

# Qualitative research and analyses of the economic impacts of cash transfer programmes in sub-Saharan Africa

Kenya Country Case Study Report



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## Abbreviations

AAC	Area Advisory Council
BWC	Beneficiary Welfare Committee
CPU	Central Programme Unit (CPU)
CT	Cash Transfer
CT-OVC	Cash Transfer Programme for Orphans and Vulnerable Children
DCO	District Children's Officer
DCS	Department of Children's Services
DFID	Department for International Development
DOSC	District Oversight Steering Committee
DP	Development Partner
FAO	Food and Agriculture Organization
FGD	Focus Group Discussion
GOK	Government of Kenya
IGA	Income Generating Activity
KII	Key Informant Interview
LOC	Location OVC Committee
NHIS	National Health Insurance Scheme
NGO	Non-Governmental Organization
MGCSD	Ministry of Gender, Children and Social Development
OPM	Oxford Policy Management
OVC	Orphans and Vulnerable Children
PtoP	Protection to Production
UNICEF	United Nations International Children's Emergency Fund

## Executive summary

### Background

This report presents analysis and findings from a qualitative research case study conducted in July 2012 in Kenya, the second of a six-country study of the economic impact of cash transfer programmes in sub-Saharan Africa. Starting in 2004, the Kenya Cash Transfer Orphans and Vulnerable Children (CT-OVC) programme provides a social protection system through regular and predictable cash transfers (US\$24 every two months) to poor households living with orphans and vulnerable children (OVC). By 2012/13, CT-OVC was reaching almost 150,000 beneficiary households across 39 districts nationwide.

### Research areas and key findings

The research study examined the impact of the cash transfer in three interrelated areas: household economy, local economy and social networks.

- **Household economy impacts:** The CT-OVC cash transfer enabled resource-poor households to meet basic needs and prioritise children's education without disinvesting in assets, getting into debt or pursuing detrimental coping strategies such as child labour. CT-OVC stimulated beneficiary household economic investments and strengthened sustainable livelihood strategies, but this was highly dependent on household asset base, vulnerability levels and OVC numbers. Evidence emerged of increased female decision-making power in beneficiary households although gender relations remained rooted in patriarchal social structures. The transfer was constrained in its impact by the fast-growing number of orphans taken in by beneficiaries and non-beneficiaries.
- **Local economy impacts:** The CT-OVC transfer had positive impacts on the local economy through increased beneficiary agricultural productivity, diversification of income generation, and a greater level and diversity of local economic exchange, resulting in greater money circulation and improved range of products bought and sold. On the other hand, poverty and vulnerability in beneficiary households, growing numbers of OVC and constraints within the economic and physical environment undermined realization of greater economic impact.
- **Social networks:** The CT-OVC transfer increased levels of social capital and associated risk sharing arrangements and economic collaboration. This was facilitated by a socio-economic environment of well-established and dynamic mechanisms for micro-credit, HIV/AIDS support, church-based welfare support, etc. In addition, for even the poorest households, transfers contributed to increased self-esteem and increased ability to engage in community and religious activities. However the programme threatened to undermine trust-based reciprocity within communities, particularly where there were high numbers of orphans, because of jealousy felt by non-beneficiary households with equal or greater levels of need and the perception of targeting errors related to programme operational dynamics.

## Operational recommendations

The study also explored how and why various CT-OVC operational arrangements affected impacts and raised a number of important operational recommendations in support of future rounds of CT-OVC transfers:

- **Improve the timeliness of the transfers for beneficiaries:** Late transfer of financial resources to districts and consequently late payments to beneficiary households profoundly undermines the value of the CT-OVC programme for welfare, educational and productive outcomes. Every effort should be made to rectify this situation.
- **Build the capacity of Beneficiary Welfare Committees:** BWC have been introduced in 2012 and have an important role to play in empowering beneficiaries. However, a lack of accompanying capacity building threatens to undermine the value of the BWC. This aspect is already planned within the CT-OVC programme and needs to be given priority.
- **Improve communication and awareness raising:** The CT requires improved communication and awareness raising on a number of issues and processes in the programme, including the new BWC arrangements and thematic areas of sensitisation (e.g. HIV/AIDs, good nutritional practices, improved farming practices and income generating activities).
- **Ensure complementarities between programme initiatives:** Finally, more efforts are needed to ensure complementarities among different programmes with the CT, such as HIV/AIDs, agriculture, youth promotion, income generation and government support for secondary school education.

# 1. Introduction

This report presents analysis and findings from qualitative research conducted over a three-week period between the 2nd and 23rd July 2012 in Kenya. The research was conducted as part of the six country, DFID-funded “Qualitative research and analyses of the economic impacts of cash transfer programmes in sub-Saharan Africa” project. The Kenya case study was the second of the six case studies to be undertaken.

Together, the six country case studies are designed to contribute to the From Protection to Production (PtoP) project, a collaboration between DFID, UNICEF and FAO. The PtoP project aims to provide evidence on the economic and social impacts of cash transfers, focusing on household decision making, risk coping and adaptation strategies and local economy effects. In addition, it aims to strengthen data collection processes and build capacity around on-going evaluations. The PtoP project promotes a mixed method approach to researching the economic and social impacts of cash transfers. This introduction provides a brief background to the Kenya Cash Transfer Orphans and Vulnerable Children (CT-OVC) programme, introduces the key evaluation questions for the study and details the research methodology.

Following this introductory section (which describes the CT-OVC programme and provides further background on the research objective and overall methodology) the report is structured as follows: Section 2 provides an overview of the research locations; Section 3 presents the research findings; and Section 4 provides conclusions and recommendations.

## 1.1 Background: the CT-OVC Programme

The main aim of the CT-OVC programme is to provide a social protection system through regular and predictable cash transfers to poor households living with orphans and vulnerable children (OVC)<sup>1</sup> in order to strengthen the capacity of families to care for and protect OVC while promoting their human capital development. This is in line with the National Social Protection Policy approved by Cabinet in May 2012.<sup>2</sup> At the time of writing this report, the CT-OVC programme supported 144 637 beneficiary households in 39 districts (2012/13 financial year),<sup>3</sup> playing a central role in supporting the estimated 28 percent of poor households with OVC who are recipients of safety net support in Kenya.<sup>4</sup> This is against an estimated total of around 2.4 million OVC in 2009 (representing almost 30 percent of the total number of children living in poverty and approximately 600 000 of those lived in extremely poor households).<sup>5</sup>

The specific objectives of the CT-OVC programme are fivefold: (i) education: to increase access to school (enrolment, attendance and retention) for children (4 to 17 years, up to

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<sup>1</sup> An OVC is a child (<18 years old) who is identified by one or more of the following criteria: (i) has lost one or both parents (i.e. single/double orphan); (ii) lives in a household where at least one parent, caregiver or child is chronically ill; and/or (iii) lives in a child-headed household.

<sup>2</sup> Ministry of State. National Development and Vision 2030. 2012. *Executive Report, Kenya Social Protection Sector Review*, Nairobi: GOK, p.10.

<sup>3</sup> Figures provided by Department of Children’s Services (DCS), Nairobi, 25 July 2012.

<sup>4</sup> Ibid.

<sup>5</sup> World Bank. 2013. *Kenya Cash Transfer for Orphans and Vulnerable Children (CT-OVC) Project* (available at: <http://go.worldbank.org/OGO001TD50>). [Accessed 12 March 2013].

standard 8); (ii) health: to increase access to basic health services and reduce rates of mortality and morbidity for 0 to 5-year-old children through immunization, growth monitoring and vitamin A supplements; (iii) basic food consumption and shelter: to improve household food consumption, nutrition and food security; (iv) civil registration: to increase the number of birth certificates for OVC, national IDs for care caregivers and death certificates for deceased parents; and (v) household capabilities: to increase access to OVC-related services by improving linkages with other ministries and partners.

The CT-OVC programme started in 2004 with a Government of Kenya (GOK)/UNICEF-funded pilot of 500 beneficiaries in three districts. In 2005 additional funding from GOK, DFID and UNICEF enabled the programme to expand to seven districts and 17 617 beneficiaries.<sup>6</sup> Evidence of positive outcomes led GOK to develop a structured programme and operational manual in 2007 with further expansion to 14 districts and a total of 46 440 beneficiaries by 2009/10. The entry of the World Bank into the programme in 2009 enabled GOK/WB to support an additional 19 districts and 98 187 beneficiaries by 2012/13.

### Programme implementation structure

A Central Programme Unit (CPU) in the Department of Children's Services (DCS), Ministry of Gender, Children and Social Development (MGCSD) co-ordinates, plans and manages the activities of the CT-OVC. At district level, the CPU works through the District Children's Office (DCO) which is in charge of programme administration, monitoring and reporting to the CPU. The DCO connects to district-level services providing health, education and civil registration. This connection works through the mechanism of the District Oversight Committee (DOSC) which supports implementation of the programme, and also through the Area Advisory Council (AAC) which co-ordinates all children's programmes at district level, including the CT-OVC.

### Local OVC Committees

To liaise with beneficiaries the DCO collaborates with location/sublocation level committees of voluntary members. Until 2011/12 this was the Local OVC Committee (LOC), composed of community leaders. In addition to general sensitisation on the plight of OVC, the LOC played a key role in beneficiary household identification when targeting.<sup>7</sup> In 2010, a Joint Review and Implementation Support Mission found "the motivation and financial support of LOCs in carrying out programme activities to be key concerns in the programme."<sup>8</sup> Two specific issues identified were that beneficiary selection was influenced by local power holders, particularly chiefs, and that the LOC turned a blind eye to corruption.<sup>9</sup>

A task force from GOK and Development Partners (DPs) recommended that the LOC's role be reduced to a specific time period from household listing to beneficiary enrolment. Beyond this stage Beneficiary Welfare Committees (BWCs) should be established and responsible for monitoring and support, including treating grievances, adjusting/updating targeting, promoting awareness raising and complementarities and addressing general operations of the programme. The BWC should have a membership of between 7 and 15 beneficiaries (gender

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<sup>6</sup> Figures provided by DCS, Nairobi, 25 July 2012.

<sup>7</sup> GOK. 2011. *CT-OVC Programme Operations Manual*. Revised version 2.2:14.

<sup>8</sup> *Beneficiary Welfare Committee Implementation Guidelines*, TOR CT OVC BWC, 15<sup>th</sup> September 2011. (mimeo)

<sup>9</sup> *Ibid.*

balanced) elected by communities. It also recommended the introduction of a community validation activity for household listing to help reduce “exclusion error”<sup>10</sup> of potential beneficiary households, a key source of sensitivity regarding the programme at community level.

## Beneficiary Welfare Committees

The objective of BWCs is to empower beneficiaries to participate more centrally in the operations of the programme, increasing participation in decision making, while promoting beneficiary rights and dignity and acting as a mutual accountability mechanism. More specifically, they are expected to be a platform for: (i) beneficiary capacity building, namely through awareness-raising activities, etc.; (ii) increased beneficiary participation in the programme; (iii) championing beneficiary rights, roles and responsibilities, notably by disseminating the new “beneficiary charter” to ensure beneficiary awareness of their rights and responsibilities; and (iv) championing the elimination of (corrupt) payment of money by beneficiaries to service providers, community leaders and government officers.<sup>11</sup>

## Targeting and enrolment

Targeting methods for identifying CT-OVC beneficiaries have built on learning since 2005. Early targeting through identification of OVCs in areas with high orphan numbers plus chronic illness of caregivers now combines geographic, community, household and proxy means test methods to identify “households living in extreme poverty, caring for OVC, who are not currently receiving cash benefits from other similar cash transfer programmes”.<sup>12</sup> These developments in targeting methods aimed to transform the selection process from a crude, relatively blunt system to a more refined and increasingly objective and sharpened mechanism for beneficiary identification.<sup>13</sup>

Targeting steps have been agreed by the DCS and DPs, and include the following: (i) district selection: in 2009 the Kenya Integrated Household Budget Survey was used to rank the 69 districts<sup>14</sup> according to number of extreme poor households with OVC, giving priority to districts with highest numbers of OVC; (ii) location selection: the 1999 census data ranked locations within each district according to the number of OVC households, choosing one location in each constituency with the highest number of OVC households; and (iii) household allocation per district: 50 percent of extreme poor OVC households are covered in each district with final numbers supported at location level depending on implementation of an initial questionnaire (“Form 1”)<sup>15</sup> and additional poverty means testing.

Household targeting involves five stages: (i) listing eligible households (through “Form 1” and LOC/BWC plus DOSC); (ii) verification of information (through “Form 2”); (iii) verification of quality of data in “Form 2” by District Children’s Officer (DCO) and DOSC;

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<sup>10</sup> See OPM. 2010. *Kenya CT-OVC Programme – Operational and Impact Evaluation: 2007-2009*.

<sup>11</sup> *Beneficiary Welfare Committee Implementation Guidelines*, TOR CT OVC BWC, 15 September 2011, p.3. (mimeo)

<sup>12</sup> GOK. 2011. *CT-OVC Programme Operations Manual*. Revised version 2.2:25.

<sup>13</sup> The aims of changes in targeting methods was explained by DCS during the research debriefing.

<sup>14</sup> Districts/locations/households selected prior to 2009 remain in the programme regardless of ranking. Arid districts are excluded because of incorporation into the Hunger Safety Net Programme.

<sup>15</sup> Form 1 is a short questionnaire from which information is entered into the programme management information system, and a list of potentially eligible households is generated (the Record of Identified Households).

(iv) entering data into programme management information system and applying poverty means testing (if number of identified households exceeds planning target, priority is given to child-headed households plus oldest ages of head of household; excluded but eligible households are placed on a “pending” list); and (v) community validation of targeted households through a baraza (public gathering). Following validation, three categories are generated: immediate beneficiary households, pending beneficiary households and rejected households. Immediate beneficiaries are then invited to enrol.

### Cash transfers and delivery mechanisms

Acceptance into the programme means beneficiary households are eligible for a regular cash benefit of K Sh 2 000 (approx. US\$24) per month. This is a set amount; the value of the transfer is not indexed against numbers of OVC in the beneficiary household. In principle the transfer is received every two months; in practice in 2012 there have been significant national delays in transfers to district budgets from central government. It is understood by the research team that timely delivery of transfers is an on-going issue<sup>16</sup> related to bottlenecks in movement of funds through different national accounts, but reasons are not systematically communicated by the CPU to District Children’s Officers in the research districts<sup>17</sup>. The impact of these delays on beneficiary households and operational implications are discussed in Section 3.

Payments are delivered through district treasuries or the Postal Corporation of Kenya, with designated days when all beneficiaries travel to their payment point and queue with their national identification card. Biometric enrolment (a finger or toe print) and alternative delivery mechanisms (e.g. through the private Equity Bank) are being introduced in selected districts.

### Conditionality

The CT-OVC Operational Manual lists conditions that beneficiary households must comply with relating to education (with the intention of increasing school enrolment, attendance and retention for children [4 to 17 years, up to standard 8]), health (improving vaccination/basic health checks for OVC under 5), registration (child registration for births and deaths) and caregiver awareness raising. Failure to comply should trigger fines and penalties. At present, however, these conditions are not being applied in practice. The listed conditions are advised only, with an intention to gradually require compliance (“soft” conditionality). In the districts where research was conducted conditionality was not being applied. It should be noted that penalties for non-compliance with health and education “co-responsibilities” were piloted from 2007 to 2009 but were not successful.<sup>18</sup> It is understood that monitoring and evaluation of compliance, and associated penalties for conditions not being met, is presently being trialled in selected locations nationally.

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<sup>16</sup> World Bank. 2010. *Aide Memoire, Kenya Cash Transfer Programme for Orphans and Vulnerable Children Joint Review and Implementation Support Mission*. 1-2 November 2010, paras. 19-22.

<sup>17</sup> Interviews: DCO Machakos, 05/07/12; DCO Kangundo, 09/07/12; DCOs Migori and Rongo, 18/07/12.

<sup>18</sup> World Bank. 2010. *op cit.* paras 31-33.

## Exit strategy

While it is intended that beneficiaries should benefit from the programme for as long as possible the CT-OVC Operational Manual does outline an exit strategy. This states that beneficiary households will exit after five years of being in the programme. In addition to this five-year maximum, beneficiary households will exit if (i) the household no longer has an OVC below 18; (ii) there is a failure of compliance; (iii) there is voluntary resignation; (iv) the household moves to an area where the programme is not operating; (v) the CPU or community deem the household to be no longer extremely poor; (vi) fraud is committed by beneficiaries; or (vi) payments are not collected for six months. In practice, in the districts where research was conducted the exit strategy has not been systematically implemented.<sup>19</sup> This is an operational issue discussed in Section 3, exit being a problematic concern for national level implementation.<sup>20</sup>

## 1.2 Research objective

The research seeks to understand the impact of social cash transfers in three interrelated areas: household economy<sup>21</sup>, local economy<sup>22</sup> and social networks.<sup>23</sup> The study also aims to uncover how and why various operational arrangements affect decisions and economic impacts at household and community levels.

Below, we present the evaluation questions developed to guide the case study research. These are arranged under broad hypotheses which were tested in the field along with a set of research questions under each hypothesis. This is the hypothesis set which is being applied across all six country case studies. The hypothesis set has been informed by recent empirical research that has looked at cash transfer impacts beyond poverty alleviation and access to human development services. This recent evidence shows that cash transfers can foster broader economic development impacts.<sup>24</sup> These impacts can come through changes in household behaviour and in the local economies of the communities where the transfers operate. The household-level impacts follow three main documented channels: (1) changes in labour supply of different household members, (2) investments of some part of the funds into productive activities that increase the beneficiary household's revenue-generation capacity and (3) prevention of detrimental risk-coping strategies such as distress sales of productive assets, child school drop-out, or increased risky income-generation activities such as commercial sex, begging and theft. Research has additionally documented three further types

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<sup>19</sup> Interviews: DCO Kangundo, 09/07/12; DCO Rongo, 16/07/12.

<sup>20</sup> Research Team briefing 03/07/12 by Mr Musembi, Monitoring and Evaluation Co-ordinator, DCS; National Stakeholder Debriefing 23/07/12.

<sup>21</sup> By "household economy" we refer to the economic activity involved in accumulating and distributing resources within a beneficiary household.

<sup>22</sup> By "local economy" we refer to economic activity beyond the beneficiary household which is impacted through the production and exchange of goods and services.

<sup>23</sup> "Social networks" in the context of this study refer to risk sharing arrangements and economic collaboration underpinned by social capital (trust-based reciprocity).

<sup>24</sup> See for example: FAO. 2011. *From Protection to Production: The Role of Social Cash Transfers in Fostering Broad-Based Economic Development*, Rome, FAO; Arnold, C. with Conway T. & Greenslade M. 2011. *Cash Transfers Literature Review*, Policy Division, Department for International Development, April; Creti, P. 2011) *The Impact of Cash Transfers on Local markets: A Case study of unstructured markets in Northern Uganda*. Cash Learning Partnership (CaLP) (in-house paper); Asfaw *et al.* 2012. *The impact of the Kenya CT-OVC programme on productive activities and labour allocation*. FAO, University of North Carolina at Chapel Hill and American University. (unpublished draft paper)

of local economy impacts: (4) transfers between beneficiary and ineligible households, (5) effects on local goods and labour markets and (6) multiplier effects. These local economy impacts are enabled by social networks that encourage trust-based reciprocity and contribution-based risk sharing and investment activity.

