targeted at those aged 65+ and which started in 2006 (164,000 beneficiary households); and
- the Cash Transfer to Persons with Severe Disabilities (PWSCT), started in 2010 (27,200 beneficiary households).

All the cash transfer programmes give beneficiary households a transfer of KES2000<sup>1</sup> per month (USD22) and target households living in poverty that have at least one member from categories covered by each programme (OVC, elderly and people with severe disabilities). The primary objective of these programmes is to improve the well-being of the beneficiaries and increase their access to services.

**Drivers for the scale-up of cash transfers in Kenya:** Despite their relatively low coverage in relation to the target population (estimated to number 2 million households), the programmes' coverage increased from 226,730 households in 2012/13 to 450,000 in the 2013/14 financial year. There were four main drivers for the scale-up of cash transfers in Kenya:

- the high level of poverty and vulnerability in Kenya;
- the need to implement programmes that address Article 43 of the new Kenyan Constitution that states the "right for every person to social security and binds the State to provide appropriate social security to persons who are unable to support themselves and their dependants";
- the political perception that scaling up cash transfers can yield a good electoral return by addressing the basic needs of the communities; and
- the results of the CT-OVC impact evaluation—e.g. showing a 13 percentage point reduction in poverty among beneficiaries (OPM, 2010).

**Implementation challenges:** Several challenges emerged during the 2013/14 scale-up, especially because it lacked a proper expansion plan for that fiscal year. This negatively affected the quality of targeting due to hurried implementation. Moreover, poor infrastructure in some areas; a lack of equipment and vehicles; a lack of national identification cards for potential beneficiaries; inadequate capacity (numbers and technical experience of staff); delays in procurement processes; delays in the release of funds at the beginning of the financial year; and inadequate operational costs for implementation also challenged the scale-up process.

**Lessons learned from the last scale-up:** Despite all the challenges, several lessons were learned:

- the importance of bringing local leaders into the process, which enhanced ownership and transparency during the targeting process;
- the use of management information systems (MIS) to assist in cross-checking databases and to speed up the generation of payrolls;
- the importance of doing data entry at the local level to allow fortimely data verification;
- the importance of a continuous targeting process; and
- the potential challenge of political interests, which must not be overlooked.

**Preparation for the next scale-up:** Several reforms have been planned to support the next scale-up of the MLSSS cash transfer programmes, such as the establishment of technical working groups and a management team for the programme, and the consolidation, across programmes, of key areas of operations such as targeting, payments, monitoring and evaluation, monitoring and information systems, and complaints and grievances mechanisms. Another reform is to redesign the scale-up process itself. This will include designing a common targeting tool across different programmes; piloting electronic and real-time data collection and verification; and the use of existing data of listed potential beneficiaries from other programmes (data sharing). Payment reforms will include contracting a new service provider, which will move beneficiaries from a semi-manual payment system to an electronic payment system with a two-factor authentication process using smart card and biometric identification. There is also the possibility of introducing a savings option under this payment process.

Finally, the MIS of the three programmes will be linked to a **single registry**, allowing programmes to carry out several cross-references and registry checks. This will help to reduce 'double dipping', by allowing beneficiaries' identity in the single registry to be validated with data from the Integrated Population Registry Services. This will help to identify abnormal transfer amounts and enhance the efficiency of payroll.

Plans are under way to decentralise certain MIS functions to the county level (e.g. data entry, change management). Efforts towards this include: undertaking an ICT audit in selected counties to identify existing infrastructure gaps; procurement of ICT equipment (which has been initiated); and capacity-building of staff with regards to MIS for the implementers, which has also already commenced.

**The way forward:** A Common Geographical Expansion plan with targets by location was developed based on a poverty map using data from the Kenyan Integrated Household Budget Survey. Targeting will be carried out as per the agreed criteria, ensuring that 30 per cent will be allocated for equalisation across constituencies to ensure geographical equity (up to the poverty ceiling), and 70 per cent allocated based on poverty criteria.

Resources will be mobilised jointly by the three cash transfer programmes through the Medium-Term Expenditure Framework, which is to reflect the scale-up plan beyond the current financial year. In terms of capacity-building, human resources will be enhanced through rationalisation, the re-deployment of officers and recruitment of additional staff where necessary. Improvements in the quality of data collection will rely on the mobilisation and sensitisation of community structures and capacity-building for county and sub-county implementers to enhance ownership and the quality of implementation. The target is to reach 521,000 households by 2016.

**Reference:**

OPM (2010). *Cash Transfer Programme for Orphans and Vulnerable Children (CT-OVC) Kenya – Operational and Impact Evaluation, 2007–2009. Final Report*. Oxford, Oxford Policy Management, <[http://www.unicef.org/evaluation/files/OPM\\_CT-OVC\\_evaluation\\_report\\_july2010-final\\_Kenya\\_2010-019.pdf](http://www.unicef.org/evaluation/files/OPM_CT-OVC_evaluation_report_july2010-final_Kenya_2010-019.pdf)> (accessed 24 February 2015).

**Note:**

1. Kenyan Shillings.

This One Pager is part of the DFID-supported project: "Brazil & Africa: fighting poverty and empowering women via South-South cooperation".