Summary

In late 2011, cash transfer interventions were undertaken in the Samburu and Marsabit branches of Kenya Red Cross Society (KRCS) as part of their drought response. The intervention was designed to provide meaningful assistance to beneficiaries. It was also an opportunity for KRCS to learn more about cash interventions and their potential as a future form of drought response. IFRC, together with KRCS, planned a review of the intervention in February 2012.

The research conducted focused on understanding how people cope with drought, and the role that our cash response played in coping with drought. Secondary issues, such as the amount of cash payment, inflation, transparency or complaints, were also considered important but outside the scope of the investigation. The research team were however aware of these secondary issues and as much as possible collected secondary information on those issues.

The key finding is that cash is valued, and perhaps not in the ways expected. While recipients were extremely poor and affected by drought-induced hardship, they did not use the cash for just coping with drought. Rather, it was used to manage the longer-term risks they face. Instead of being used to muddle their way through to the next day, this cash provided a rare opportunity to financially get ahead.

The main findings:

- Most commonly reported expenditures were educational costs for children.
- Food was purchased with the cash, but for non-staples (sugar, tea, etc.)
- Most commonly reported drought coping mechanisms were a range of small income generating activities, followed by food aid.
- Livestock was rarely referred to as a coping mechanism
- Drought relief was rarely reported to be an important coping mechanism.

Analysis of the research outcomes shows that people coped with the drought largely independent of external assistance, and also that they have few opportunities to manage longer-term challenges they face. These people are not dependent on livestock or traditional livelihoods. Cash, and more specifically, viable labour opportunities, are important all the time and particularly during drought.

Cash expenditures were made during a period of crisis, not to manage that crisis but to build for their future. The people interviewed are cognoscente of their situation and future prospects. When given a chance, these cash transfer opportunities acted to further those future prospects. Their future predominantly rests with their children. The interviewees want their children to be educated and eventually get a job in town. The parents overwhelmingly wanted little, beyond the knowledge that their children will be able to care for them one day in the future.
Background

KRCS and IFRC proposed cash transfer activities to be undertaken in selected communities of Samburu and Marsabit, supported and funded by USAID/OFDA. The work was undertaken at a low scale as KRCS felt that attempting a relatively new large-scale intervention in the midst of a severe drought crisis would prejudice the quality of the work and likely success.

The intervention:

1) Unconditional transfers of KSH 2,000 were made in November and January to extremely poor households.

2) Temporary employment (18 days x 250/day) was provided in highly drought-affected communities (poor but not extremely poor).

3) Branches carefully selected communities and beneficiaries to participate in this action. Those selected represented both some of the most severely affected by the drought and those who had not received other (or minimal) external assistance.

Cash transfers were not designed to be life-saving responses. The project recognized the extreme suffering in drought affected communities and sought to alleviate part of that suffering at a critical juncture in the drought cycle. It was hoped that cash transfers might expedite recovery in some households. The unconditional cash transfers sought not only reduce hardship in the household, but also reduce the burden placed on the extended family, who would be obliged to provide support.

An investigation of the impact or outcome of the work formed part of the project design. The investigation would complement a wider KRCS review of operational implications of the intervention as part of their internal Cash Transfer learning. It would guide decisions to undertake cash transfer responses in the next drought and how might those interventions be improved.

Research was conducted in four locations (Opiloi, Lalosoro, Samburu; and Gurunit, Qachache Marsabit) where KRC had provided either unconditional cash transfers or temporary employment. The research was conducted to answer two fundamental questions regarding the intervention: Was it useful? And if so, why was it useful?

Observations by the research team on secondary issues of interest: targeting, inflation, and transparency were to be included in the report.

Research Design

A simple set of questions was selected to determine the impact of the intervention and utilization of funds. The research did not seek to quantify importance or expenditure (i.e. did not seek to know precisely how the money was spent and extrapolate with that precision the importance). But sought to examine what was done with the money, and allow respondents to assess whether or not the assistance was useful. This approach allowed for brief, natural conversations with interviewees, which hoped to enrich findings and avoid bias.