With this emerging evidence in mind, discussions during the inception phase of this research project generated the following set of hypotheses and attendant evaluation questions. Each hypothesis has an accompanying theory of change, with transparent underlying assumptions, that is tested during research fieldwork. The hypotheses, research questions and underlying assumptions are presented as a Research Framework in Table 1.1. They include a fourth hypothesis relating directly to the operational issues that have constrained or enabled CT-OVC impact, linked to how future operations can support cash transfers for transformational, productive impact.

**Table 1.1 Research framework: hypotheses, research questions and underlying assumptions**

Hypotheses	Research Questions	Underlying Assumptions
<p>Household economy, hypothesis 1: The introduction of a small but predictable flow of cash income improves livelihood choices and productive investments, although vulnerable households will be more highly constrained in their decision making on how to use the additional cash.</p>	<ul style="list-style-type: none"> <li>• How and why do beneficiaries make decisions regarding the allocation of additional funds (consume/invest/save)?</li> <li>• How does the additional cash affect beneficiaries' choices of livelihood activities and production strategies? For example, what favours beneficiaries' choices to invest? And their choices to engage or not in labour markets?</li> <li>• What is the effect on detrimental risk-coping strategies, such as distress sales of productive assets, dropping out of school and child labour? Or on other strategies such as migration?</li> <li>• How do beneficiaries' attitudes to risk change as a consequence of a cash transfer?</li> <li>• Do different types of beneficiaries make decisions on how to spend the additional cash in different ways (e.g. male vs female; old vs young)? Why and how?</li> <li>• What are the main constraints (whether linked to networks, physical access, etc.) faced by households in engaging in income-generating activities and how do these influence behaviour and choices?</li> </ul>	<ul style="list-style-type: none"> <li>• Beneficiaries (or caretakers of beneficiaries) are physically and mentally able to use additional funds as working capital.</li> <li>• Beneficiary household demands on the cash transfer for coping and human capital investment (e.g. food, health and education spending) do not completely override livelihood and productive investments.</li> <li>• Beneficiary households have access to and control over sufficient capital (land, labour, credit, social networks, productive assets) with which to make productive use of their cash transfers.</li> <li>• Beneficiary households are not intrinsically risk averse – i.e. they are open to taking greater risks with cash transfers given the opportunity.</li> <li>• Beneficiaries have access to and control over the cash transfer.</li> </ul>
<p>Local economy, hypothesis 1: The whole community, including non-beneficiaries, will benefit economically from the injection of cash through multiplier effects on local goods, services and labour markets, although this will be mediated by the political, economic and social context.</p>	<ul style="list-style-type: none"> <li>• What is the perception of community members (including non-beneficiaries), local traders and businesses in terms of: increased opportunities for trade (higher purchases from beneficiary households and opportunities for business creation and/or expansion); increased labour market opportunities; increased demand for a variety of goods and services offered; increased credit worthiness of customers; changing habits; increased competition; and inflation?</li> <li>• How do these changes affect traders in terms of their</li> </ul>	<ul style="list-style-type: none"> <li>• The aggregate injection of cash transfer capital into the local economy is sufficiently high as to make a significant impact on the labour market and economic transactions (determined by aggregate size of transfer as a proportion of the total level of capital circulating in the local economy)</li> <li>• The local economy is sufficiently well connected to external markets for there to be a significant expansion and diversification of production and</li> </ul>

	<p>strategies and profits?</p> <ul style="list-style-type: none"> <li>• What local circumstances favour or deter ripple<sup>25</sup> effects in the community? What effects are triggered by which circumstances and how can positive effects be enhanced?</li> </ul>	exchange activity.
<p>Social networks and economic impacts, hypothesis 1: Cash transfers increase beneficial risk-sharing arrangements and economic collaboration underpinned by social capital (trust-based reciprocity)</p>	<ul style="list-style-type: none"> <li>• What were social networks like before the cash transfer implementation and how did they relate to livelihoods?</li> <li>• How are existing social and support networks affected by the introduction of a targeted cash transfer (including effects on sharing arrangements and disposition of existing networks)?</li> <li>• What is the importance placed upon changing social networks by community members (i.e. is the fact that networks are being affected by the cash transfer considered ‘important’ by people in the community)? How is this traded off against other programme impacts (i.e. do the overall benefits from the injection of cash make up for any negative social effects that may arise)?</li> <li>• Which networks are most affected and why? Which are the strongest<sup>26</sup> networks and why? Are these mostly kin-based?</li> <li>• Does the introduction of cash trigger the creation of new networks? If so, how? Which ones? Is there an increase in networks that extend beyond the reference community? What effect does this have?</li> <li>• What role does jealousy towards programme beneficiaries play? Was there any conflict within the community as a consequence of the programme?</li> </ul>	<ul style="list-style-type: none"> <li>• Existing social networks linked to risk sharing and economic collaboration are sufficiently well established and sustained for there to be an observable positive impact as a result of the cash transfer.</li> <li>• The cash transfer is sufficiently large and predictable to make a substantive difference to existing social networks.</li> </ul>
<p>Social networks and economic impacts, hypothesis 2: Changes in social networks linked to cash transfers positively affect the most vulnerable and least powerful people in a community through greater inclusion in decision-making processes (including through an increased ability to make ‘social</p>	<ul style="list-style-type: none"> <li>• How do a beneficiary’s social and economic identity (e.g. age and gender) or status affect their inclusion in community networks and decision-making processes? What about their changing networks after the introduction of a transfer?</li> <li>• What social, economic and political factors influence social dynamics across households when cash transfers are</li> </ul>	<ul style="list-style-type: none"> <li>• Beneficiary households were sufficiently well targeted so as to be among the poorest and most vulnerable in their community.</li> <li>• The poorest/most vulnerable households are more likely to be excluded from (both contribution and non-contribution based) social networks.</li> </ul>

<sup>25</sup> ‘Ripple effects’ is a term used to describe a situation where an effect from an initial state can be followed outwards incrementally. In this case, it refers to how beneficiary behaviour may affect others in the community.

<sup>26</sup> Note here that we refer to resilient networks, i.e. networks that are not eroded by the introduction of cash. This is not necessarily synonymous with the most ‘useful’ or ‘positive’ networks.

<p>contributions’) and increasing their ‘entitlement set’ and livelihood choices</p>	<p>introduced?</p> <ul style="list-style-type: none"> <li>• Are communities with high prevalence of HIV/AIDS and orphans affected differently by the introduction of cash?</li> <li>• What are the community changes in terms of power dynamics?<sup>27</sup> What are the effects on local elites? And on gender relations and bargaining power, within and across households? How does this affect the community as a whole?</li> </ul>	<ul style="list-style-type: none"> <li>• The cash transfer is sufficiently large and predictable to change perceptions/behaviour towards beneficiaries by members of existing social networks.</li> <li>• Beneficiary households are willing and able to change their behaviour in order to ‘enter’ or ‘re-enter’ social networks.</li> </ul>
<p>Operational issues, hypothesis 1: Cash transfers can be improved through a better understanding of likely household and local economic impacts.</p>	<ul style="list-style-type: none"> <li>• What is the dynamic between social networks and the programme’s processes (social mobilisation, targeting, registration, payment, communications and grievance mechanisms)? How does this affect the impact and sustainability of different cash and in-kind transfer systems?<sup>28</sup></li> <li>• How do cash transfers differ from vouchers or food aid in terms of household and local economy effects?</li> <li>• How do programme design and objectives (e.g. OVC, labour-constrained households) affect household level decisions regarding the allocation of additional funds?<sup>29</sup></li> <li>• How do the amount, frequency, predictability and mode of distribution of payments affect decisions regarding the allocation of additional funds?</li> <li>• How can cash transfer systems be designed to complement and improve/make more inclusive local economic impacts?</li> </ul>	<ul style="list-style-type: none"> <li>• The degree and sustainability of cash transfer impact on households and local economies are mediated by the quality of the design and delivery of the cash transfer programme.</li> <li>• The cash benefit institutional arrangements for delivering and supporting ‘transformative’ change are sufficiently well developed and resourced to be built upon and improved.</li> </ul>

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<sup>27</sup> “Power dynamics” are defined here as relationships that are characterised by inequalities in access to and control over social, economic and political resources.

<sup>28</sup> To be more sustainable, cash transfers need to be accepted by the community. While not all cash transfers are designed to be sustainable in the long term (see for example emergency cash transfers), some are designed to be or become part of an overall social protection strategy to provide a safety net for the poorest and most vulnerable population groups. In these cases longer term sustainability is an important goal to be achieved.

<sup>29</sup> Evidence shows that cash transfers aimed at specific population groups and declaring this in their title (for example an OVC grant) – even when not accompanied by explicit conditionalities– still achieves hoped-for behavioural change (for example spending money on education rather than business investment).

## 1.3 Methodology

In this section we outline the sampling strategy for site selection.<sup>30</sup>

### 1.3.1 Sampling strategy

Following the inception phase of the study it was proposed that the selection of the research sites would be guided by two main sampling criteria: regional identity and degree of market integration. In addition to this, the importance of integrating the findings from all six qualitative case studies with on-going longitudinal quantitative surveys taking place in each country was stressed. Consequently, within each country, at least one field site for the qualitative research had to be within the longitudinal quantitative survey's subsample.

The sampling strategy for the field work in Kenya followed a four-stage sampling hierarchy (summarised in Table 1.2): (i) sampling provinces (ii) sampling districts; (iii) sampling locations; and (iv) stratifying and sampling sublocations. Additionally, the sampling strategy involved stratifying and sampling focus group participants within selected sublocations.

**Table 1.2 Field work sampling hierarchy**

Province	District	Location	Sublocation type	Name of sublocation
Nyanza - key region in quantitative sample, representative of dynamic area near Lake Victoria	Owendo  (newly delineated from old Migori District)	North Sakwa (with 4 sublocations, all included in the CT-OVC)	Market access (1 sublocation)	Kandira Luwala
			Non-market access (3 sublocations)	Kakamasia
		West Kanyamkago	"Control"	East Kanyamkago
Eastern - semi-arid region with mixed farming, representative of livelihoods in large areas of Kenya	Kangundo  (newly delineated from old Machakos District)	Kathiani (with 5 sublocations, all included in the CT-OVC)	Market access (2 sublocations)	Ngoleni

### Sampling provinces and districts

Two provinces were initially selected. The first, Nyanza Province was selected because it contained the districts exposed to the longitudinal research with the most appropriate profile for the research objectives (see below). The second province, Eastern Province, was selected from those provinces not included in the longitudinal quantitative survey. It is a semi-arid province with mixed farming, representative of livelihoods systems in large areas of Kenya.

Districts within each province were then selected for the study: Owendo (Nyanza Province) and Kangundo (Eastern Province) as identified in Figure 1.1. In line with the overall sampling methodology for the six-country study, a decision was taken to subsample one

<sup>30</sup> For a full description of the methodology adopted, please refer to the 'Methodology' page on <http://www.fao.org/economic/ptop> or contact [PTOP-Team@fao.org](mailto:PTOP-Team@fao.org) for details.

district from the CT-OVC districts exposed to quantitative longitudinal research and a second district from the CT-OVC districts not included in the quantitative longitudinal research project. Hence the selection of Owendo District was guided by the sampling methodology for the CT-OVC Baseline Quantitative Survey conducted by OPM (2010) to identify a subsampled district from one of its seven sampled districts (Nairobi, Homa Bay, Migori [including Owendo]<sup>31</sup>, Kisumu, Suba, Kwale and Garissa). Nairobi and Garissa were eliminated from consideration due to one being urban and the other pastoral, reflecting stratified sampling of rain-fed agriculture as opposed to other livelihood types. Within Nyanza Region the districts of Homa Bay, Kisumu and Suba are more dependent on fishing. This contrasts with Owendo/Migori District the geography of which extends into the interior zones where rain-fed agriculture is practised, as in many other rural areas of Kenya where the CT-OVC programme is in operation.

**Figure 1.1 Fieldwork districts in their national context**



Source: [www.werkenya.org](http://www.werkenya.org). Note: the map shows the original 69 district boundaries.

<sup>31</sup> Since the OPM (2010) study, Migori District has been divided into Migori, Rongo, Owendo and Uriri Districts; Machakos District has been divided into Machakos, Nyata and Kangundo Districts.

The selection of Kangundo district was guided initially by its stratification as one of the non-quantitative research CT-OVC districts. It was further guided by stratified sampling of rain-fed agriculture (subsistence and cash crop farming) as the dominant rural livelihood activity. Furthermore, although the district is primarily rural, it is relatively close to Nairobi and so experiences high levels of circulatory migration along with additional livelihood strategies and social outcomes. This introduced the potential for comparison and contrast with Owendo District. Kangundo is also a district that has been within the programme for a similar length of time to Owendo, having entered the programme in 2006<sup>32</sup> (just slightly later than Owendo/Migori's entry in 2005). This meant that Kangundo offered appropriate opportunities for comparison of economic and social impacts.

### Sampling locations

The qualitative fieldwork was conducted in one sampled location in each of the two districts: Prior to recent administrative subdivision, the quantitative survey team had covered two locations in (old) Migori District: North Sakwa and Lower Kanyamkago. North Sakwa location was randomly selected from these two locations. Today this falls within Owendo District.

In (new) Kangundo District, where there was no quantitative sampling frame from which to subsample, both of its two locations, Kithioko and Kathiani, have CT-OVC coverage. The research team randomly selected Kathiani location.

### Stratifying and sampling sublocations

Within each location, two study sublocation sites were selected:

In North Sakwa location (Owendo District) all (four out of four) sublocations<sup>33</sup> are covered by the CT-OVC programme: Kadira-Kwoyo (330 beneficiaries), Kandira Luwala (283 beneficiaries), Kakamasia (230 beneficiaries) and Kanyasrege (201 beneficiaries). The research team clustered these sublocations according to degree of market integration (proxied by distance from the main road) in order to sample one relatively remote and one relatively integrated community. Only one sublocation, Kandira Luwala, is close to the main road and was therefore selected. The other three sublocations are all relatively remote: they were ranked by number of beneficiaries per sublocation and the median, Kakamasia, was selected.

In Kathiani location (Kangundo District) all (five out of five) sublocations are covered by the CT-OVC programme: Kaini (79 beneficiaries), Kathiani (116 beneficiaries), Lita (68

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<sup>32</sup> Formal CT-OVC documentation states that Machakos entered the programme in 2009. However selected locations in the district entered as early as 2006 (i.e. Kangundo, Kathiani, Kithimani, Momboni, Mothetheni, Kithimani and Muthesya). In 2009 the district programme was scaled up (to include Tala, Mutamboni, Mbiuni, Kalama, Kithieko and Matuu locations). Interview, DCO Machakos 09.07.2012.

<sup>33</sup> Unlike Ghana, Kenya lists beneficiary numbers according to sublocation, not village; therefore the team could not stratify communities by number of beneficiary households per community in order to select communities with the median number of beneficiary households. Additionally, because beneficiary households may be thinly distributed between villages with implications for validity of findings, sublocations were identified as the most appropriate unit of analysis for "the community"; this was confirmed during the pilot and is consistent with the Kenya CT-OVC Programme Operational and Impact Evaluation Baseline Survey, which selected samples according to the following categories: district, location, sublocation and household (OPM, 2010: Annex D).

beneficiaries), Mbee (76 beneficiaries) and Ngoleni (117 beneficiaries). Two sublocations are close to the main road: Ngoleni (117 beneficiaries) and Kathiani (116 beneficiaries). Ngoleni was randomly selected. Three sublocations were relatively remote: Kathiani (79 beneficiaries), Mbee (76 beneficiaries) and Lita (68 beneficiaries). Mbee was selected as the median community.

In both research districts a non-treatment sublocation was selected from a neighbouring location as a “control” community.<sup>34</sup> The “control” sublocation had a similar socio-economic/livelihoods profile to the two treatment locations.

As a control community for Kathiani location (Kangundo district), Kalunga sublocation in Kathioko location was selected, being broadly representative of the livelihoods and socio-economic profile of the district but with absence of the CT-OVC programme. Kalunga has a population of 4 654 (1 019 households) distributed across 12 villages.

As a control community for North Sakwa location (Owendo District), East Kanyamkago sublocation in West Kanyamkago location was selected, being broadly representative of the livelihoods and socio-economic profile of the district but with absence of the CT-OVC programme. East Kanyamkago has a population of 13 036 (2 504 households).

### Stratifying and sampling FGD participants

Within each community the agreed sampling methodology specified a minimum of four standardised categories of focus group respondents to hold discussions with: these were male and female beneficiaries and male and female non-beneficiaries. Focus group discussions (FGDs) were held with between 5 to 10 participants. Additional respondents for focus group discussions and key informant interviews (KIIs) were identified through community poverty profile analysis (comprising social mapping and/or well-being analysis participatory tools) and by “snowball sampling” through referral from FGDs and KIIs.

Participants for beneficiary FGDs were randomly chosen from the administrative list of beneficiaries (obtained from the District Children’s Officer) in order to avoid biases. Although the research team did not have population frames for probability-based sampling, participants for other FGDs conducted (including non-beneficiaries) were selected as randomly as possible using a local key informant to identify a total population and then randomly selecting from that group (for example by including persons from different neighbourhoods.). The selection of key informants for interviews was determined purposively (to address particular themes) by the social mapping exercise and by snowballing from FGDs.

#### 1.3.2 Sampling strategy

As indicated above, the key research method employed was focus group discussions. Conducted with a small number of socially stratified participants, FGDs enabled a wide range of opinions to be sought at once, with lively discussions between participants stimulating an in-depth evaluative debate. Key informant interviews complement FGD in that respondents

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<sup>34</sup> Strictly speaking this was not a “control” community as this suggests that treatment was deliberately withheld for experimental purposes. A more accurate description would be “comparison” community.

were selected for their detailed knowledge on relevant study areas, allowing for a deeper probing around programme performance and impact.

The team employed a small range of participatory tools within focus groups. In common with qualitative research, participatory research tends to employ more contextual methods and elicit more qualitative and interpretive information, but brings an important additional commitment to respect local knowledge and facilitate local ownership and control of data generation and analysis.<sup>35</sup> Participatory tools are suited to group-based analysis of “public knowledge”, allowing participants to cross-check, contest and validate their descriptions and analysis of change. Critically they then allow participants to evaluate the often complex contribution of an intervention, in this case a cash transfer, to change at the local level. This process of moving from description of change to contribution analysis is evident in the tools summarised below.