The importance of the cash transfer was inferred by comparing the relative value of the cash against key coping options from 2011. Utilization was captured by recording the list of expenditures that were made. No forms with pre-set answers were used.

Interviewees consistently, and without direction, provided both a list of coping options and expenditures made with funds from the cash transfer. Answers were recorded in the order in which they were
provided. An assumption is that the more important expenditures might be listed first. To test the importance of the cash transfer, interviewees were asked leading statements such as *but the cash wasn’t very important compared to how you had to cope over months of drought!* This tactic was used to tease out a subtle difference between how people spent the money and whether or not that was important. Interviewees felt that the expenditures themselves demonstrated the importance of the cash transfer.

As many more people attended the site visits than would be interviewed, focus group discussions were held with those not participating in one-on-one interviews.

After each set of one-on-one interviews, interviewing teams debriefed and were asked to summarise their experience to provide a preliminary analysis.

Responses themselves (rather than expenditure amounts) were input into an Excel database. Responses were coded to allow aggregation into common themes of response. Data was then analysed by location and for the total sampled population. A basic quantitative analysis of responses complemented and triangulated qualitative analysis.

Purposive site location for interviews and limitations on random selection of interviewees limited the certainty of the findings. The rigour applied to the design should enable enough confidence to adequately answer the two research questions of importance and utilisation.

More detail on the research design is included in the Annexes.

**Findings**

The two graphs summarize the findings based on the 80 interviews. The percentage scoring represents the percentage of total replies given by interviewees. It is not a quantitative measurement of coping or expenditures. Rather it counts responses to the questions: *How did you cope with the hard times in 2011?* And *So, what did you spend your money on.*

The following two graphs summarise the findings by location.
How Did People Cope in 2011?

How Did People Spend Their Money?

SOURCE: KRCS/IFRC Cash Disbursement Review Mission
Analysis

Was the intervention useful or Important?

In the eyes of the recipients, the temporary employment and unconditional cash transfer was important. Their notion of importance was different to the notion of importance held by IFRC and KRCS to justify the intervention in 2011. In the eyes of the recipients, the importance of the intervention was not that the cash enabled them to cope with the drought hardship, but it allowed them to sustain long-term priorities despite the disruption necessitated by coping with the drought. It may have also allowed a moment of dignity, in a period where dignity was a luxury.

Importance, in the research design was to be ascertained by a combination of comparing the contribution of actual drought coping actions and the amount of the cash received from the intervention and the types of expenditures made.

The question Was it Useful, needs to be considered from the perspective of the recipient. The types of “important” contributions made through this intervention are not the ones, we normally expect of our humanitarian actions during drought crisis. That view may not give full credence to the fact that people cope with drought crisis on their own, but haven’t the additional resources to make other important expenditures in their children’s future or in the small civilities which gives hard lives a bit of dignity.

Drought coping mechanisms

It was estimated that in these rural, poor households, monthly subsistence requires approximately KES 5 to 6,000 per month (in cash or in-kind equivalent).

By and large, interviewees felt they coped (subsisted) through casual labour, micro business activities and food aid. Casual labour and micro-business (i.e. ones controlled by individuals) accounted for 70 to 90% of the responses in Opiloi, Lalosoro and Gurunit. In other words, they coped by themselves, independent of external assistance. In contrast, almost half of the responses in Qachache indicated they coped due to food aid. Qachache was the location closest to a major town (easiest to reach by those providing relief). Branch staff reported that there were very high levels of relief that came into the community from many different organisations.

These findings generally point towards an ability to independently cope with drought-induced hardship. In contrast to commonly held beliefs that these people depend on relief, they in fact coped with drought successfully and on their own. This finding is not exceptional, there is little evidence that relief undermines initiative, or that its delivery is reliable or transparent enough for people to depend on it.

The presumption that drought relief could be depended upon needs re-examining. Rather than believing that drought coping is a function of external relief, drought responses are consistently late and evaluations indicate that they do not deliver on their intended impact. The communities interviewed were less likely to be dependent on the aid but simply exploited these opportunities. Coping in most

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communities was modified by the presence of food relief, but coping was not necessarily contingent on food relief. People coped in its absence but its presence no doubt helped.

What was the contribution of wages from temporary labour or unconditional cash transfer relative to these other forms of coping?

Whether through labour or unconditional transfer, the contribution of the cash amounted to approximately one month’s subsistence. Given that the drought conditions lasted approximately 9 months, the contribution at most could be considered to have contributed 10% of their coping. 90% of the coping is explained by casual labour and micro business activities and food aid. In addition, the wages for employment and the final instalment of the unconditional transfers were made after the drought had ended. We can not say that the transfer assisted coping during the drought.

Notable in its absence was livestock as a form of coping. In these pastoral communities, we expected to hear that a main source of coping was through the sale of livestock or utilisation of livestock products. Livestock was referred to as a means of coping only in the relatively better off community of Opiloi. Even for those respondents, livestock was not the most important source of coping but was one source of coping. For the other communities, they simply did not have livestock or their livestock holdings were small and not adequate to cope with the crisis.

**Importance of Cash Transfer in coping mechanisms**
The intervention was felt to be important by interviewees for 3 main reasons:

1) Long-term risk management
2) Dignity
3) Value of the community asset rehabilitated

**1) Long-term Risk Management**
Interviewees consistently expressed frustration at the lack of understanding of the interviewers at why the cash was important. The interviewees thought that importance was self-evident simply by looking at the expenditures that were made. The predominant expenditure was education for children. Interviewees were clear that their future depended on the success of their children to become educated, get wage employment in town, which would allow for remittances to be sent back to the parents, who would remain in the rural locations. They were frustrated that interviewees were so obtuse that they could not see the importance of this investment.

Expenditures on school, together with other types of expenditures (restocking, home improvements, small business capital, loans etc.) are similar in that the less address immediate needs and are more related to improving the household’s position in the future. This strategy speaks to efforts not simply to survive the drought of 2011, but rather to position the household to anticipate and avoid future drought related hardship.

Others, possibly the slightly better off, reported that the intervention enabled them to preserve productive assets (in most cases, goats) which would otherwise have been sold to meet the expenditures paid with the cash transfer. The productive assets represent savings, which were left intact through the help of the cash transfer. The majority of their responses also included expenditures on education as well.

**2) Dignity**
Another main expenditure was food. The food expenditures were reported to be for sugar or tea leaves - small luxuries. Part of the reason for these extravagant expenditures is that they are not included in food aid packages and can rarely be afforded out of the money earned through normal small income generating activities. Whilst not directly reported by interviewees, the interview team also felt that a certain amount of food expenditure was likely to have been made on staples as well.

There may be another dimension influencing food expenditure choices. Mutual assistance, a coping mechanism recorded in a small percentage of responses, may have actually played a more significant role. Like expenditures on education, interviewees when questioned directly, were surprised that interviewers didn’t understand that sharing food with neighbours (or at least for the children) is an essential component of life (with or without drought). It is the basis of daily coping with or without drought, as one never knows if one will have food that day. Helping each other reduces the risk of having to go hungry on any particular day. Using cash transfer to purchase staple foods, was also an opportunity to provide hospitality to others who had previously shown compassion – or rather had shared food. Repayment by offering food to neighbours likely should not be viewed as an economic transaction as much as a social norm. It would be an opportunity to re-assert one’s dignity, after having to depend on others for extended periods.

3) Rehabilitated Community Assets

In the case of the temporary labour, the value of the communal asset – a rehabilitated road – may have exceeded the cash value to the community. It had a great importance for all interviewed. They worked an additional week, on their own, to finish an additional section of the road. They reported that due to the repaired road, there was increased foods/supplies in dukas, food and transport costs decreased significantly (50% to 75%). It was also reported to have saved the life of a very ill person who evacuated to the hospital in Maralal.

These benefits, in addition to the benefits of the expenditures made from the income, suggest a higher degree of importance of the cash for work activities. It also implies a higher cost-benefit ratio for the funds invested in this activity.

How was it used?

Overwhelmingly, the cash was used to build future resilience, not for more immediate coping with the drought conditions. Cash transfers enabled expenditures which otherwise could not have been made, or might have been made after much time and difficulty. The interviewees did not see these expenditures as frivolous, but important.