Participatory methods are not limited to qualitative narrative analysis but also generate quantitative data. Local people generate statistics in many ways, through mapping, measuring, estimating, valuing and comparing and combinations of these.<sup>36</sup> They do so through open-ended, group-based data generation and analysis, accompanied by in-depth diagnostic or evaluative discussion. “Public knowledge” quantitative data was generated through the identification of resources in the social mapping exercise through the estimate of employment distributions and valuing of those livelihood options in the livelihood matrices, and through the identification and valuing of local institutions in the institutional mapping. The use of the household income and expenditure analysis combined individual estimations of changes in income and expenditure with group explanations for this change (or lack of change) in behaviour and analysis of the contribution of the cash transfer to any changes. By collecting income and expenditure data from a cluster sample of beneficiaries in each sampled community, the research team were able to establish the internal validity of the qualitative research findings lending rigour to the in-depth qualitative analysis of the “typical” experience of a beneficiary in that community. Additionally this data set could throw into relief “outlier” stories that were not typical but nonetheless provided important insights into, for example, the reasons behind more dramatic changes in behaviour or outcome.

A significant risk with participatory group analysis is that one individual can dominate or even sabotages group analysis. This is managed in the first instance by stratifying groups in a way that creates an open and inclusive group dynamic. Facilitators must then watch carefully to make sure that an individual does not “hijack” the discussion and distort or bias the results. Any suspected distortions must be carefully noted. In extreme cases individuals can be taken out of the group setting for an “individual interview”.

Following the training and piloting, the team selected the following tools from a long menu of participatory tools to be used to facilitate group analysis and evaluative discussion: social mapping, community well-being analysis, livelihood scoring, institutional mapping and proportional piling for income and expenditure analysis. Research teams worked in pairs (a facilitator and note taker), using flip chart paper, pens and seeds and stones. Each

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<sup>35</sup> Chambers, R. 1997. *Whose reality counts? Putting the first last*. ITDG: London.

<sup>36</sup> Holland, J. 2013. Chapter 1. Participatory statistics: a ‘win-win’ for international development. In Holland, J., ed., 2013. *Who Counts? The power of participatory statistics*. Rugby, Practical Action Publishing.

participatory tool took up to 3 hours to complete and analyse.<sup>37</sup> A number of household case studies were also undertaken to capture the life history and household story line of selected beneficiaries.

Social mapping and community well-being analysis were used for community poverty profiling with the following objectives: (i) to understand the characteristics of well-being in the community and perceptions of differences in well-being among the population; (ii) to elicit estimates of the distribution of well-being; (iii) to understand perceptions of the characteristics of the most vulnerable in the community; (iv) to understand perceptions of the targeting effectiveness of the cash transfer; and (v) to prompt broader discussion on the four research themes (household economy, local economy, social/economic networks and operational issues).

Household income and expenditure analysis was conducted by a subsample of individual beneficiaries and then analysed and interpreted within a focus group discussion. The objectives were: (i) to analyse the sources, size and frequency of household income for individual beneficiaries; (ii) to analyse the distribution of household expenditures for individual beneficiaries; and (iii) to understand the contribution of the CT-OVC transfer to changing income and expenditure distributions.

Institutional mapping (Venn diagramming) was conducted with groups of beneficiaries and non-beneficiaries with the following objectives: (i) to understand the importance and value participants attached to key institutions in the community, also reflecting frequency of contact; (ii) to understand the nature of social connectedness/exclusion among beneficiaries and between beneficiaries and non-beneficiaries in their communities; and (iii) to understand the dynamics of risk sharing and changes of alliances, trust and perceptions of people's credibility/worthiness in economic exchanges.

Livelihood matrices were conducted by groups of male and female non-beneficiaries, including market traders and farmers with the objective of: (i) understanding the range of, and preferences towards, different livelihoods within the community; (ii) understanding the contribution of the CT-OVC transfer to the household and local economy (markets, prices and employment).

### **1.3.3 Research team training, piloting and deployment**

A five-day training workshop was held in Nairobi from the 2nd to the 6th of July 2012. All researchers had extensive qualitative field research experience and were fluent in Kiswahili; four were fluent in Kikuyu. The workshop delivered training on the CT-OVC Programme<sup>38</sup>, principles and concepts of participatory qualitative research, the research methodology, guide and tools. The research roadmap was introduced and discussed. Five days of fieldwork time was allocated per district. In each district the team split into two subteams covering each "treatment" community for four days. On the fifth and final day of fieldwork, both subteams converged and worked together in a selected nearby "control" (comparison) community.

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<sup>37</sup> These five tools were prioritised from an initial list of participatory research tools (in the Inception Report) as they were found to elicit most efficiently the relevant information under the four research themes of the study. For more detail see the Research Guide (contact [admin@opml.co.uk](mailto:admin@opml.co.uk) for details).

<sup>38</sup> During the training period, one guest speaker – the Monitoring and Evaluation Co-ordinator, Department of Rural Services -- joined the group to provide more in-depth information on the OVC-CT Programme.

At the end of each day of fieldwork, the whole research team debriefed to reflect collectively and discuss their findings, analysis and working hypotheses from the day’s fieldwork. At the end of fieldwork, each team had an additional “team brainstorming” day to synthesise key findings of data collection. Following this debriefing each team was tasked to write a regional report to be submitted to the country team leader a week after fieldwork had ended. Both reports would then be reviewed and fed into the overall country case study report.

The team were introduced to data collection and organization approaches, geared to help systematic recording and analysis of qualitative data. Researchers were encouraged to organize the data collected in the field according to the four research themes. This facilitated efficient daily debriefing process. This structured way of organizing the data also kept researchers focused on answering the key research questions, at the same time revealing research gaps to follow up on in the field. The researchers were also briefed on the procedure for negotiating community entry, obtaining consent, eliciting beneficiary lists, respect and confidentiality. The importance of stressing the research teams’ independence was also emphasized.

A pilot session was held in a CT-OVC beneficiary sublocation, Tala<sup>39</sup>, to practice and reflect on the research process and methodology, including FGD facilitation and best use of tools. The pilot also gave the team first-hand experience of logistical challenges to be expected in the field.

## 2. District and Community Profiles

This section provides profiles of the sampled districts of Owendo in Nyanza Province and Kangundo in Eastern Province. It also gives a profile of the sublocations and beneficiary households where research was conducted, namely Kandira Lwala, Kakmasia and East Kanyamkago (Owendo District) and Mbee, Ngoleni and Kalunga (Machakos District). Key livelihoods, sociocultural and well-being features are identified, highlighting trends that emerged through the fieldwork analysis. For ease of reference, the district profile is summarised in Table 2.1 and the sublocation profile is summarised in Table 2.2.

**Table 2.1 District profile summary**

District	Kangundo	Owendo
Province	Eastern	Nyanza
Population*	[old Machakos District 442 930]	108 913 (new district)
Poverty status (2005-2006)****	Machakos (old district boundary) 59.6 below rural poverty line (cf. 49 percent below national rural poverty line).	Migori District (old district boundary) 42.5 percent below rural poverty line (cf. 49 percent below national rural poverty line).
Language	Kikamba / Kiswahili / English	Kiluo / Kiswahili / English
Dominant religion	Christianity	Christianity
CT-OVC beneficiaries	Machakos (old district boundary still used by Central Programme Unit, CT-OVC Nairobi): 5 200**;	Migori (old district boundary still used by Central Programme Unit, CT-OVC Nairobi): 4 649**;

<sup>39</sup> This community is in Machakos District, Tala location.

	New Kangundo District: tbc**; Kathiani location: 456.	Owendo District: 1887***; North Sakwa location: 1 044.
Basic agro-physical context	Semi-arid rain-fed agriculture; hilly terrain.	Subhumid rain-fed agriculture.
Main livelihood activity	Transformation from agro-pastoral to agricultural livelihoods (notably cash crop coffee production).	Agriculture (including notably sugar cane cash crop); livestock; fishing.
Infrastructure, public services and institutions	District recently created (2008) and relevant data is not held.	District recently created (2010) and relevant data is not held.
Basic governance-leadership structure	District recently created and relevant data is not held. Customary traditional leadership is based on a strong centralised chief system.	As above; plus post-holders are only starting to take up positions within district; most administration carried out from Rongo District (created 2008) headquarters, including role of District Children's Officer.
Socio-cultural characteristics	Patrilineal descent; long tradition of absentee male adults investing women with decision-making power by necessity; increased tendency towards nuclear/fragmented family. Orphanhood and male/female parental desertion of children can lead them to be cared for by mother's family.	Weight placed on patrilineal descent and patrilocal residence grants men greater decision-making power as heads of homesteads than women. Children regarded as valuable property with strong emphasis on keeping woman within husband's family and community even when a woman is widowed.
<p>* KNBS. 2010. Kenya Population and Housing Census Volume 1 A: 87-88, 119. Nairobi: KNBS.  ** Data from the CT-OVC Central Programme Unit, Nairobi, 25 July 2012.  *** Data from the District Children's Office, Rongo District, 16 July 2012.  **** Data from Kenya Integrated Household Budget Survey (KIBHS) 2005/06.</p>		

**Table 2.2 Sublocation profile summary**

	Eastern Province			Nyanza Province		
	Kangundo District			Owendo District		
Sublocation	Ngoleni	Mbee	Kalunga	Kakmasia	Kandira Lwala	East Kanyamkago
Market access	Market within s/location and significant trading activities; adjacent to main road; access to national horticultural and international coffee markets.	Trading activities but main market not close; 12km from main road; access to national horticultural and international coffee markets.	Hilltop; good access to international coffee market; access to local food market but not close.	Far from main road (13km) but market within s/location and substantial trading activities; linked to sugar cane processing and markets.	Tiny market in s/location; close to main road (4km); some trading activities; linked to sugar cane processing and markets.	Small market in s/location; way from main road; access to horticultural and sugar cane markets. Adjacent to Kandira Lwala s/location.
CT-OVC beneficiary households	117	76	None	230	283	None
Livelihoods	Primarily agriculture: location in coffee growing area leads to small-scale coffee production for national and international markets, start-up costs, substantial pressure on land with small farms + coffee disease are constraints to expansion. Shortages of water, particularly on hills. Coffee production is combined with horticultural production of			Primarily agriculture: location in sugar cane belt leads to cash crop production of sugar cane combined with subsistence farming (cassava, maize, groundnuts, beans, etc.). Good rainfall and soil fertility. Ready access to casual labour on farms and in jaggery production. Petty trade in vegetables, fish, household items, clothes, transport business. Extensive small-scale		

	fruit and vegetables for local and regional markets, and subsistence production for household consumption. Petty trade in horticultural products, household items, transport business. Some household keep livestock (goats, sheep, hens).			household livestock keeping (cattle, goats, sheep, hens) for sale, household consumption (milk, eggs, meat), production (ploughing), and savings.		
Infra-structure, public services and institutions	Main road access; 7 villages; 1 health centre; several primary schools (state); 2 secondary schools; many churches	Main road access; 7 villages; 1 health centre; police post; several state primary schools; churches; several secondary schools.	Social mapping tool not used.	Main road access; 4 villages; 4 state primary schools; private primary academies; 1 secondary school; many churches.	Rough road to rural area; 5 villages; 2 primary schools (state); 5 churches.	Social mapping tool not used.

## 2.1 Owendo District, Nyanza Province

### District context

The following description of Owendo District provides a portrait of productive smallholder farming based on a good biogeography. This feeds into a dynamic rural economy underpinned by the sugarcane industry, which acts as an enabling environment for income generation and smallholder agriculture. In stark juxtaposition is a social context in which organization of family and community life has been devastated by the HIV/AIDS epidemic over the last 30 years. A key issue is whether the enabling economic environment informs household strategies and the development of social networks as a means of coping with the burden of orphans and vulnerable children.

Owendo District in Nyanza Province was divided from the old Migori District in 2010. The administrative centre in Owendo Town is being established with a District Commissioner in post but most administration is still conducted from Rongo District (divided from old Migori District in 2008), including the District Children's Office).

Owendo Town is a trading centre along the main A1 road from Kisii to Tarime in Tanzania and 70 km by road to Lake Victoria; it is 20 km from Rongo town and 22 km from Migori, a metropolitan centre with a population of 53 000.<sup>40</sup> A major river cuts through the district into Lake Victoria. The population lives primarily in rural areas. The district's location on a transport route with access to a port on Lake Victoria and the national importance of cash crop sugar cane production mean this is an area with a dynamic economy and vibrant trading links.

Because of Owendo's recent creation as a district, statistics on infrastructure, social services, and public facilities are limited. According to the 2009 Kenya Population and Housing Census, the total population of Owendo is 108 913 people (52 745 male; 56 168 female)

<sup>40</sup> Republic of Kenya. 2009. Kenya Open Data (web), p. nd.

living in 23 860 households; in an area of 257 km<sup>2</sup> this constitutes a population density of 424 people per km<sup>2</sup>.<sup>41</sup> In terms of poverty incidence, for the old Migori District, including Owendo, 42.5 percent (218 058 poor) of the population fell below the rural poverty line in 2005/6, compared to a national rural poverty line of 49.7 percent. This ranked Migori the 48th poorest district out of Kenya's 69 (old administrative) districts.<sup>42</sup> School enrolment reflects a pattern throughout Nyanza Province of high primary enrolment rates and low secondary enrolment. Statistics for the old Migori District (2005) demonstrate 77 percent of all children attended primary school (77.1 percent female; 83.8 percent male), while only 7.7 percent attended secondary (6.8 percent female; 8.5 percent male).<sup>43</sup> This compares to national primary attendance rates (2008) of 89 percent female and 87 percent for male; and national secondary attendance rates (2008) of 26 percent female and 27 percent male.<sup>44</sup>

Economic development and people's livelihoods are driven by agriculture, with the south of Nyanza Province, including Owendo District, being at the centre of Kenya's sugar economy. Sugar cane is grown on flat agricultural land in inland areas of the province. With 85 percent of total sugar cane supply led by small growers in Kenya and only 15 percent from estates, production is a major driver of smallholder development in the province.<sup>45</sup> The South Nyanza ("Sony") Sugar Company Ltd., based in Sare (near Owendo Town), was built in 1979 with outputs contributing 12 percent of national sugar production in 2003.<sup>46</sup> It is estimated that 90 percent of production for Sony is by 20 000 smallholder farmers on a total hectareage of 20 941; this includes farmers across Owendo District.<sup>47</sup>

Smallholder production of sugar cane is based on an "out-grower" system where producers are placed under a five-year contract to supply all their harvested cane to Sony, linked to a system of credit in the form of land preparation, seed-cane and fertilizer. In a focus group for this research,<sup>48</sup> farmers reported problems experienced in their relationship with Sony in recent years – corroborated by wider literature<sup>49</sup> – including late receipt of fertilizer, seed-cane and produce payments. The arrival in 2011 of the large private Riaz Sukari Industries was said by these farmers to have provided an important new stimulus for sugar cane production (despite industry disputes over five-year contracts with Sony).

For smallholder farmers sugar cane is combined with production of food crops for home consumption and sale. With well-drained loamy soils and good rainfall over two seasons (the highest rainfall being between March and May), the area is suited to crops such as maize, beans, finger millet, cassava and groundnuts. Prior to the expansion of sugar cane production in the 1980s, tobacco was widely grown as a smallholder cash crop and continues to be grown on some farms. Dry land rice farming also occurs, particularly close to the major river and in tributaries that run through the district. While access to land and subdivision of

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<sup>41</sup> KNBS. 2010. *Kenya Population and Housing Census*, Volume 1 A. p. 119 Nairobi: KNBS.

<sup>42</sup> KIBHS. 2005/6. *Kenya Integrated Household Budget Survey* (available at <https://www.opendata.go.ke/Poverty/District-Poverty-Data-KIHBS-2005-6/pnvr-waq2>).

<sup>43</sup> GOK. 2005 *Kenya Integrated Household Budget Survey, Basic Report*. Nairobi: NBS, p.39.

<sup>44</sup> Education Policy and Data Center Available at: [http://www.epdc.org/sites/default/files/documents/Kenya\\_coreusaid.pdf](http://www.epdc.org/sites/default/files/documents/Kenya_coreusaid.pdf)

<sup>45</sup> Export Processing Zones Authority. 2005. *Kenya's Sugar Industry*. Nairobi: EPZA.

<sup>46</sup> Export Processing Zones Authority. 2005. *Kenya's Sugar Industry*. Nairobi: EPZA;

<sup>47</sup> Wawire, N.W.O. *et al.* (undated) *Identification and ranking of sugarcane production constraints: the case of sony sugar zone*. Kisumu, Kenya Sugar Research Foundation.

<sup>48</sup> FGD, male non-beneficiaries, livelihoods analysis, Kakmasia Sub-location, 18 July 2012.

<sup>49</sup> *Ibid.*; Kenya Sugar Board. 2003 *Year book of sugar statistics*. Kisumu: KSB.

landholding is an issue in Nyanza Province, it was not reported as a major constraint within this research, with FGD participants describing landholdings of three acres or more and an ability to rent additional hectareage, or to rent out their existing land as a coping strategy.

Descending from a Nilotic ethnic group, cattle keeping is a prized part of Luo culture, with livestock being a form of saving and sign of material wealth.<sup>50</sup> There is widespread household ownership of cows, goats, sheep and chickens. These are used in ploughing, household food consumption, and for saving. Here there is a gender dynamic: while women may own animals and decide to sell them, publically a man (particularly husbands or sons) must be seen to be involved in the decision-making process and market transaction. There is also a traditional system of women owning ploughing cows and men owning the plough; both can be rented out.

Associated with the agricultural economy are activities that provide either coping mechanisms in times of hardship or income-generating activities (IGA) to expand the household economy. Sugar cane jaggery is a common IGA providing casual employment for milling and processing (by boiling and crystallizing). Petty trade in local market outlets in agricultural produce and ready-made foodstuffs is a significant IGA for women. Many other forms of petty trade are found including sale of household items, cloth, second-hand clothes and shoes and selling cooked fish. Services and small businesses include motorbike taxis (boda boda), small shops, hair salons and hardware shops.

Turning to consider the position of orphans, the relatively high incidence of HIV/AIDS dominates the vulnerability profile of the population because Nyanza Province has been at the centre of the aids epidemic since the 1980s.<sup>51</sup> Patterns of labour migration within the sugar cane belt are cited as a contributing factor. Indeed today Nyanza province has by far the highest level of orphanhood in Kenya, with almost one in five (19 percent) children under 15 having lost one or both of their biological parents (around 10.9 percent<sup>52</sup>). With 3.2 percent of children being “double” orphans (both parents dead), this is substantially higher than the national average of 1.2 percent.<sup>53</sup>

In (old) Migori District, high levels of “single” and “double” orphans linked to HIV/AIDS and the pressure it has placed on families and communities are the main reason the CT-OVC programme started here in 2005. Within (old) Migori District the Kenya Integrated Household Budget Survey (2005) identifies 59 percent of children (0-14 years) as living with both parents.<sup>54</sup> Children who are “double” orphans constitute 2.6 percent of 0-14 year olds. Of those who are “single” orphans with a deceased father 9.1 percent live with their mother and 0.5 per cent with someone else. Of “single” orphans with a deceased mother, 1.9 percent

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<sup>50</sup> Kristjanson P., Krishna A., Radeny M. & Nindo W. 2004. Pathways out of poverty in western Kenya and the role of livestock, *Pro-poor Livestock Policy Initiative Working Paper* No. 14, Rome, International Livestock Research Institute. (available at <http://cgspace.cgiar.org/bitstream/handle/10568/1212/Pathwayspercent20outpercent20ofpercent20poverty.pdf?sequence=1>)

<sup>51</sup> Nyambedha, E., Wandibba, S. & Aagard-Hansen, J. 2003. Changing patterns of orphan care due to the HIV epidemic in western Kenya. In *Social Science and Medicine* 57(2): 301-311.