- The most common expenditure was made on children, primarily for their education (uniforms, shoes, clothes, books and school fees). These responses were almost twice as many as the next most common response.

- The second most common expenditure was on food. In most cases, this food was sugar, tea leaves, or other non-stables, which are either not included in food aid or would be prohibitively expensive for these families during periods of crisis. The exception was in Lolosaba, where the recipients, mostly widows who have lost their husbands in recent fighting, were desperately poor. Their extreme poverty led interviewers to believe that they are likely to have used some of their unconditional cash transfers for staples, in addition to expenditures for their children’s education.
• The third most common expenditure was on livestock – either restocking or drugs. In Opiloi, the location of temporary employment, were the most responses of expenditures on goat restocking. These beneficiaries were relatively better off than those receiving unconditional cash transfer.

• Other expenditures, reflecting low levels of response (5% of less of responses) were expenditures made on home improvements (roofing, storage, cooking utensils), or small business (start up capital, or funds to allow them to access credit). Surprisingly, there were very few responses indicating expenditures on health (medicines or hospital costs).

The overwhelming number of responses that indicated expenditures on education was surprising. Certainly some expenditure on education or health was anticipated. Personally, I would have expected to see greater re-investment in livestock. The expenditure choices point towards a future for these people outside of traditional pastoral livelihoods and towards one integrated with the formal economy.

These views do not in any way diminish their own sense of identity as a pastoralist or a pastoral community, in which animal keeping is the centre-point. Interviewees were clearly passionate about their identity, cultural heritage and home. Future challenges will not only be to ensure that safer, better futures are available those moving out of traditional livelihoods, but also that this movement out of traditional livelihoods should be done in a way which protects and celebrates their rich pastoral and cultural traditions.

A Final Point
How do drought-affected people who labour for their income? The interviewees consistently depended on small income generating activities at all times, not just during drought for their income. They do not depend on livestock. Which begs the question, Why are things worse during a drought, if their income is not dependent on rainfall? We can not even suggest a reason for how drought conditions impact on rural poor whose incomes are not dependent on rainfall. It is a question worth asking.

Secondary Issues
Beneficiary Targeting
Targeting appears to be consistent with the project’s design.

• Beneficiaries of unconditional cash transfer were clearly extremely poor and drought affected. Their responses indicated they controlled few if any productive assets (at most a few goats), and their expenditures reflected their poor living conditions. A large number were widows, elderly (i.e. 30's or 40's), almost all were women.

• Beneficiaries of temporary employment were slightly better off. They controlled small levels of productive assets (mostly goats – but evidence of some cattle holdings as well). Their livelihoods were just above subsistence during the drought. Coping with the drought was done at the expense of further undermining the productive asset base.

Payment amount
• Temporary labour beneficiaries felt that payment rates were appropriate
• Beneficiaries asked if another temporary labour activity could be organised in the near future
• Those receiving unconditional cash transfers wished the transfer amount was larger. They didn’t complain that the amount was not useful; they just had many other needs they wanted to meet.

New Partnerships / Payment Methods

It was hoped that payments could be largely made through M-Pesa in the planning phase of the project. With the final site and beneficiary selection, that expectation proved unrealistic. The constraint was Safaricom coverage.

A fall-back strategy was to engage a local financial service provider – Equity Bank – to deliver the funds. It encouraged Branch Coordinators to develop new relationships with private sector actors in their community. Disappointingly, Equity Bank reneged on the agreed, reasonable commission they proposed to charge at the last minute. They increased the costs enormously, compelling Branch Coordinators to make the payments themselves.

The exercise nonetheless opened the door to new ideas about potential humanitarian partners and opportunities to available from the private sector.

Inflation

In light of the small scale of the intervention and the relatively small payments, chances of inflationary pressures were small. Responses did not indicate an increase in prices after they received their cash transfer. Kiosks and local business people were also informally asked about prices and no one reported an change in the price of goods.

Transparency

No issues were reported in either one-on-one interviews or in barazas. Chiefs or community leaders did not express any concerns.

Cash transfer documentation was readily available, and well recorded by the Branch. The documents made it clear that the Branch Coordinators had followed the Calp Guidelines, with regards to records and beneficiary selection.