<sup>52</sup> GOK. 2005. *Aids in Kenya: Trends, Interventions, Impacts*. Nairobi Department of Health. p.60.

<sup>53</sup> GOK. 2005. *Aids in Kenya: Trends, Interventions, Impacts*. Nairobi Department of Health. p.67.

<sup>54</sup> GOK. 2005. *Kenya Integrated Household Budget Survey, Basic Report*. Nairobi: NBS, p.26.

live with their father and 1.3 percent with someone else. Finally 6.5 percent of children do not live with their parents even though both are alive.<sup>55</sup>

The cultural context in Owendo/Migori has implications for how responsibility for orphans is handled by family and kin, contrasting with the situation in Kangundo as explained below. Socioculturally, Owendo district is dominated by the Luo tribe, which is patrilineal and practices patrilocal residence. Upon marriage a woman becomes the property of the man with profound value placed on children within the paternal line, a feature closely connected to inheritance of land. If a man dies every effort will be made to keep his children within the paternal family; fostering by non-kin is rare. Linked to this is a Luo custom (said to be declining but still widely practiced) known as levirate, or “widow inheritance”, whereby upon a man’s death a married woman is inherited by a brother or close male relative. This mechanism for social continuity feeds into arrangements for orphan caregiving, with both children and women retained within the patrilineal family and community. These features provide support but can also place profound pressure on communities with high numbers of OVC. This very strong social norm within Luo culture around keeping children within the household is illustrated by the stories of two beneficiaries in Kandira Lwala sublocation in Owendo District (see Box 3.1).

In addition to the CT-OVC programme, support for OVC is provided by World Vision, Sam’s Place, Ebenezer, the Children’s Christian Fund, Impact, Happen Church, and the Bursary Fund assisting orphans with school fees.

### Community context

Within North Sakwa location, Owendo District, two sublocations were chosen for research, Kandira Luwala and Kakmasia, together with a nearby “control” sublocation, East Kanyamkago which has a similar profile in terms of presence of orphans, poverty and livelihoods but where the CT-OVC programme is not in operation.

Kandira Lwala sublocation is close (4 km) to the main A1 road that runs from Rongo to Owendo and has the Rakwano Angogo road running through the sublocation. It is rural with a population of 8 009 living in 1 715 homesteads in an area with, according to a description within a key informant social mapping exercise, “the rich, the poor, the middle mixed up together”. There are five villages (Kanyasrega, Anyogo 1 and Anyogo 2, Katego, Ponye and Wawaga) and a tiny market known as “crocodile catch you” (nyang’omaki) with vegetables, fish and household necessities.

Kakmasia sublocation is a rural area much farther (13 km) from the main road but the principal village of Nyakuru has a larger trading centre which sells food, household goods and hardware, and provides services such as maize milling and hairdressing. The population of 4 732 lives in 1 032 homesteads within for villages (Nyakuru, Alara, Oboke and Loka Kuja).

The team also conducted research in a nearby “control” sublocation, East Kanyamkago, which borders Kandira Lwala off the main A1 road. (Population figures are unclear due to

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<sup>55</sup> GOK. 2005. *Kenya Integrated Household Budget Survey, Basic Report*. Nairobi: NBS, p.25.

change to administrative boundaries). It has a similar profile in terms of orphan numbers, poverty and livelihoods but the CT-OVC programme is not in operation there.

In Kandira Lwala, Kakmasia and East Kanyamkago the dominant livelihood activity for both men and women is farming, combining food crops and sugar cane production, as described in the district profile above and illustrated in Table 2.3. The size of farms is relatively large (compared to Kangundo District) with three acres being common even for people described as poor. High rainfall, combined with use of fertiliser and high-yielding seeds, mean returns from agriculture can be good. Returns for sugar cane are by far the highest, even taking into account credit deductions made before payment by the sugar cane factory. A FGD with males in Kakmasia sublocation analysed male livelihoods patterns and preferences in the community (see Table 2.3). The majority of men are mixed crop/sugar cane farmers. The poorer men farm but also engage in farm labour for others to generate income. Most men aspire to be traders in dairy cattle because it is highly lucrative but is high risk and requires high starting capital, so few succeed. Many men are also engaged in petty trading activities with buoyant market opportunities.

**Table 2.3 Livelihoods analysis conducted by group of male non-beneficiaries, Kakmasia sublocation, Owendo District**

Male occupation	percent	Income (Score 1-4) (1= high)	Reliability (Score) (1= high)	Overall preference (Score) (1= high)
Only crops and no other livelihoods (sugar cane cassava, sweet potato, ground nuts, maize, millet, rice, beans and tobacco)	40	1 (sugar cane) 2 (other crops)	2	1
Agricultural labourers	20	3	1	4
Shopkeepers	5	3	3	3
Animal trade (dairy)	3	1	2	2
Tailoring/selling clothes/shoes	10	3	3	3
Fishmonger	5	2	1	2
Vegetable vendor	12	4	4	4
Skilled labour (e.g. mason)	5	3	2	3
TOTAL	100			

Note: For a full description of the methodology adopted to create this table, please refer to the 'Methodology' page on <http://www.fao.org/economic/ptop>.

Within these sublocations, the research revealed that people had clear perceptions of wealth distribution and associated characteristics of asset ownership and physical well-being. In Kandira Lwala, for example, as described in Table 2.4 below, the very rich (“joroko”) had large farms, significant productive assets, employed the poor as labourers and invested in children’s tertiary education. Many did not live full time in the region. The impact of HIV/AIDS among this group was recognised in the statement “many have died and their houses are left to nobody”. In contrast, those who were poor had no assets, slept hungry, and could not pay for health or education. Land might also be leased or sold as a coping strategy of desperation. In the middle were those with landholdings who might have problems with money but could afford meals and to invest in education and social networks.

**Table 2.4 Community well-being analysis, conducted by a group of key informants, Kandira Lwala, Owendo District**

Poverty distribution	10percent Very rich ('joroko')	30percent Middle ('joma berber')	60percent Poor ('joma oongego')
<b>Characteristics</b>	<ul style="list-style-type: none"> <li>- big farms</li> <li>- can purchase land</li> <li>- employ the poor, mostly for farm work but also housework</li> <li>- eat well; balanced diet</li> <li>- can afford to pay for education</li> <li>- do not pray (live elsewhere)</li> <li>- can afford medication</li> <li>- many have died and their houses are left to no one</li> </ul>	<ul style="list-style-type: none"> <li>- can do farming on middle-sized farms</li> <li>- attend church</li> <li>- can afford day school</li> <li>- do not beg so much</li> <li>- can afford normal meals although not balanced ones</li> </ul>	<ul style="list-style-type: none"> <li>- those who sell their land and remain with nothing</li> <li>- sleep hungry</li> <li>- cannot afford school</li> <li>- cannot afford medication</li> <li>- children leave school and are employed by the middle and rich</li> <li>- children in tattered clothes</li> <li>- underage pregnancies</li> <li>- feel hungry</li> <li>- miss church, work even on a church-going day</li> <li>- 40% of the poor are extremely poor "cannot even afford sukuma (kale accompaniment in meal)</li> </ul>
<b>Within CT-OVC programme</b>	- not in programme	- many beneficiaries in the middle	- most of the extremely poor are not in the CT programme

A notable feature in Kandira Lwala related to statements in both FGDs and KIIs that the majority of CT-OVC beneficiaries were in the “middle” category, with many very poor families with OVCs outside the programme. This was in keeping with the targeting method used in this area in 2005 which did not incorporate poverty indexing.<sup>56</sup> In the other sampled sublocation of Kakmasia evidence from KIIs and FGDs suggested a more equal distribution of CT-OVC beneficiaries between the “middle” and “poor” wealth categories. In Owendo district, within a province where almost one in five children are orphans<sup>57</sup> and given that addressing poverty is not a primary objective of the programme, targeting criteria focused on the presence of OVC with no proxy means testing, although – according to the District Children’s Officer for Migori<sup>58</sup> – it did seek to capture the most vulnerable. As a consequence fewer CT-OVC households were among the chronically poor.<sup>59</sup> Furthermore, households that had improved their socio-economic status since entering the programme had not exited (see Section 3.4.1).

A striking aspect of all poor and middle income households in Kandira Lwala, Kakmasia and East Kanyamkago, was the large numbers of orphans (plus non-orphans) per household, irrespective of whether the households were CT-OVC beneficiaries (as an example, during one female non-beneficiary FGD, all six participants were hosting more than three orphans). Moreover, although seven children (<18 years) were direct CT beneficiaries in Kakmasia

<sup>56</sup> Pers. Comm. Mr Musembi and Samuel Ochieng, Department of Children’s Services, Ministry of Gender, Children and Social Development, 23 July 2012; KII Peter Ogindo, DCO Migori, 18 July 2012.

<sup>57</sup> GOK. 2005. *Aids in Kenya: Trends, Interventions, Impacts*. Nairobi: Department of Health. p.67

<sup>58</sup> Interview, DCO Migori 18/07/12.

<sup>59</sup> OPM. 2010. P. v highlights complexity of analysis of poverty targeting for the CT-OVC programme. It also underlines how the existing targeting system is not very effective at ensuring the poorest households are selected, with a large proportion remaining outside the programme plus a significant number of less-poor households being included.

they all had adult caregivers; therefore none lived in “child-headed households”. No children were CT-OVC beneficiaries in Kandira Lwala. Wealthier households were less likely to have high OVC numbers but they might be providing financial support to individual orphans within a community. An important community feature highlighted by respondents and related to the CT-OCV programme was the constant increase in OVC over time and that many households assumed care giving responsibilities recently, before the targeting exercise.

## 2.2 Kagundo District, Eastern Province

### District context

The new Kangundo District was subdivided from the original Machakos District in 2008 although the seat of district administration remains in Machakos Town. As with other new districts, statistics on infrastructure, social services and public facilities are limited.

Kangundo District has a road network that connects to the A109 Nairobi-Mombasa highway. Being only 62 km away from the capital it benefits from close proximity through movement of people and goods. Machakos Town has a population of 41 917<sup>60</sup> and there is ribbon urban development<sup>61</sup> along transport routes, although parts of the region remain remote and rural.

According to the 2009 Kenya Population and Housing Census, the total population of Machakos (old administrative division) was 442 930. The most recently available poverty statistics revealed that the population living below the rural poverty line in 2005/06 was higher than in Migori (Owendo) at 59.6 percent (660 220 poor) and well above the national rural poverty line of 49 percent. This made Machakos the 21st poorest district out of (the old) 69 districts in Kenya.<sup>62</sup>

In Machakos District (old administrative division) attendance at primary school is high and secondary much lower (although still more than double the rate of old Migori). In 2005/06, primary school attendance stood at 89.3 percent (86 percent male; 92.1 percent female), which dropped to 19 percent at secondary level (18.2 percent male; 19.6 percent female).<sup>63</sup>

Livelihoods in Kangundo District are dominated by agricultural production in the form of mixed farming (livestock, food crops and horticulture). Locations in the centre of the district incorporate cash crop coffee production, while in the south employment opportunities related to cattle-ranching exist. Formal employment and business are concentrated around Machakos Town and on the south-eastern district border. Being a one to two hours’ drive from Nairobi, with good access roads, migration for employment opportunities is common. As a semi-arid region, drought is not uncommon, and with high dependence on agriculture, coping strategies are needed. Drought conditions, variable soil quality and highly variable access to water constrain local production and limit the amount of land that is suitable for coffee production

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<sup>60</sup> Republic of Kenya. 2009. *Kenya Open Data* (web).

<sup>61</sup> Ribbon development refers to building and development along the routes of communications radiating from a human settlement.

<sup>62</sup> GOK. *Kenya Integrated Household Budget Survey* (KIHBS) 2005/06, (available at <https://www.opendata.go.ke/Poverty/District-Poverty-Data-KIHBS-2005-6/pnvr-waq2>)

<sup>63</sup> GOK. 2005. *Kenya Integrated Household Budget Survey, Basic Report*. Nairobi: NBS, p.56.

and higher value crops such as French beans. Livestock ownership in this district is a sign of prestige (goats and cattle) and acts as security to be held onto, with sales of grain favoured over livestock during harvest seasons, despite low prices. Hilly areas with high density of human population are not favourable to cattle-keeping.

Coffee produced on smallholder farms is a long-established cash crop (alongside cotton) linked to a history of cooperative development. Cultivation has witnessed periods of expansion and decline with the boom and bust of international coffee prices (at present the price is high). Focus group discussions for this research revealed problems linked to receiving timely payments and to disease affecting the coffee crop.<sup>64</sup> Nevertheless it is widely grown on suitable smallholder farms in hilly parts of the district, with crop sales and casual labour (production and processing) providing income to households.

Socioculturally, Kangundo District is dominated by the (Bantu) Kamba ethnic group with Christianity being the majority religion. Kamba culture is characterized by patrilineal descent which underpins gender disparities. However a historical tradition of absentee male adults due to migration invests women with decision-making power by necessity. Female migration, particularly by young adult women seeking domestic work in Nairobi, is also common, with implications for family support systems. Literature suggests there is an increased tendency towards the nuclear and fragmented family although the significance of the family as an institution remains strong.<sup>65</sup>

Regarding the position of orphans in the district, while prevalence of HIV/AIDS<sup>66</sup> plays a role in adult mortality, this influence is not as significant as in Owendo District. In Machakos District (old administrative division) in 2005/06, 54.2 percent of children lived with both parents. The rate of 1.2 percent of children being “double” orphans, with both parents dead, was the same as the national average and much lower than Owendo. Of those who were “single” orphans with a deceased father, 7.3 percent lived with their mother and 0.5 percent with someone else. Of those “single” orphans with a deceased mother, 0 percent lived with their father and 2.3 percent with someone else. Finally, 2.9 percent of children did not live with their parents even though both were alive.<sup>67</sup>

School attendance is a measure used to assess the vulnerability status of OVCs relative to their peers. Survey evidence suggests for (old) Machakos District that in 2005 nearly all (99 percent) children aged 10-14 years who were classified as orphaned or vulnerable were attending school compared to 98 percent among those who were not orphans or vulnerable. This finding shows that orphans are not so disadvantaged compared to non-orphans in terms of school attendance.<sup>68</sup>

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<sup>64</sup> FGD, male non-beneficiary farmers, Kalunga sublocation, 13 July 2012.

<sup>65</sup> Shaffer, R. 1997. Variations in traditional marriage and family forms: Responses to the changing pattern of family-based social security systems in Sierra Leone and Kenya. In *The History of the Family* Vol 2(2):197-209, Elsevier.

<sup>66</sup> HIV/AIDS prevalence rate of 8.4percent in 2007: see Kimani, G., A. Kara & Nyala, M. 2012. Students' Sexual behaviour in the Context of HIV/Aids Education in Public Secondary Schools: A Case for Kangundo Division, Kenya. *International Journal of Humanities and Social Science* Vol. 2(23); December 2012.

<sup>67</sup> GOK. 2005. *Kenya Integrated Household Budget Survey, Basic Report*. Nairobi: NBS, p.25.

<sup>68</sup> KBS. 2005. Kenya Eastern Province Machakos District: Monitoring the Situation of Children and Women, *Multiple Indicator Cluster Survey 2008*. Nairobi: KBS, p. 96.

An understanding of Kamba relations of kinship and affinity is relevant to the coping strategies enacted when one or two parents die, and to the subsequent pressure placed on a family when supporting an abandoned child. Descent is patrilineal and residence after marriage is patrilocal: for marriage, men pay a bride price (five goats) to a woman's family and she goes to live with him. If this man subsequently dies, the woman and children may be, in a phrase frequently used by informants, "chased away" back to her family; similarly if the woman dies and the man remarries the children may be returned ("chased") to the woman's family. This is in marked contrast to the risk sharing mechanism in Luo culture described above for Owendo District, where more value is given to children paternally and every effort will be made to retain an OVC and female widow within a man's family. A case study from the research communities in Kangundo District illustrates this point: Mary is a young widow living in Ngoleni sublocation in Kangundo District. She has six children and lives with her ailing grandfather whom she supports. Mary is in a very vulnerable situation. She was "chased away" by her relatives (in-laws) when her husband died, who sold most of the family land. After she started receiving the OVC transfer, however, they left her alone and began seeing her as an asset. Mary, for whom the transfer represents over one-half of her monthly income, now uses most of the cash to support her children.

Informants described how "chasing away" women and children is common if adequate bride price has not been paid and the daughter is therefore not seen as part of the husband's family ("she is not our own, let her go back, just take the children and go back"). It is possible (but beyond the scope of this research to confirm) that relatively high poverty levels in the district increase the likelihood that bride prices are "inadequate" and therefore that women and their children are vulnerable to being 'chased away'. Brothers or sisters of the mother may become the children's caregivers but the preference is for children to be taken in by grandparents, based on the rationale that they will love the children more and be less strict than siblings or in-laws of the deceased mother/father. Another scenario that leads children to be abandoned relates to migration and a tendency for young women to migrate to Nairobi without a skill to look for jobs as domestic help but ending up working as prostitutes. If they become pregnant and have more children, these may be sent "home" to the grandparents exacerbating the pressures on caregiver households.

Indeed, supporting orphaned or abandoned children can put profound stress on a family, with the children being seen as an excess burden in already asset-poor households. Profound pressure on land in Kangundo District and its subdivision to the point where there may be little remaining for elderly parents, contributes to hardship within this process. Despite the pressure on households to see children as sources of light labour outside of school hours, the fieldwork revealed a strong and pervasive normative view that, while children could be expected to help with farming, they should go to school and receive an education if at all possible.

In addition to the CT-OVC programme, initiatives to support orphans in the district include: the Catholic Church "Good Samaritans" initiative, "Wellwishers", children's homes, the Community Development Fund, Latif (County Council), and fundraising by individuals and communities.

### Community context

Within Kathiani location, Kangundo District, two sublocations were chosen for research. These were Ngoleni and Mbee together with a "control" sublocation (Kalunga sublocation in

Kathioko location). Mbee sublocation has a population of 5 286 (1 161 households) of which 76 households are CT-OVC beneficiaries. Mbee’s population is distributed across six villages in hilly terrain, relatively far (12 km) from the main road. However, being only an 18 km drive directly to Machakos Town, its urban connection is apparent. Ngoleni sublocation has a population of 5 131 (1 150 households) distributed across seven villages; of these 116 households are CT-OVC beneficiaries. Ngoleni is adjacent to a main road and its trading centre is equidistant from Kathiani Town and Machakos Town. It has good links to local markets and a dynamic trading centre. Kalunga sublocation has a population of 4 654 (1 019 households) distributed across 12 villages. It is only 16 km from Machakos Town but is in the interior, set away from a main road and very hilly.

The biophysical environment of Mbee, Ngoleni and Kalunga sublocations shapes settlement patterns and affects the crops that can be grown. Characteristically settlements are dispersed and distributed across hilltops and in valleys, with agriculture on steeply terraced hill slopes. A semi-arid climate at an altitude of 1 000-1 600 m above sea level and a cold dry season make parts of these areas suited for growing coffee and soft fruit and vegetables such as plums, avocados, tomatoes and French beans. However rainfed farming is constrained by shortage of rain and difficulty accessing water on hilltops. In comparison to Owendo District (where landholdings of three acres and more were common among beneficiaries and non-beneficiaries), the reported size of landholdings is smaller (one quarter to two acres), with significant pressure on land. The centrality of farming to local livelihoods is captured by livelihoods analysis conducted by women in Ngoleni sublocation (Table 2.5). Linked to this, casual labour is available on farms and small coffee bean processing factories, however the harsh nature of the work and exposure to chemicals make it a coping strategy sought in desperation which both men and women would prefer to avoid.

**Table 2.5 Livelihoods analysis conducted by group of female non-beneficiaries, Ngoleni sublocation, Kangundo District**

Occupation	percent	Income (Score 1-4) (1=high)	Reliability (Score) (1=high)	Overall preference (Score) (1=high)
Only undertake subsistence farming (maize and beans) and no other livelihoods	24	--	--	--
French beans/ tomatoes	7	1	1	1
Coffee/trees	7	1	2	2
Small-scale business selling produce	10	1	2	1
Agricultural labourers	13	4	3	4
Cutting and selling grass for cattle feed	10	4	3	4
Casual labour in coffee factory	29	3	4	4
TOTAL	100			

Note: For a full description of the methodology adopted to create this table, please refer to the 'Methodology' page on <http://www.fao.org/economic/ptop>.

People living within these sublocations had clear perceptions of wealth distribution and associated characteristics of asset ownership and physical well-being, although the nuance reveals differences to Owendo District in terms of both the type of assets as well as the close connection of the richest absentee householders to Nairobi. Table 2.6 captures a well-being analysis conducted with a key informant group in Ngoleni sublocation where the rich were likened to “hybrid cows” (Mkune) and the harshness of chronic poverty was brought to the fore through the characterization of children sleeping hungry in gunny sacks and psychologically affected by poverty. In the middle and among the better-off poor there was asset ownership and access to three meals a day.

CT-OVC beneficiary households were primarily those categorized as “poor” to “really, really poor” by informants in Ngoleni, as also in Mbee. This was different to beneficiary households in Owendo District where a much greater proportion of beneficiaries were perceived to be in the categories of “middle” and the “better-off” poor. There is an operational explanation for this within the CT-OVC programme. Section 1.1 describes how the targeting of CT-OVC households has been an evolutionary process culminating in a system which now combines geographic, community, household and proxy means testing (discussed further below). A systematic standardized national methodology for proxy means testing was not fully implemented at national level until 2009, with experimentation occurring when sublocations in Machakos entered the programme between 2006 and 2009. Unlike in Owendo District, where the emphasis was on eligibility according to orphans in household, HIV/AIDS and priority to elderly caregivers, proxy means testing was taken into greater account in Machakos District.<sup>69</sup>

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<sup>69</sup> S. Ochieng & D. Musembi, Department of Children’s Services, Ministry of Gender, Children and Social Development, personal communication 23 July 2012.

**Table 2.6 Well-being analysis, key informant group, Ngoleni sublocation, Kangundo District**

Poverty Distribution	20 percent <sup>70</sup> Rich (mkune “hybrid cow”)	30 percent Middle (eekavan “at least”)	50 percent Poor (ngya “poor”)
<b>Characteristics</b>	<ul style="list-style-type: none"> <li>- “big bigger biggest and have big bellies”</li> <li>- big farms: three acres and above</li> <li>- better educated</li> <li>- work and live in Nairobi and Mombasa</li> <li>- farm more</li> <li>- children have degrees</li> <li>- two cows or four hybrid cows (mkune)</li> <li>- mixed farming (plants, bananas, coffee)</li> <li>- shop</li> <li>- horticulture: oranges</li> <li>- have vehicles, but some do not have</li> <li>- sleep in brick houses</li> <li>- they have 1-3 kids, typically 2</li> </ul>	<ul style="list-style-type: none"> <li>- have own house but not very good</li> <li>- have a few cows/ some do not have</li> <li>- farm one acre – planting maize, beans or cowpeas, fruits and avocados</li> <li>- some sleep on bed with mattress</li> <li>- many children – five to seven</li> <li>- some in school, some idle</li> <li>- struggle to eat, but have three meals a day</li> <li>- born and reside here, they never leave location</li> <li>- own bicycle</li> <li>- small farmers</li> <li>- small business: vegetables, paraffin, sweets, fuelwood, sell water, wheelbarrows</li> <li>- kiosk</li> <li>- rarely leave for Nairobi</li> </ul>	<ul style="list-style-type: none"> <li>- mud house with grass thatch</li> <li>- children sleep in gunny sacks</li> <li>- approximately seven to eight children, some even ten</li> <li>- not enough food</li> <li>- live on quarter of an acre</li> <li>- street kids do not attend school due to starvation</li> <li>- poor hygiene</li> <li>- live behind shops (girls who give birth out of marriage)</li> <li>- beg</li> <li>- drown sorrows in alcohol (changa)<sup>7</sup></li> <li>- children psychologically affected by hunger and thoughts of poverty</li> <li>- steal from farms</li> <li>- lose mental focus, are desperate</li> </ul> <p>“really, really very poor!”</p>
<b>Within CT-OVC programme</b>	- not in the programme	- a few in the programme	- most in the programme - 25percent of this group are CT beneficiaries

<sup>70</sup> Note that the percentages here refer to the focus group participants’ estimation of what proportion of the community belonged to each wealth category. For a full description of the methodology adopted to create this table, please refer to the ‘Methodology’ page on <http://www.fao.org/economic/ptop>.

### 3. Research Findings

This section presents synthesized findings from the qualitative research in Owendo and Kangundo districts. The narrative is organized according to the four research themes, with findings presented under a series of subheadings linked to the research hypotheses introduced above.

#### 3.1 Household Economy

At the household level, the research explored the impacts of the CT-OVC transfer on beneficiary household welfare and (risk-averse) coping strategies. Beyond this, the research focused on the hypothesis:

*The introduction of a small but predictable flow of cash income improves livelihood choices and productive investments, although vulnerable households will be more highly constrained in their decision making on how to use the additional cash.*

#### Age/gender of primary caregivers

Table 3.1 categorizes the age/gender profile of caregivers in receipt of CT-OVC payments. Although these figures are not validated by household statistics the profile agrees with quantitative data.<sup>71</sup> The age of these caregivers is clearly significant when considering economic impacts of the CT-OVC programme because social differentiation shapes constraints and priorities, including ability to grasp income-generating activities versus using the transfer for social protective functions, the coping mechanisms that are turned to and decision making within the household.

**Table 3.1 Categorization of age/gender profile of care-giver in receipt of CT-OVC payments**

S/location	Total ben hh	Elderly beneficiaries >60 years		Adult beneficiaries		Child beneficiaries <18 years	
		Female	Male	Female	Male	Female	Male
Kandira Lwala	283	27 (9.5 percent)	1 (0.3 percent)	234 (82.6percent )	21 (7.4percent)	0 (0 percent)	0 (0 percent)
Kakmasia	230	23 (10 percent)	4 (1.7 percent)	167 (72.6 percent)	29 (12.6 percent)	5 (2.1 percent) **	2 (0.8 percent) **
Mbee	76	33 (43.4 percent)	4 (5.2 percent)	19 (25percent)	16 (21percent)	(3.9 percent) ****	1 (1.3 percent) ***
Ngoleni	117	31 (26.4 percent)	4 (3.4 percent)	53 (45.2 percent)	27 (23 percent)	1 (0.8 percent) ****	1 (0.8 percent) ****

\* Estimates based on names on the Beneficiary List with age category identified by Beneficiary Welfare Committee members in liaison with community representatives.  
 \*\* There are seven child beneficiaries with CT-OVC payments in their name in Kakmasia, however they have

<sup>71</sup> A quantitative baseline of the CT-OVC Programme conducted in seven districts, including old Migori, states that caregivers are considerably more likely to be female, with around 22 percent being over 60 in the population as a whole, and 37 percent in recipient households (OPM, 2010, p. iv).

adult caregivers and are therefore not in “child-headed households”.

\*\*\* Child-headed household.

\*\*\*\* Child beneficiaries of the CT-OVC payments who live with adult caregivers.

Table 3.1 suggests that in all locations women were, unsurprisingly, the principal caregivers (Kandira Lwala 92 percent; Kakmasia 83 percent; Mbee 68 percent; Ngoleni 70 percent). Of note is the number of elderly female beneficiaries in Mbee (43 percent) and Ngoleni (26 percent) in line with programme prioritization of elderly caregivers. Elderly male beneficiaries were few in number but FGDs highlighted how precarious welfare in some of these households can be for OVC, given that elderly men may be caregivers of last resort when family structures have broken down.

Categories presented in Table 3.1 disguise the presence of another vulnerable caregiver group, namely female widows in their 20s and 30s with a large number of young OVC dependents and weak family support mechanisms. Evidence from this research suggests their circumstances can be particularly constrained in Kangundo District, with profound levels of vulnerability.

### 3.1.1 Household coping and welfare

The cash transfer (CT) provided a boost to the household economy, a regular amount of money that could be anticipated and incorporated into the household budget. How this money was used and what expenditure was prioritised depended on the vulnerability and asset status of the household and upon how many dependents there were, including but not exclusively OVC.

For households categorized as chronically poor and where there was significant vulnerability related to gender, age and/or chronic illness of the main caregiver/s, plus a greater number of OVC, the CT provided a safety net mechanism to move from survival to coping. For households categorized as poor but which had able-bodied caregivers and an asset base, the cash transfer contributed to people’s ability to grasp new productive opportunities, particularly when there were fewer OVC dependents. For all households, a focus on productive opportunities must not detract from the reported priority given by beneficiary households to the CT’s role in supporting children’s education.

In Owendo District, in the context of a dynamic enabling economy underpinned by smallholder sugar-cane production and in the absence of formalised poverty means test targeting, there was evidence that the CT was being used as a lever to enable households to build assets for children’s futures through productive activities.

In Kangundo District, where poverty levels are higher than in Owendo (see Sections 2.1 and 2.2) and economic opportunities within the agricultural economy are more constrained, poverty means testing was a feature of CT-OVC household targeting as described in Section 1.1. Here the research found that a greater number of beneficiary households used the CT primarily to feed, clothe and school OVCs and provide for household needs. In sum, it was used foremost as a safety net mechanism.

#### From survival to coping

A key informant in Mbee sublocation, Kangundo District, articulated a view about the value of the CT transfer as a mechanism to improve the lives of orphans that was expressed

repeatedly in FGDs and KIIs in both Owendo and Kangundo Districts:

“...before children were not going to school, they would keep getting chased out and would eventually get discouraged...now their shoes and rags are replaced by good clothes...some houses were in bad shape and others collapsing and now they are improved. Now families don't sleep without meals, they can eat twice a day...they used to overwork to make ends meet and now they don't get exhausted... Many children are being educated and homes are becoming cleaner.”

This positive view was counterbalanced with the perception that:

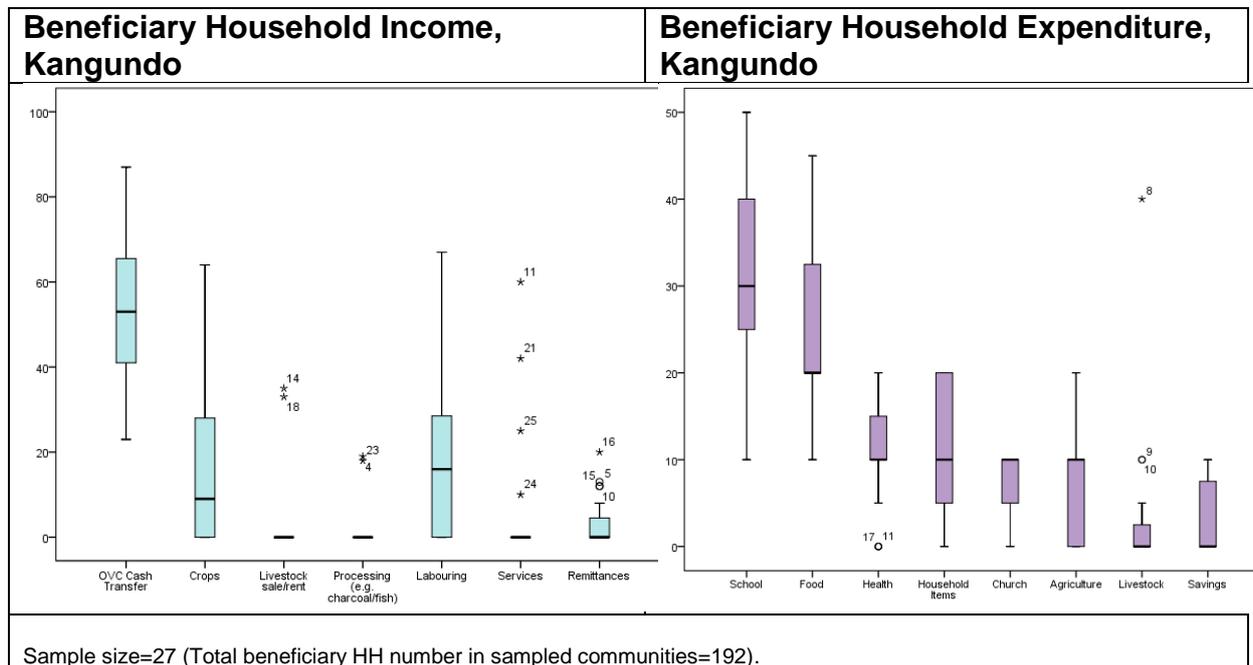
“The money that beneficiaries are getting is too little, they cannot really save... women are investing in a very small way... but this is not transformative, this is why the wider economy has not felt the impact.”

A stark example of the significance of the CT in supporting OVC to move beyond mere survival was given by the District Children's Officer for Nyata who described how children in Machakos would flee their houses in desperation driven by hunger to live on the streets and the CT could help prevent this happening. Her perception concurred with a FGD in the pilot for this research which described how homes had become cleaner with more attention being given to caring when a woman could reduce the number of hours spent on hard agricultural labour and instead devote more of her time to domestic chores.

In terms of the CT helping to move beyond mere survival and towards being better able to cope, the welfare of the child was perceived to be central. A female beneficiary in Kakmasia, Owendo District, captured this: “Children are wearing clean clothes, clean shoes, they are neat, eating like the rich, children are forgetting they are orphan.”

Figure 3.1 and Figure 3.2 present evidence based on the participatory Household Income and Expenditure Analysis Tool. The data generated support the finding that the CT represented a significant increase in beneficiary household budgets. Confirming and elaborating on the district poverty statistics introduced earlier, beneficiary households in Kangundo District were more likely to be asset-poor. Most had  $\frac{1}{4}$  acre farms, growing maize and beans for subsistence. They also tended not to have surplus adult labour. Cash remittances from household relatives living outside the community were small and unreliable, contributing less than 10 percent of household income. Very few beneficiary households grew coffee (the main commercial crop) as start-up costs were high and a disease was blighting crops. Hence in Kangundo District, the median income from the CT-OVC was over 50 percent of total beneficiary household income (Figure 3.1).

**Figure 3.1 Distribution (percent) of beneficiary household income and expenditure, Kangundo District**



Crops surplus to subsistence requirements (such as avocados) were sold at the local market but brought in less than 10 percent of household income on average (median). The relatively large spread of incomes from crops in Figure 3.1 reflects the fact that there were some beneficiaries who lived on land suitable for growing higher-value coffee or French beans and so earned more (discussed further below). Some beneficiary households relied additionally on agricultural labouring – clearing farms, tending animals, carrying water and working in coffee factories. Both crop selling and agricultural labouring were highly seasonal so receiving the CT every two months was even more significant than the distribution suggested in Table 3.1. The CT had not replaced the existing reliance on selling farm produce and local labouring but had provided a significant cushion and allowed some beneficiary households to withdraw or reduce their casual labouring (discussed below). It also enabled some beneficiary households to increase the productivity of their small farm plots and sell produce, either on the pavement in the local markets or to local stall traders. In a few instances beneficiaries had been able to use the CT as start-up capital to start their own market stalls. This livelihood diversification is discussed further and illustrated with a case study in Section 3.1.2 below.

The average (median) combined expenditure among beneficiaries in Kangundo District on school and food costs was 50 percent (Figure 3.1). Through the CT, OVC now had better diets and were healthier. They were also more likely to be retained in school rather than being sent home for being late with fee payments. Household school costs expenditure was relatively high because it could cover both primary and secondary school costs for OVC. The median expenditure on agricultural inputs among beneficiaries in Kangundo District was 10 percent covering seeds (including better quality seeds), fertilizer and labour costs. This made their small land plots more productive and enabled them to grow more and earn a little more money if able to grow crops to sell. Household items were significant budget expenditure for many beneficiary households and included paraffin, utensils and beds/mattresses for OVC.

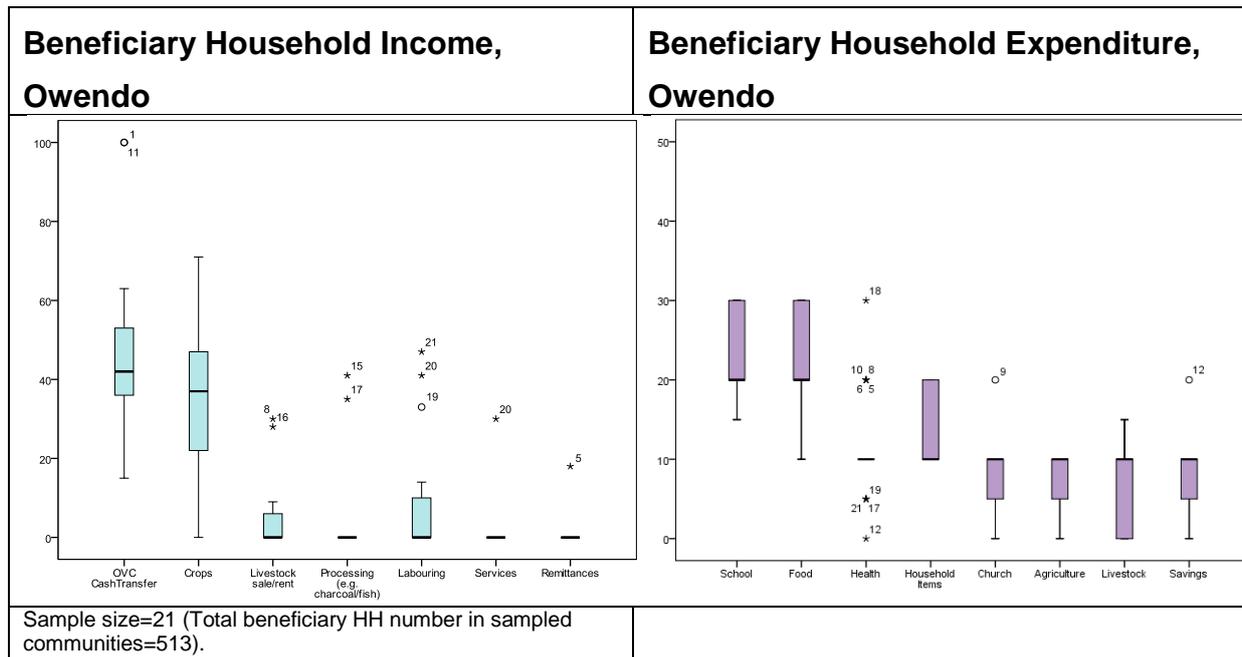
Increased purchases of household items by beneficiaries had a knock-on effect on local economic exchange (discussed below).