Beyond preferring to receive more money, no negative feedback was reported.

Good practises to guide future cash transfer activities

Planning

Prior to the implementation of the project – the project designers sat with the project implementers. It allowed all components of the project to be understood and modified where necessary. Instead of vague, developmental terminology, tasks were described in simple terms and supported with equally simple indicators.

The single greatest improvement was in the budgeting. Amounts to be controlled by the Branches were explicit, simple and agreed by Branch, Region and HQ.

CalP Training

Branch Coordinators and regional office staff were able to attend a Calp Training, immediately prior to the start of activities. The reported the training was very good. There is ample evidence that they applied the concepts and best practise from workshop. Given that this new type of intervention was given to our
colleagues in the middle of a massive drought response, allowing them an opportunity to really understand the intervention was no doubt very important.

**Conclusion**

It was an effective and well-implemented intervention, making a valuable contribution in all four communities (and likely more so in 3 of them). Communities and households were well targeted for this assistance and made good use of it. The logistical and security challenges are beyond our comprehension. The physical demands are shattering. The security challenges placed our colleagues at personal risk. Our colleagues must be recognised for their commitment and commended for their excellent work. I am very proud to be associated with their work.

Communities likely invested the bulk of cash transfer money to help build more resilient futures. There responses suggest they were much less interested to spend the money to ameliorate transitory drought hardship. Very poignantly, they invested in their children. Notions of *dependency on aid*, are likely to be overstated and unfair. These are resourceful, tough people who show remarkable resilience and initiative to get by in very extreme conditions and in an unimaginably limited economic environment.

People in these communities need cash. They seem to be happy to simply have a chance to work. If that work is done well and makes important contributions to improve communal assets, it can be of significant value beyond the value of the cash income itself. Occasional temporary employment interventions – may have valuable risk reduction impact if implemented regularly (2 to 3 times per year), not just during crisis.

There is clear, demonstrable good will for the Kenya Red Cross. It is likely a reflection good intervention and well implemented. Building on these relationships is an enormous opportunity to grow the Samburu and Marsabit branches. All the beneficiaries indicated they would like to become volunteers. These can be opportunities to extend Red Cross presence in these communities – dissemination, first aid or response teams. That initiative could be effectively complemented through modest post-crisis support to grass roots initiatives (top-ups). It is an opportunity which would be a shame to loose.
Research Design

Sample
Based on 2,000 beneficiaries, a sample size with a 95% confidence level and a confidence interval 10.74 was determined to be 80 interviewees. Decreasing the confidence interval in half would have required a vastly greater sample size and cost, without given the purpose of the intervention, would not have added value to the findings relative to the additional expenditure and effort. The 80 interviewees were randomly selected from 4 pre-determined locations (20 from each location). Three locations were sites of unconditional cash transfer and one of temporary work. Sample size determination made use of the: http://www.surveysystem.com/sscalc.htm#one web site/sampe size calculator.

Interviews
Beneficiary lists were used to identify interviewees (each 3rd person). As the work was in pastoral communities, beneficiaries were generally spread over vast areas requiring the Branch to call all beneficiaries to a central location on the day of the interviews. We regularly the 3rd person was not available and we proceeded until we arrived at a person present. More than the 20 people required attended these meetings. The ones not interviewed, were engaged in focus group discussions and asked the same questions, to help triangulate findings from the individual interviews.

Enumerators – branch volunteers, who spoke local language, were trained to ask four questions: how did you cope in 2011, was the red cross assistance important? How did you spend the red cross money? Are you a red cross member? Enumerators worked in teams of two – one interviewing and the other recording responses.

The most important objective in ascertaining expenditures that were made was to avoid bias. Rather than leading the recipient with a list of items that may have been procured, we opted to simply have a conversation with them. The approach fit naturally with the voluntary nature and reputation of the Red Cross (and perhaps also that enumerators were local and young), interviewees seemed comfortable and were in fact they were laughing, joking (and to my own satisfaction, felt a strong affinity to Kenya Red Cross). Allowing interviewees to speak in an informal but structured manner allowed them to lead the discussion. They all volunteered lists of their expenditures. The informal structure also allowed occasional probing or triangulation. Key biases which enumerators were asked to be conscious of included, control of the funds by men, expenditures of local brew/miraa, which might not be volunteered. When challenged with these questions, respondents, with an indignant tone, would say no the money was applied as they told us.

Data
Daily, responses were entered into an excel database. Verbatim responses were input from each location. Those responses were then placed in a separate worksheet, and responses assigned numerical values, and grouped to allow aggregation as well as to maintain the ability to maintain the diversity of responses.

Location Detail

Opiloi

Coping
1. 72% of responses were linked to livestock (45% livestock (mostly goat) & milk sales, 22% moving with animals)
2. 13% of responses indicated expenditures on Food Aid

Was it Important?
Yes, the opportunity for labour meant they would not have to sell off assets (animals)

Yes, reopening the road (purpose of temporary work activity) has had a profound impact on their lives

What did they do with the cash?
1. 43% of the responses described expenditures on relating to their childen’s education (clothes, books, uniforms, shoes, etc.)
2. 24% of the responses described expenditures on veterinary drugs or restocking
3. 24% of the responses described expenditures on food

Other notes
Impacts of reopening the roads:
• Increased foods in local shops
• Decreased food costs significantly (half)
• Decreased transport costs to town (2/3)
• Saved a life – a very ill person was evacuated to the hospital in Maralal – without the road, the person was expected to have died

Lalosoro

Coping
1. 65% of responses were linked to small income opportunities (charcoal, firewood, labour, caring for others animals etc)
2. Food Aid was 28%

Was it Important?
Yes, not in terms of life saving but in the absence of any other opportunity – beyond daily subsistence, gave an opportunity which otherwise would no thave been there

What did they do with the cash?
1. 48% of the responses described expenditures on clothes or shoes
2. 33% of the responses described expenditures on food

Other notes
1. Almost all women were widows due to the violence

Gurunit

Coping
1. 47% of responses were linked to small income opportunities (charcoal, firewood, casual labour, micro-enterprise)
2. 31% of responses were for Food Aid
3. 16% of responses were for livestock related activities (10% of which were from a livestock offtake programme)

Was it Important?
Yes, for almost half of the respondents, it was used either to leverage credit or start micro-businesses. For the others, it was valued as it avoided having to sell animals for expenses

What did they do with the cash?
1. 48% of the responses described expenditures on clothes or shoes
2. 27% of the responses described expenditures on food
3. 7% of the responses were to start small businesses
4. One woman even gave part of her money to a neighbour whom she deemed to be even more in need of the assistance

Other notes
1. Credit was a big story in Gurunit.
2. Very remote community

Qachache

Coping
1. 60% of responses were linked to relief – the bulk being food aid
2. 34% of responses were linked to small income opportunities (charcoal, firewood, casual labour, micro-enterprise – even labour children provided.)
Was it Important?
It seemed to be important bearing in mind that there was also clearly a culture of relief and handouts. These were also very poor people with few options.

What did they do with the cash?
1. 50% of the responses described expenditures for school (mostly fees) but also clothes and books
2. 32% of the responses were for food
3. 11% of the responses said the money was used to repay debts (largely food purchased on credit)

Other notes
1. There was very little diversity in terms of responses
2. There are very few coping options
3. It was commented that there were several cash transfer operations in the area – one in particular giving food vouchers for KSH 7,000 per month (which was reported to be resold – i.e. it was a business capital).
4. This was the most easily accessed location of the 4 visited.

How we work
All IFRC assistance seeks to adhere to the Code of Conduct for the International Red Cross and Red Crescent Movement and Non-Governmental Organizations (NGO’s) in Disaster Relief and the Humanitarian Charter and Minimum Standards in Disaster Response (Sphere) in delivering assistance to the most vulnerable.

The IFRC’s vision is to inspire, encourage, facilitate and promote at all times all forms of humanitarian activities by National Societies, with a view to preventing and alleviating human suffering, and thereby contributing to the maintenance and promotion of human dignity and peace in the world.

Find out more on www.ifrc.org

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