In addition to the income and expenditure plotted in Figure 3.1, most beneficiaries saved regularly through small contributions to Merry-Go-Round saving circles. These provided reliable, small lump sums that could be used to pay off school debts, buy corrugated metal sheets for houses or buy chickens and occasionally goats. Only in a very few instances had beneficiary households in Kangundo District been able to save sufficiently to buy larger livestock (although hilly areas are also not suited to cattle, leading to a preference for goats) or start up small businesses. As a result of the CT caregivers could also buy on credit from shopkeepers/stallholders to smooth their expenditure (discussed below). Most beneficiary households spent 10 percent of their budget on church contributions (tithes) which strengthened or sustained their social inclusion in the community and ensuring a decent burial upon death.

For caregivers who were chronically ill, 10 to 20 percent of household budgets was used on payment for health care, for which the regular CT was invaluable but was diverted away from support to orphans. This feature was brought home to the research team by two elderly male beneficiaries in Ngoleni sublocation who were single caregivers: one was 80 years old, almost blind from an eye infection and caring for three orphans (“The money has helped me a lot, a lot! It is my only source of hope!”); the other was 65 years old with chronic TB and caring for seven orphans (“CT helps in my medication; I have no money to buy medication...”).

In Owendo District sources of income and forms of household expenditure were more diversified than in Kangundo. The median household income from CT-OVC of 40 percent (see Figure 3.2) was significantly lower than that in Kangundo, although still marginally the main source of income for these households. This reflects the fact that beneficiary households had more assets and higher aggregate incomes, including larger areas of productive land to grow and sell sugar cane and food crops and more livestock, including cows, for household consumption (milk, meat, eggs) or to rent out for ploughing, or to sell (see livelihoods analysis in Table 2.3). These livestock were also thought of as an important form of saving. No remittance income was reported, suggesting a higher level of well-being and less dependency on economically active children/relatives/friends. Interestingly remittances emerged as significant for members of a female non-beneficiary FGD who were widowed and cared for OVC.

**Table 3.2 Distribution (percent) of beneficiary household income and expenditure, Owendo District**



In Owendo District beneficiary household expenditure on household survival/basic needs was also slightly lower than in Kangundo District, although within the context of a higher overall household income. Proportional spending on livestock and investment in savings was greater than in Kangundo. Institutional analysis and KIIs also revealed that beneficiaries saved money in banks, contrasting with Kangundo where both formal credit and saving mechanisms were regarded with suspicion. Significant expenditure was allocated to productive activities with use of capital for fertilizer and seeds being routine in the case of food crops. We elaborate on and illustrate this livelihood diversification impact in Sub-section 3.1.2 below. For sugar cane growers, inputs were provided independently through an “out-grower” system (see Section 2.1 above) as a form of credit that was deducted from final payment for the crop.

### Avoiding asset disinvestment and indebtedness

By providing a regular income source the CT helped households to avoid asset disinvestment due to hardship, although this might take place when payments were late, as we discuss below. FGDs and KIIs with beneficiaries and community representatives conveyed the idea that CT helped beneficiaries to budget and permitted them to be “a little more patient” with spending money rather than being forced to use their already limited financial resources immediately. Some respondents reported that the CT enabled them to save something for “emergencies” which previously they could not do.

The payment enabled households to meet their basic needs (operating as a safety net mechanism), particularly those related to food and shelter, rather than drawing on assets or selling farm produce intended for household consumption because they could not make ends meet. In the worst cases it might help prevent sale of land through desperation.

During FGDs in Owendo beneficiaries were able to reflect and debate how the status of “beneficiary” affected their standing in the eyes of the community, including their creditworthiness. Non-beneficiaries, including shopkeepers and market stallholders, were also asked about their perception of the creditworthiness of beneficiaries. It was widely stated that CT beneficiaries were seen as creditworthy (discussed below). In Kangundo, poorer households had to draw on this, borrowing goods on credit from small shops or money from neighbours. In the resource-rich district of Owendo, more emphasis was placed by beneficiaries on the importance of being seen as creditworthy yet FGD participants still expressed reticence about using credit because of the risk of indebtedness. For some households the CT permitted saving for emergencies (“mattress accounts”/livestock). While for the poorest and most vulnerable existence remained hand to mouth. Nonetheless, many said the CT gave them more hope and reported it prevented things from becoming worse through loss of land and other assets.

### From coping to opportunity creation

Through the research, groups of beneficiaries were given the opportunity to estimate their sources of income and patterns of spending, using “proportional piling” with 100 seeds. This process prompted in-depth analysis of how life had changed for them since the introduction of the CT-OVC and how it influenced their decisions around household income and expenditure. Beyond coping, the CT contributed to risk mitigation, savings and asset-building processes, depending on household context, and particularly in Owendo District. For instance it helped women participate in “Merry-Go-Rounds” which enabled them to develop income-generating activities, such as petty business selling household goods or agricultural produce or to spend more time farming their own land as well. Analysis by male and female beneficiaries in both sublocations in Owendo repeatedly identified cases where parts of the CT transfer were used to pay into Merry-Go-Rounds or buy agricultural inputs or small livestock. Women were innovative in the use of these savings groups, for instance accumulating kitchen items such as sugar, cooking fat, and rice that were distributed in rotation, and engaging in “grain banking” to save and sell produce when prices were high. In some less typical cases in Owendo the CT impact proved to be highly transformative for beneficiaries with sufficient resources and resourcefulness. In one case, reported in Kkandira Lwala, four female beneficiaries grouped together to develop a motorcycle taxi business. Although operating as a group enterprise, each of the women bought a motorcycle and hired a young driver – who gave a minimum daily profit of 300 K Sh to the owner (the rest he could keep as earnings). The motorcycle taxi business was reportedly thriving.

A focus on the potential of the CT for productive opportunities should not detract from the fact that the main priority households gave to the CT after basic welfare was education. The head teacher of primary school in Owendo District provided insight on the point that using CT money primarily for income generation while neglecting their wards might not always be positive:

*“Some guardians use all the money on business and other things. This leads to the negligence of the OVC. The community rises up against that kind of guardian and usually they change.”*

## The value of education

One of the five core objectives of the CT-OVC programme is primary education, with the intention of increasing access to school (enrolment, attendance and retention) for children (4 to 17 years, up to standard 8) (see Section 2.1). Across all communities where research was conducted the value of education was emphasized and educational purposes are seen as a household budget priority for the CT rather than use supporting productive opportunities.

Although Kenya has a policy of free primary education approximately K Sh 1 120 (around US\$13) had to be paid per term for specific purposes or children would be barred. For households with several OVC this cost was a burden that could be difficult to meet. A head teacher in Kangundo District testified to the role of the CT for OVC children, noting that there were 21 OVC in his school of which between eight and ten were CT beneficiaries. His impression was that the children supported by the CT were better dressed, fed and could concentrate more than other non-CT beneficiary OVC. Very importantly the transfer minimized disruption in schooling caused by inability to pay charges, thereby contributing to retention, quality and progression. His perception was that it also had the important function of reducing child labour by providing aspiration, occupying time and reducing negative risk coping mechanisms. These are issues to which we return below.

Beyond primary school the objectives of the CT programme do not include support for secondary education, yet the research team identified examples of where it helped OVC attend secondary school (corroborated by OPM, 2010). Nonetheless, interviews with head teachers and discussions with OVC schoolchildren and their carers revealed that moving on to secondary school was a challenge for OVC especially, given these were districts where overall secondary school attendance was low (notably Owendo, as detailed in Section 2.1). Key informants and group participants confirmed that there was a high OVC exit risk in the transition from primary to secondary school. In Owendo District, specifically, beneficiaries explained that the CT was used by some households to pay for private primary education in village “academies” (a basic building with limited facilities). They explained that the main reason priority was given to private payment at a young age was because children from underprivileged backgrounds who had good marks then had a chance of accessing free secondary education through government provision, and these private schools were thought to provide a higher level of education.

## Enhancing the home environment, improving diet and maintaining health

An important aspect of providing welfare for OVC is that the CT permits improvement of the home environment. For the poorest households this includes provision of basic shelter and a mattress to sleep on. In addition to buying mattresses for OVC previously sleeping on floors, beneficiary households were changing their habits and expectations with respect to diet as a direct result of the CT. For better-off households this included a more varied diet, while for poorer households children did not have to go to bed hungry. In both districts subsistence expenditure was prioritised with an emphasis on quantity over quality. That said, every two months when the CT was received it had a “festive occasion” effect. A quarter of a kilogram of meat plus maize and beans could be bought and the family ate well. As key informants expressed in Ngoleni sublocation, Kangundo District, when the transfer was received OVC said “and now father has come” (i.e. they could have meat) or “Nairobi has called” (likening the CT to Mpesa transfers [remittances] from migrant parents).

Improvements in diet were also made through investment in livestock or more diversified smallholder farming, often via use of the CT in Merry-Go-Round savings schemes. For instance many households bought chickens so that OVC could have eggs. In Owendo District household investment in cows provided regular milk for children alongside eggs. Health workers at dispensaries in the sublocations corroborated beneficial nutritional effects. Noting OVC outpatient attendance at Ngoleni Clinic in Kangundo District, the officer in charge observed about nutrition “this CT money helps children look healthful”.

Examination of health impact was not a focus of this research but some findings did emerge. CT-OVC programme community awareness-raising through the work of LOC and BWC members (plus wider work of community health workers) contributed to beneficiaries seeking vaccination/basic health checks for OVC under five years old, as stipulated in the programme. In addition to education beneficiaries made a clear link between the CT and health priorities. It could also be observed that in Kakmasia sublocation, Owendo District, there had been recent promotion of the National Hospital Insurance Fund and the CT enabled beneficiaries to make a regular three-monthly contribution.

More negatively and limiting both household capacity building as well as the “ripple effect” of the CT-OVC programme, was the way CT money might be taken up by expenditure on caregiver health, although of course caregiver health is key to the sustainability of the OVC-CT programme. This could be for a range of illnesses, notably for elderly caregivers, but in Owendo District expenditure on opportunistic infections related to HIV/AIDS was considerable, an issue confirmed by community and district level health workers.

### Child registration, a route to citizenship

A core objective of the CT-OVC programme is to encourage child registration for births and deaths and this was widely reported by interviewees to be taking place. This operational condition has the potential to enhance citizenship and empowerment, increasing OVC opportunity in the future. The District Registrar for Rongo went as far as to say “we force them” to obtain birth certificates because of their importance for identity purposes, for exams, for legal protection, and to ascertain origin in cases of familial dispute. Certificates would also help OVC to enrol on other government programmes in the future.<sup>72</sup>

### A diluted impact in larger households

The CT-OVC programme provides a fixed amount of money per household of K Sh 4 000 (approximately US\$48) every two months. There is no increase according to the number of OVCs. District CT-OVC programmes do not hold data on OVC numbers within beneficiary households but all evidence suggests welfare and economic impacts at household level were weakened the more OVCs there were (based on interviews, it was not uncommon that households were caring for three to four OVC and more). Inflation compounded this effect, a feature confirmed by community members in feedback sessions in both Kangundo and Owendo districts. Put simply, in the words of one female widow in Owendo District: “this money that comes is money too little” (“pesa kiye en pesa matin”).

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<sup>72</sup> There is an interesting avenue for future research here on the impact that the CT-OVC has had on citizens’ relationship with the state.

As discussed above, the HIV/AIDS pandemic in western Kenya has left its mark on Owendo District and its communities.<sup>73</sup> It was not uncommon to find households with two or more sets of children orphaned when their mother died and now living with their father and stepmother. In addition to numbers of orphans per beneficiary household there was also the fact that household membership was dynamic, with numbers of OVC changing after the household first entered the programme. This is particularly the case in areas where polygamy is practiced. As explained earlier, in Luo culture children are prized as a household asset to be protected and invested in. The male household head will do all he can to keep the orphaned children in the household in the face of the death of a parent or other shock. In Owendo this has resulted in dilution as the CT-OVC transfer has been fed into ever-larger and more complex households with many competing welfare and investment demands. Box 3.1 provides examples from a male beneficiary FGD in Kandira Lwala sublocation that illustrates the social dimensions and implications of this process.

**Box 3.1**      **OVC in dynamic household structures, Kandira Lwala sublocation, Owendo District**

James Okuku is 51 years old and a relatively well-off sugar-cane and food crop farmer owning 7 acres of land (he was the only son to inherit from his parents). He has six children of his own from three wives; his first and second wives died and the third remains. Three children are orphans from his first wife, one from his second, and two are from his current wife. He receives the CT money because of the orphaned children from his first wife; his second wife died after the targeting process. When asked why his third wife should care for the other wives' children he said there was no discussion: "My children are my children". He went on to describe: "The children are our wealth (property: mwanolu); you don't send your property away [...] It only happens if the woman goes away and takes the children but you will do everything to stop this from happening. If a woman is still young the family will struggle to make her stay, she can have another man but must remain in the family homestead."

Giradus Mbogo is 72 years old and is a farmer with 3 acres of land, mainly for food crops but with quarter of an acre of sugar cane. He is married with two wives and has eight living children, three additional children died. He gets the CT transfer because he looks after his brother's nine-year-old: "I took my brother's child because she is my own property, I didn't even know about the CT, this isn't why I took her...you don't send away your property." His first wife could not have children and took the niece as her own, which the co-wife accepted, "now she is the mother and I am the father".

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<sup>73</sup> Nyambedha, E., Wandibba, S. & Aagard-Hansen, J. (2003) op cit.

### 3.1.2 Household economic activities and productive investments

Beneficiaries reported throughout FGDs in all communities that the CT was put into a pooled household budget, combined with other sources of income when they were available. Hence while it was not possible or appropriate to trace the spending of the CT as a discrete expenditure flow, it was possible to elicit findings on the contribution of the CT to household economic investments as part of an expanded household budget envelope.

#### Increasing farm productivity

The research evidence shows that the CT was used by beneficiary households to improve farm productivity, although there were marked differences between households in the two study districts which we elaborate on below. Furthermore, after expenditure on food, use of the CT for education was prioritised so that its role in increasing farm productivity should not be overemphasized.

In Kangundo District, productivity improvements on the beneficiaries' small farm holdings were the main way that the CT contributed to household economic investments. In a context of land scarcity and maize-and-bean staple crop growing among the poorest households, caregivers in Kangundo reported spending additional small amounts of income on fertilizer and seeds for their  $\frac{1}{4}$  -  $\frac{1}{2}$  acre farms. Case studies of typical beneficiaries in Kangundo (see for example Box 3.2) reflect the balance required between caring for large numbers of orphans while making the most productive use possible of limited land and working resources. FGDs revealed that a typical beneficiary in Kangundo was an older woman, either widowed or still married. These women had very few household assets and could rarely call on a physically fit adult household member to work and earn money. The women were already growing their own staple food of maize and beans on their small plots and selling avocados and bananas when in season to local market traders. With the injection of the CT typically doubling their small household income, these women were able to ensure with the additional money that their OVC were fed, clothed and kept in school. At the same time they were also able to invest up to 10 percent of their expanded household budget on seeds and fertilizers to increase their crop productivity.

### Box 3.2 Beneficiary livelihoods in Kangundo District

Emma, 80 years old, is a widow living in Mbee sublocation, Kangundo District. She looks after three orphaned grandchildren. She has a small  $\frac{1}{4}$ -acre plot and plants the local staple crops of maize and beans for household consumption. This small plot is on poor quality land so Emma is not able to farm higher value crops like coffee or French beans. In any case she knows that the start-up costs for coffee growing are too expensive for poorer farmers and also that there has been a bad coffee disease in recent seasons.

With the arrival of the CT-OVC transfer Emma's life has become easier. Her first concern is for the well-being of her three orphaned grandchildren. The children, who have had to adapt to life without their parents, are now able to eat better, wear respectable clothes and stay in school. When one of her grandchildren became ill she was able to take her to the health centre and pay for the medicines.

The OVC-CT monthly income (K Sh 2 000) provides over one-third of Emma's monthly income. Emma is able to sell avocados from her plot when in season which boosts her income by as much as 10 percent. In addition, she earns a small seasonal income from buying green bananas and selling them ripe (K Sh 1 600). She is now too old to do daily labouring but points out that beneficiaries are less reliant on casual labour than those poor households without a cash transfer. None the less she knows that younger beneficiaries in their 60s still do an occasional day's labour to boost their income, clearing farms, feeding cows, carrying water or working in coffee factories for K Sh 150/day.

As a result of becoming a beneficiary, Emma has noticed that her position in the community as an economic actor has been enhanced. The CT transfer and her new status has enabled her to join a Merry-Go-Round for one year – contributing K Sh 300 every two weeks – in order to raise money for feeding, clothing and schooling the orphans in her care. She is also delighted that she can now buy fruit and vegetables from a local market trader on credit when necessary, paying her account off every two months on CT-OVC pay days: “This means I can buy food when my children need it, not just when I have a bit of money from selling avocado.”

Emma is immensely grateful for the stroke of fortune that brought her the cash transfer. She sees herself as one of the lucky ones who does not have to scabble to put food on the table for her children and keep them in school: “God has provided me with a cushion for my aching backside and a chance in life for my grandchildren,”

In Owendo District, in contrast, household agricultural economic investment among OVC-CT beneficiaries was far more significant, a reflection of the wider availability of land, livestock and labour and the prevalence of sugar cane cash cropping. In this context both beneficiary and non-beneficiary households (including in the “control” community) were investing labour and money in farm improvement to capitalize on sugar cane cash cropping and to improve food crop farming. Beneficiary households in Owendo District confirmed that the CT had helped them to buy fertilizer and seed and to rent land.

## Investing in livelihood diversification

There were similarly marked differences in beneficiary household capacity to use the CT for purposes of livelihood diversification between Kangundo and Owendo districts. In Kangundo District some women (particularly middle-aged rather than elderly) reported that the CT helped them to engage in petty business, such as selling farm produce and small food items. A local female market trader in Ngoleni sublocation, Kangundo District, confirmed that there had been an increase in the number of traders – in market stalls and from the pavement – among middle-aged female beneficiaries. We discuss this in more detail under local economy impacts below. In a less typical case, middle-aged male beneficiaries described how the CT had facilitated engagement in trading or provision of services, such as motorbike taxiing.

In the more resource-rich Owendo District, livelihoods were underpinned by farming but this fed into a greater beneficiary capacity to invest in significant livelihood diversification (see for example Box 3.3.) than in Kangundo. While this diversification was reportedly already taking place irrespective of the CT, beneficiary households reported that the CT helped them to diversify their livelihoods and in some cases engage in riskier, higher-value activities. Livelihood activities included, for women: petty trade, cereal (grain) banking and sale of crops, sale of cooked food, hiring out ploughing cows and increased cooperation through labour groups and through leasing farmland to produce maize and other subsistence crops. As mentioned, some female beneficiaries reported hiring labour (including beneficiaries and non-beneficiaries) to work on their farms. A common IGA that the CT permitted poorer women to diversify into was the “fwoka” business (a Luo term meaning to empty something from a sack or container) where women carry food, agricultural produce, small household items, or clothes in a sack and spread it out on the ground at a small market in the morning and then pick items up in the evening. For wealthier women, examples included CT money saved within Merry-Go-Rounds for investing in grain banking, buying motor bikes hired out as taxis with a driver on a daily basis, or hiring out chairs for community functions.

For men in Owendo there were many options for livelihood diversification, including cloth vending, tailoring, sale of shoes and clothes, skilled labour (e.g. masonry), shopkeeping, jaggery business, fish selling and livestock selling. Poorer men still relied on income from agricultural labouring but the CT in some cases enabled beneficiaries to engage in petty vending activities. Diversifying into cattle-keeping and selling was considered a highly desirable livelihood activity, but although there could be high returns it was very risky and only a few people had the income to invest. Larger forms of income generation from diversified activities also included investment in a crusher for sugar cane. Men also perceived land acquisition (through leasing) for sugar cane production to be a risky venture that could be facilitated by the CT.

**Box 3.3 Livelihood diversification in beneficiary households, Kandira Lwala sublocation, Owendo District**

Mary Aluko, 48 years old, is married and is a farmer. Her household is relatively well-off and would be categorized as “middle” rather than poor according to the community well-being analysis. Mary is a CT-OVC recipient because she looks after 18 children: eight from her deceased co-wife, three from a deceased community member and seven of her own. Mary sees the main priority of the CT as to pay for education fees, but it also helps her to feed her children better, dress them well and to give them medication when needed. In her household the CT is combined with several other sources of income; thanks to the other income, time delays in the transfer payment do not cause much instability since the CT is invested in farming, buying fertilizer, pesticides, top dressing, compost and seeds. Although the household is relatively well off Mary says the CT significantly “eases the burden” of household expenses.

The family farm is 1.9 acres and grows maize, millet, cassava, finger millet, sorghum, soya beans, vegetables, kale and groundnuts. Seventy percent of the farm produce is sold and 30 percent is for household consumption. Mary also invests in cows for ploughing and milking (as is traditional for women in Luo culture), in goats for milk, and in chickens for meat and eggs. The cows help plough the farm and therefore save on the expense of hiring farm labour, with the whole family tilling and planting together. The household is open to risk and has always used high-yielding XYV maize seedlings and fertilizer, a necessity because the soil on the farm is poor. They are currently constructing a greenhouse for tomatoes and vegetables. They also have units to house the livestock. Income from farm produce is helped by cereal banking; indeed Mary buys stock from other farmers and stores it in order to sell when prices are very high.

Mary is a member of three groups: Gero Maber, Kamasakwa, and the Agriculture Environment Programme (AEP). Gero Maber is a Merry-Go-Round that comprises 30 women in business who contribute K Sh130 (US\$1.50) every Tuesday and she uses the pay-out for maize and groundnut farming. They have received a government grant of K Sh 50 000 (US\$589), save their money in KCB Bank and support individual members in carrying out income-generating activities. Kamasakwa is also a Merry-Go-Round, made up of ten women farmers. The members contribute K Sh100 (US\$1) every two weeks, saved in the National Bank, and this helps them to grow groundnuts, cassava and maize. AEP is also a micro-credit group with 16 members who registered with K Sh 200 (US\$2); agricultural extension officers come to provide training; the group also has beehives distributed on members’ farms; and goats whose kids are distributed between members.

**Avoiding coping strategies that increase vulnerability**

The CT significantly reduced detrimental risk coping strategies despite this positive impact being impeded by operational problems, namely late payments, as discussed above. Avoiding detrimental coping strategies had led to a reported reduction in child labour and of girls dropping out of primary school to marry at an early age. Other strategies that could now be avoided by the household included the selling off of food crops intended for household

consumption or “eating stock” from petty food business, and as last resort, selling assets including land in distress.

### 3.1.1. Gender differences in access to and control over household resources

There is an extensive literature on CTs and gender relations. This builds a body of evidence demonstrating the impact of putting cash directly into the hands of women on their ability to reduce risky coping strategies<sup>74</sup> and spend in ways that improve household welfare.<sup>75</sup> Beyond practical welfare improvements, CTs can also have a more strategic or empowering effect on women. In Mexico’s Progres/Oportunidades programme CTs strengthened women’s decision-making role in household expenditure, financial security, self-esteem and social status.<sup>76</sup> In Brazil’s Bolsa Familia programme, the CT increased women’s labour market participation.<sup>77</sup> In other contexts where women did not gain more influence over overall resource allocation decisions, their household bargaining position, along with their respect, at least strengthened more generally as a result of CTs.<sup>78</sup>

While we found little evidence of the CT-OVC transfer being associated with one household member this research confirmed that in many instances women controlled decisions on investing or spending the cash. This is particularly significant in the Kenya CT-OVC context where a high proportion of beneficiaries are female widows. During the research, FGDs with female beneficiaries in both regions confirmed that in households that were de facto headed by women, spending was prioritised on welfare and human development and only then on livelihood diversification/investment if possible. There were also instances reported of older OVCs having a say in how the money was spent for their education. Furthermore, there were plenty of examples, elicited through FGDs using household income and expenditure analysis and livelihoods analysis, of income-generating projects in which women controlled finances.

Where women were living in a male-headed household, however, discussions about control over financial decision making must be interpreted with the prevailing patriarchal culture in mind. This was particularly the case for the Luo communities in Owendo District but less so for the Kamba communities in Kangundo. In Owendo District particularly male relatives within a deceased man’s family make significant decisions for a widow. In Owendo District, also, where there was widespread use of the CT-OVC for investment in livestock (see discussion below) we know that Luo women have no control over the sale of livestock. In Kangundo District, on the other hand, women might by necessity become decision-makers when men died and they had returned to their parents or when men were absent due to migration.

Hence the research confirmed that the CT had not transformed gender relations in household decision-making which were rooted in deep, structural patriarchal norms in the societies under study. Yet the nature of the CT targeting had created some opportunities for women to

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<sup>74</sup> See Schubert, B. & Huijbrechts, M. 2006. *The Malawi Social Cash Transfer Pilot Scheme: preliminary lessons learnt*. Paper presented at the conference Social protection initiatives for children, women and families: an analysis of recent experiences. UNICEF, New York, 30-31 October.

<sup>75</sup> See Arnold, C. with Conway T. & Greenslade M. 2011, op cit, p 40.

<sup>76</sup> See World Bank 2008. *For protection and promotion: the design and implementation of effective safety nets*. Washington DC.

<sup>77</sup> Veras, F., Ribas, R. & Osorio, R. 2007. *Evaluating the impact of Brazil’s Bolsa Família: cash transfer programmes in comparative perspective*. International Poverty Centre (IPC), Brasilia. (available at <http://www.ipc-undp.org/pub/IPCEvaluationNote1.pdf>)

<sup>78</sup> See Wallace T. & Chapman, J. 2011. *Walking the Talk: Cash Transfers and Gender Dynamics*, Oxfam and Concern Worldwide.

make independent household economic decisions. With the transfer targeted at predominantly female caregivers, it had the net effect of increasing women’s access to and control over resources. This was particularly the case for female widows for whom the CT could enhance the ability to make independent decisions and to engage in income-generating activities. Nevertheless widows still live in cultures underpinned by male power and authority.

### 3.2 Local Economy

Beyond the household level, the research explored the impacts of the CGP transfer on the local economy and the hypothesis:

*The whole community, including non-beneficiaries, will benefit economically from the injection of cash through multiplier effects on local goods, services and labour markets, although this will be mediated by the political, economic and social context.*

To contextualize the local economy issues discussed below Table 3.2 provides some detail on the aggregate injection of CT cash into the research communities as a proportion of the local population. Each beneficiary household receives a total of K Sh 24 000 (approximately US\$286) per annum. At sublocation level the aggregate amount per annum is presented in Table 3.2.

**Table 3.2 Total amount to local economy per head of population per annum by sublocation**

	Sublocation	Population*	Beneficiary numbers**	Amount per annum per s/location***	Per capita annual amount
<b>Owendo District, North Sakwa location</b>	Kadera Lwala	8,009	283	K Sh 6 792 000 (US\$80 954)	K Sh 848 (US\$10)
	Kakmasia	4,732	230	K Sh 5 520 000 (US\$65 793)	K Sh 1 167 (US\$14)
<b>Kangundo District, Kathiani location</b>	Ngoleni	2,447	117	K Sh 2 808 000 (US\$33 468)	K Sh 1 148 (US\$14)
	Mbee	2,505	76	K Sh 1 824 000 (US\$21 752)	K Sh728 (US\$9)

\* 2009 Population and Housing Census (KNBS, 2010).  
 \*\* Figures obtained from Machakos District Children’s Officer (9 July 2012), Rongo District Children’s Officer (16 July 2012).  
 \*\*\* Each beneficiary household receives K Sh 24 000 per annum (approx. US\$286).

The aggregate transfer amount was lower in Kangundo District due to fewer beneficiary households per sublocation. However, given the smaller population size and higher incidence of poverty in Kangundo District along with the relative scarcity of land, livestock and labour in this district, the aggregate impact could still be considered significant. In both districts and in all sublocations the transfer translated into an additional annual inflow into the local economy of between US\$9 and US\$14 per capita.

#### 3.2.1 Economic exchanges

##### Price changes responded to external factors

It was widely acknowledged that prices had risen significantly within beneficiary communities during the previous five years. Price trends and changes were attributed not to

the CT but to external factors: seasonality and underlying trends in the cost of imported food and fuel. These seasonal patterns of prices and underlying price trends were confirmed in the control communities which did not experience a CT cash injection. There was some suggestion, however, that when CT money was used by several women to enter the same IGA, especially petty trade in the market, this increased local supply and actually lowered prices. This “supply side” finding may be somewhat counterintuitive and surprising in light of predictive models that assume an inflationary price impact of CTs as a result of increased demand.

### Aggregate CT-OVC transfer increased economic exchanges

While price changes were largely beyond the influence of the CT aggregate cash injection, there was evidence that the aggregate CT-OVC transfer had increased economic exchange in local markets and provided a boost to the local economy. This was reported to be the case in Kangundo District and was even more pronounced in Owendo District.

A female market trader in Ngoleni sublocation, Kangundo District, described how beneficiaries had increased their buying and selling behaviour as a result of the CT (see Box 3.4). Explaining that “before they could not come (but) now they come”, she detailed the buying behaviour of beneficiaries in the Ngoleni trading centre. Individual market traders were locked into mutually beneficial economic contracts with their own “captive” beneficiaries: on the one hand beneficiaries bought fruit and vegetables on credit, enabling them to smooth their consumption between the two-monthly CT payment days; on the other hand traders had a guaranteed demand from their creditworthy beneficiary customers who would always buy from their stall. The case study described in Box 3.4 suggests that daily sales for individual market traders with beneficiary customers could be boosted by as much as 50 percent depending on the number of “loyal” (credit-tied) beneficiary customers they had cultivated. A local butcher in Ngoleni trading centre reported that on payment day beneficiaries would buy beef from him (½ kg at K Sh180), confirming beneficiary focus group discussions on “eating well” on payment day.

In addition to an increase in demand for food and for other goods (see below), the Ngoleni market trader also confirmed an increase in the number of beneficiary caregivers who were now selling fruit and vegetables either from a market stall or the roadside as “little traders” (soca yamuda). These entrants into trading tended to be middle-aged female beneficiaries although interestingly they would also sell (or buy and sell) local produce on behalf of older and less mobile beneficiary friends or neighbours. These findings triangulate with beneficiary focus group discussions in Kangundo District in which beneficiaries reported travelling to markets with livestock and bringing back fruit and vegetables to sell in the trading centre. In Owendo District it was also reported that the “market is coming closer”, with more goods brought nearer to households in the sublocations because of greater demand. Some beneficiary households also used the CT to sell small household items from their houses, again contributing to aggregate local economic exchanges.

**Box 3.4**      **CT-OVC beneficiary impact on Ngoleni trading centre, Kangundo District**

Janet, 33 years old, is a market trader in Ngoleni trading centre (market) which is equidistant from Kathiani and Machakos on the main road. The market serves primarily the six villages in Ngoleni sublocation with not much additional business from through traffic. The market opens two days a week and is open between 10 a.m. and 5.30 p.m. It cost Janet K Sh 5 000 (approx. US\$60) to start up as a trader. Among her running costs she has to pay the council levy of K Sh 20 per day to operate. She buys fruit and vegetables, including potatoes, tomatoes and cabbages, from Kathiani and Mahakos to sell at the market. She sources her oranges and bananas from Nairobi. She also buys eggplants, avocados, bananas and charcoal from local farms to sell at her stall (she pays local farmers K Sh 10 for three avocados and K Sh 10 for three bananas). Janet makes on average K Sh 400-600 in sales per day, of which K Sh 150-200 is her profit margin. Her income is highly seasonal. Between August and early January people buy a lot because of the drought conditions. At the beginning of the year sales are poor. February is the worst month; tomatoes sell but little else.

Janet sells some of her produce on credit but will only give credit to certain categories of customer. These include people who labour on farms or coffee factory workers, because she knows they are going to be paid on a specific day (the 15th or 30th of the month), fellow traders or someone from her area she knows well. Significantly she will sell to OVC-CT beneficiaries from the area on credit because she knows they will receive their regular transfer and be able to pay her back. Furthermore she knows that beneficiaries will become “locked in” as regular customers to her stall by buying on credit. All of the beneficiary caregivers from the sublocation villages come to Ngoleni trading centre to buy, typically from the same trader with whom they have a credit arrangement. Janet herself has five regular OVC-CT customers, three from Twaa village and two from Kanatula village.

Janet is in no doubt that the injection of cash into the community through the OVC transfers has increased her volume of sales and profit margins. She estimates that through sales to OVC-CT beneficiaries she has increased her profit from K Sh 200 to closer to K Sh 300 through increased sales of tomatoes, onions and bananas. On OVC-CT payment day, when beneficiaries pick up their transfer from Kathiani, there is a dramatic (Junesana!) increase in sales, spiking to K Sh 800 in debt repayment and extra sales. In addition to repaying their outstanding credit on payment day, they will spend K Sh 100-180 out of their K Sh 4 000 lump sum at her stall.

Janet has also noticed a significant impact on OVC beneficiary selling behaviour. There are five OVC caregivers who are now trading from market stalls selling fruit vegetables and charcoal. In addition to becoming stall holders she has seen a marked increase in soca yamuda (“little traders”) – as many as ten – who set up on the pavement or sell their farm produce directly to the stall holders. The beneficiary traders are middle-aged women, and Janet has noticed that these women in turn sell their produce on behalf of elderly OVC caregivers.

The impact of the CT on local demand had been seen beyond everyday purchases of fruit and vegetables. As evidenced by the household income and economic analysis presented above (see Figure 3.1 and Figure 3.2), beneficiary monthly expenditure on household items, including hardware for home improvement and for building homes for sons, was significant.

This was confirmed by hardware traders who report increased demand among beneficiaries. A female hardware storekeeper in Ngoleni trading centre, Kangundo District, for instance, reported increased sales to beneficiaries of cement, iron sheets for roofing (K Sh 550 for a 2-metre sheet), paint for houses, nails, and paint for houses, particularly during the July-September building season. She had also sold clay-and-cement cooking ovens (jikos) to beneficiaries, who favoured the larger model of jiko (K Sh 280) that retains heat more efficiently. As with the fruit and vegetable buying-on-credit approach described above, beneficiary customers in her shop smoothed their consumption spending in this case by buying in instalments of K Sh 1 000 per month. She had five CT beneficiary customers – from Twaco, Twmbili and Kamptula villages – who were spreading payment in this way by paying into a registered shop account when they were able. She also had other CT beneficiaries who bought smaller items outright without a registered shop account.

### **3.2.1 Local products available (bought and sold)**

#### **Diversified goods on offer**

The CT had increased the range of goods on offer and the volume of purchases. Linked to greater product diversification and higher volume of sales, there was evidence that the number of petty businesses and small shops had grown and also that shopkeepers had motivation to increase their variety of products and scale up by moving into wholesale.

New household items were coming into markets that were bought by CT beneficiaries, including high density mattresses, cooking pots, melamin plates, larger model jikos (see discussion above) and gial sheet (better quality corrugated iron sheet for roofing). Recipients of the transfer were also able to buy foodstuffs and household items in greater bulk, including soap, royco (spice mix), flour, sugar, beans and cooking fat. For example in Owendo District, 100 gram sales (called “my husband looks down upon me” owing to the small amount) had increased to 250 gram sales. It was also reported that turnover for small household goods was more rapid although this was affected by when the CT was received. In Owendo District specifically, the CT affected people’s use of public transport (small buses, motorbike taxis), particularly on payment day, with owners increasing the buses and taxis available and giving beneficiaries fares on credit.

#### **Beneficiary creditworthiness increased**

As the discussion on consumption smoothing above confirms the CT had improved beneficiaries’ creditworthiness with local traders. This related to informal rather than formal credit mechanisms. In Kangundo District, where beneficiary households were poorer, access to credit in small shops played an important role in enabling individuals to get food and household items when needed. It also meant individuals could borrow from neighbours. Beneficiaries reported wide use of credit through necessity. Credit was additionally used, particularly in Kangundo, in relation to school costs with OVC being retained in school because it was known that the CT would arrive (discussed further below). In Owendo, it was also reported that beneficiaries were perceived by community members to be creditworthy; they were trusted and had the ability to pay. However, although the CT improved creditworthiness it was also something households preferred to avoid drawing on, suggesting that in Owendo beneficiary income flow was smooth enough for them to avoid using credit as a consumption smoothing strategy.

### 3.2.1 Local labour markets

#### Size of local labour market

The qualitative research was unable to provide accurate data trends and patterns in labour market activity in the context of the CT transfer. Furthermore, as with price changes, external changes – particularly in prices and demand for cash crops – played a more fundamental role in determining the size of the local labour market than the introduction of the CT.

None the less, as discussed in Section 3 thus far, the research revealed the CT’s contribution to significant changes in beneficiary household economic behaviour and attendant increases in the level and diversity of local economic exchanges. These changes were reflected in reported incidents of increased local labour market activity. Middle-aged beneficiary women entered into market and petty trading in both districts. Also in Owendo District evidence emerged of an increased entry into a range of service sector activity among beneficiaries, with start-up costs covered and higher levels of risk taking enabled.

Beneficiary households in Owendo District were able to hire labour to make their (relatively large) landholdings more productive. Women in Owendo District were rarely able to hire in labour themselves, but middle-aged male beneficiaries reported that this was possible, particularly for sugar cane production or maize cutting during the harvesting season. Hiring-in labour particularly occurs during the harvest, for cane or maize cutting. In some instances in Owendo, however, the CT transfer led to capital actually replacing labour. Some beneficiary households were able to invest in cows, usually through Merry-Go-Round savings schemes, which could then be used to plough the family farm instead of having to hire in labour.

#### Endowing beneficiaries with the capacity to withdraw from casual labour

Interestingly, local labour market impacts were not necessarily all about increasing labour activity, particularly in terms of the sale of labour, where productivity increases and self-employment risk-taking replaced more marginal casual labour among beneficiaries.

Casual labour was certainly an important income source for asset-poor households in both districts. As confirmed through focus group household income analysis (see above) some members of beneficiary households engaged in casual labour – on coffee or sugar cane farms, tending livestock, carrying water, etc. Indeed, casual labour was a significant income source amongst the broader population of asset-poor households in each district. In Kangundo District, coffee factories provided an important source of wage labour, with one-third of adults in Ngoleni sublocation working as casual labourers in the coffee factory. In Owendo District, sugar cane provided the main source of casual labour in both production and processing.

Beneficiary research participants reported, however, that that the CT had permitted them to either withdraw from the casual wage labour market or reduce the frequency of casual labour activity. Entry into casual labour, in other words, was less likely to be on a “distress sale of labour” basis. Figure 3.2 above confirms this, showing that while there was a significant spread (“tail”) of income from labouring among beneficiary households, the median (middle number) income from labouring was zero. This did not mark a general retreat from casual labour in the community but meant that the poorest beneficiaries were now able to use their time more purposively towards supporting their OVCs and more strategically in increasing

productivity of their land, investing in assets, buying/processing and selling, setting up a market stall or even establishing a local service.

This was perceived to be extremely positive because it permitted more time to be spent on family farms. Casual labour remained an important coping strategy when for instance the CT was late or at times of year when households ran low on harvest food; however there was a sense that beneficiaries had more choice of when to undertake labouring activities (either fewer hours a day or with less frequency per month, particularly outside the lean agricultural season). Within the poorest households in Kangundo this choice might mean that women did not have to go out before daybreak and come back late at night but could spend more time on domestic chores. In Owendo, women said that occasional casual labour was a good way to boost income to buy household items such as soap and utensils or to entertain visitors. Male beneficiaries in Owendo reported doing less wage labour. When they did undertake casual labour it was often off-farm, particularly in jaggaries processing sugar.

### **3.3 Social Networks**

In this section we examine the research hypotheses around social networks and economic impacts:

*Cash transfers increase beneficial risk-sharing arrangements and economic collaboration underpinned by social capital (trust-based reciprocity).*

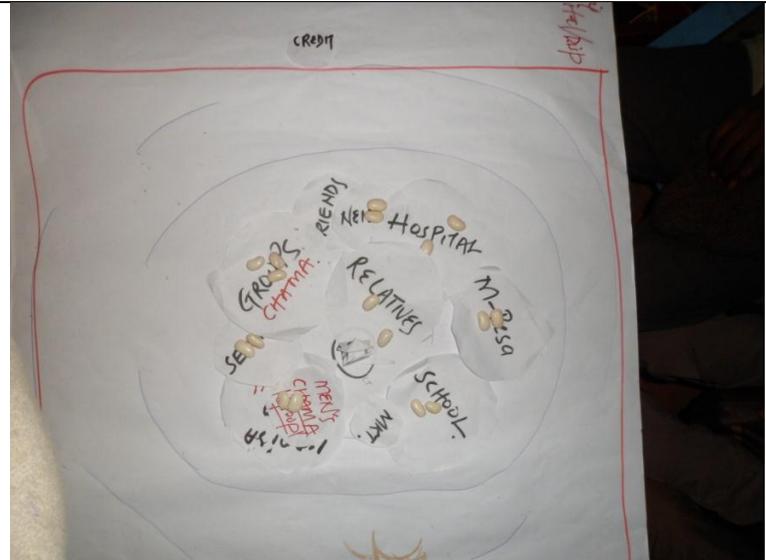
*Changes in social networks linked to CT positively affected the most vulnerable and least powerful people in a community through greater inclusion in decision-making processes (including through an increased ability to make 'social contributions') and increased their entitlement set and livelihood choices.*

#### **3.3.1 Risk sharing arrangements**

##### **Nuclear and extended family relations**

The immediate family was of central importance to beneficiaries and household members in the research communities. Focus group participants in Kangundo District, for example, when mapping paper circles with names of institutions, squeezed the “nuclear family” paper circle into a ball and placed it right in the very centre of their Venn diagram (see diagram converted into Table 3.3). One participant explained that “when you are in trouble they (the nuclear family) are the first to help”.

**Table 3.3 Institutional analysis (converted from pictured Venn diagram) conducted by a focus group of male non-beneficiaries, Ngoleni sublocation, Kangundo District**



Institution	Importance (1-3) (1=high)	Social distance (1-3) (1=high)	Participant analysis
Church ( <i>Kanisa</i> )	1	1	The church is a centrally important social institution and source of mutual help and support.
Security ( <i>Sharia</i> ) police	2	2	They feel safe and secure; police are quick to act and easy to reach.
Formal Credit/banks	3	4 (outside circle)	Formal credit organizations are outside circle as they feel very, very distant to participants. Perception that Equity Agent shop approach is stealing their money: "Equity is buying and selling money".
Benevolent Group ( <i>Chama</i> )*	1	2	Contribution-based but like friends; will assist when we have an occasion. Very important for risk sharing and mutual support.
Relatives/extended family	1	1	Have to consult them over decisions because it affects the whole kinship group. You have a responsibility to your kin. They arbitrate over issues/disputes and mediate over marriages.
Nuclear family	1+	1+	When you have problems they are the first to help and there is a lot of regular communication. Very close relationships and bonds.
Health centre	1	2	Very important, particularly for the elderly and people with long-term health problems.
Neighbours/friends ( <i>Rafiki</i> )	2	2	Friends and neighbours can be unreliable but at best they help you if you need a hospital visit, etc.
School	1	2	Education is an investment strategy for parents and provides "enlightenment" for children.
Trading market	3	3	The local market is accessible but does not feel near to them and is not that important. It is "just buy and sell", "give and take"
<i>MPesa</i>	1	2	<i>MPesa</i> is accessible money anywhere. It can help support HH needs immediately (sometimes through a friend's nominated phone). It brings friendliness and closeness. Absent landlords use <i>MPesa</i> to pay for labour and they can use <i>MPesa</i> credit in local shops.

\* Also a male church group (equivalent to Salvation Army).

NB: There is no labour/tool-sharing farming group in the community.

Extended family networks were seen as an important institution in terms of broader consultations and arbitrations that affected the whole kinship group. Yet beneficiaries perceived the extended family as an institution that should be kept at a distance and not relied upon for support because of its potential to drain their resources. It emerged, however, that the CT helped bolster extended family relations in some instances. For example, if there was unwillingness to take a new OVC into a household after bereavement the CT was perceived to be an extended-family asset that helped family members agree to be caregivers for the OVC. Notably this finding emerged in the context of the family structure and value attached to children in Kamba society in Kangundo District, where widows and their children risked being chased away from patrilocal family homes. In contrast, for the Luo in Owendo District it was stated that the CT did not influence a family's initial decision to take on an OVC given the high value placed on children and feelings of social responsibility (see district context discussion in Section 2 above).

### Jealousy and community perceptions of unfairness

While CTs were found to increase beneficial risk sharing arrangements they also contributed to social rifts in the community. In particular, jealousy and resentment were expressed by those non-beneficiaries who themselves were struggling and saw no reason why they should not be included on the beneficiary list. One illustration of these feelings was when non-beneficiaries in Owendo District questioned why they should continue to support neighbours getting a CT:

“Why do you ask me for salt or a matchbox, why? Yet you are okay, you laugh at me, you laugh at my plight, stop insulting me just because you get the money and I don't.”

(Female non-beneficiary, Kakmasia sublocation, Owendo District).

To a certain extent jealousy might be expected, particularly in communities where there are only marginal differences in poverty and asset ownership between the OVC households and other poor households. Resentment or frustration was particularly evident among non-beneficiary OVC households, including both long-term OVC households and those households with newly orphaned children. Since many households assumed OVC caretaking only after the targeting of the CT programme they perceived the targeting as unfair and requiring updating. In Owendo District, an initial absence of poverty targeting criteria in the early days of the OVC-CT programme had exacerbated perceptions among poorer households that the CT beneficiaries did not always deserve their CT: “before we were the same, now they walk differently”. Yet others in Owendo said that although indeed some beneficiaries were better off, they had so many dependents and OVC that it was understandable – “they are wealthy but deserving,” said one FGD participant.

Undercurrents of jealousy and tension tended to be exacerbated rather than ameliorated by operational aspects of programme implementation. These aspects are elaborated in Section 3.4.3 below and included perceptions of poor district-to-community communication, unfair targeting, failure to implement the exit strategy and an inability to respond to a highly dynamic situation of newly-orphaned children.

### 3.3.2 Beneficiary social inclusion and economic impacts

#### Beneficiary self-esteem and sense of hope

As suggested in Section 3.1.1 above, the CT had permitted OVC and caregivers to improve their welfare in material ways, including better food and nutrition, nicer clothing, a clean home environment with furnishings and future aspiration through education. It had also diminished negative coping strategies such as begging, living on the streets and child labour. All of these aspects had affected self-esteem, creating a greater sense of security and openness to risk. Some female beneficiaries in Owendo noted in an FGD that others now often came to them to ask for loans. A local primary school head teacher in Kangundo District confirmed that OVC in their schools were not discriminated against by other children largely because of the high prevalence of orphaned children in the community. Nor did the receipt of the CT stigmatize these children in the eyes of their classmates. In contrast in Owendo District, perhaps due to lower levels of underlying poverty, there was a more heightened sense of stigma about being labelled an OVC beneficiary household with some families reporting that they did not like to tell the school that their OVC was a recipient of the CT.

None the less, OVC caregivers were able to pay their fees on time in both districts, including with credit, preventing them from being sent home from school (a widespread tactic employed by school administrators to force parents to pay overdue fees). The primary school head teacher in Kangundo, commenting on the attendance of OVC from beneficiary households, explained: “Now (with the payment) we allow them to continue in school because we know that the payment will come,” With regular attendance now secured this head teacher saw no distinction between OVC students (2 percent of his student body) and the 37 percent (his estimation) of students from households that were struggling to get by.

An important caveat, raised in FGDs and KIIs, concerned unmet needs for counselling for vulnerable OVC, particularly double orphans, resulting from psychological trauma. The assessment is beyond the scope of this study but we note that these problems translate into behavioural difficulties that families, schools and communities find hard to cope with. In addition, while the CT-OVC programme has shown to instil a sense of hope a significant concern was what happens to OVC in the most vulnerable households (notably child-headed households) when they “exited” the CT-OVC programme.

#### Beneficiary social inclusion and entry into contribution-based social networks

With the focus of the Kenya CT programme on OVC, the issue of social inclusion was less pronounced than in other programme contexts. In the previous country case study of Ghana the majority of the beneficiaries were elderly and, prior to the CT programme, relatively more socially isolated. Much of this social isolation in Ghana was a function of not being able to engage in contribution-based social networks, including extended family and other risk sharing mechanisms.

In the Kenya research districts, particularly in the Kangundo (where poverty incidence was higher and the OVC-CT programme had been more effectively targeted at the poorest households) OVC beneficiary households, while poor and often struggling to cope, were evidently less socially isolated than one would expect to find in CT programmes. That said, institutional analysis in the research communities confirmed that the introduction of the CT reduced the social distance between beneficiaries and local institutions. This reflected their

feeling of increased engagement and access to community services. One group of non-beneficiaries in Kangundo District graphically illustrated this point by physically moving local institutions (written on paper circles) closer to the centre of their Venn diagram when asked to explain the impact of the CT on beneficiary household institutional connectedness.

More specifically the research elicited evidence that the CT had enabled OVC household heads to participate in contribution-based networks. For female beneficiaries in particular this meant an increased ability to contribute regularly and reliably to local Merry-Go Rounds (see Box 3.2 above). Discussion on the household and local economy above emphasises that there were a plethora of micro-credit initiatives such as Merry-Go-Rounds in both research districts, but particularly in the wealthier Owendo District. It was noted by beneficiaries furthermore that Merry-Go-Rounds were greatly encouraged by LOCs and BWCs and some even understood them to be mandatory. The CT permitted beneficiary caregivers to participate in these saving initiatives, with savings used for school or health costs, productive farm inputs, livestock purchases or livelihood diversification.

For men local funeral associations were an important part of their contribution-based networks. Male beneficiaries confirmed that the CT enabled them to contribute more reliably – and to be perceived as more reliable – to this important local risk-sharing institution. Although there was no evidence of agricultural labour/tool sharing or cooperative behaviour among men in Kangundo District, discussions in Owendo District confirmed that male beneficiaries were now better able to participate in these types of associations.

In Owendo District, as mentioned above, the CT had in some instances even enabled beneficiaries to become safety net providers for vulnerable friends or neighbours. For instance, two (better-off) middle-aged beneficiary women within a FGD described how they regularly provided small amounts of financial support to particular elderly female widows in their communities.

### **3.4 Operational Issues**

This section looks at the operational issues related to the impact of the OVC-CT programme, addressing the following hypothesis:

*Cash and in-kind transfers can be improved through a better understanding of likely household and local economic impacts.*

#### **3.4.1 CT-OVC targeting**

##### **CT-OVC reach and inclusion of the poorest**

The research districts covered entered the CT-OVC programme in the early phases of the programme: in 2006 for old Migori District, including Owendo, and between 2006 and 2009 for locations in old Machakos District. As can be expected there has been national learning and changes in practice regarding targeting as the programme has progressed.

In (old) Migori District proxy means testing was not used so unsurprisingly the programme excluded some of the poorest households with OVCs. Community well-being analysis and KIIs suggested that a significant proportion of households were within the “middle” category of better-off poor. Indeed, in Kandira Lwala sublocation BWC members were emphatic that the programme did not capture any of the present-day poorest households with OVC. This is

to be expected because in the absence of means testing the better-off poor/non-poor are eligible because of OVC within the household, particularly when linked to chronic illness. Their inclusion does not indicate a targeting “error” although undoubtedly this may have occurred. In (old) Machakos District, where proxy means testing was in fact used, the research revealed that the majority of the beneficiary households were from the poorest well-being category. None the less, inclusion error was suggested by a few beneficiary households being identified with the “middle” or “rich” well-being categories. These households were identified as being markedly better off in terms of assets and labour as well as having few OVC and no chronic illness.

### Targeting procedure

There was a perception among research participants, particularly in Owendo, that there were “discrepancies” which had led primarily to exclusion errors but also to inclusion errors. Key informants were hesitant to speak publically (including in front of BWC representatives) as they perceived the process as political to some degree. When they did disclose information to the research team reasons given were varied. Favouritism by chiefs and local power-holders towards kin in particular were repeatedly mentioned. Also, given that the programme does not operate in all geographical areas informants described how families might move with their children to the house of a relative in order to be eligible when targeting was taking place or would conceal a change of address when they moved to a different sublocation.

A group which felt particular grievances, linked to lack of understanding of the targeting process plus poor CT-OVC programme communication, was made up by those who could be described as “nearly beneficiaries”. These were households that were placed on an original list and subsequently eliminated either because they were not a priority or listed as “pending” owing to resource constraints. In parts of Kangundo District this had even led to public disturbances on occasion.

In addition, both poverty and OVC numbers were dynamic. The “snapshot” categorization of households emerging from the initial targeting process did not capture the many eligible households which are created as adults die or become chronically ill, with new beneficiaries unable to access the programme. This aspect is stark when set against the exponential increase in numbers of OVC year-on-year and limited coverage by the programme due to budget constraints.

### Complaint mechanisms

The Operational Manual (2011) describes a complaints mechanism for payments and services but states that it has not been operationalized. This was confirmed by findings in the research districts. In practice, grievances were voiced to members of the BWC/LOC, to the chief or subchief who might then refer to the district, or take them directly to the Children’s Officer or Gender Officer at district level. While individual grievances might be addressed in this manner the complaints system was not perceived to be robust.

### Conditionality

The CT-OVC Operational Manual (2011) also provides details pertaining to conditionality. It is understood that this is being implemented in some districts in Kenya and not others. No conditionality was being implemented in the study sites.

### 3.4.2 CT-OVC late payments

The transformative potential of the CT was underlined by the impact of late or unreliable payments on beneficiary households. Late payments to beneficiaries, experienced in districts across Kenya in 2012, emerged as profoundly damaging for household welfare. Households were more likely to fall back into detrimental risk coping strategies and asset disinvestment. Small improvements that households had made as result of the programme might compound the negative impact. This was illustrated by cases of an IGA being developed but then collapsing because of delayed payment, individuals going into debt, or if someone had borrowed on credit and was then unable to repay. Late payments were widely seen as an obstacle to the sustainability of household investment and well-being as result of the CT-OVC programme.<sup>79</sup>

There were many examples of the detrimental risk coping strategies households had to use as a means of coping with late payments. They included withdrawing OVC from school because they could not pay charges, reducing food intake, encouraging children to engage in wage labour and begging, selling farm produce destined for household consumption, selling items intended for sale through petty business (“eating stock”) and engaging in increased wage labour.

Late payments also had a negative impact on social networks, for instance when people had borrowed from a neighbour or when they were forced to withdraw from a Merry-Go-Round savings scheme, letting other members of the scheme down.

### 3.4.3 CT-OVC communication and institutional arrangements

#### Awareness raising

In the absence of formal training, it was found that BWC members valiantly copied awareness-raising activities they had seen the LOC perform. Thus beneficiaries reported visits to check on the quality of shelter within the household, on child registration documents and on child immunization. Clearly there is potential for significant awareness raising on a range of issues for beneficiary households, however this is limited by personnel and resource constraints as well as appropriate capacity building for community representatives.

#### Communication

From the beneficiaries’ perspective communication from district-level structures (AAC, DOSC, Children’s Office) to local level structures and people (BWC; beneficiaries) was weak. This had a negative effect in terms of beneficiary awareness raising.

At district level the communication strategy and expected awareness raising had been below expectations. In Owendo District, awareness and communication sessions as planned in the CT programme were inadequately implemented, although the DOSC (health/civil registration/child protection) had made efforts to do sensitisation during the payment cycle

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<sup>79</sup> Indeed the World Bank-led *Joint Review and Implementation Support (JRIS) Mission for the Kenya CT-OVC Programme* (2010) states “The success of the Programme is largely dependent on its ability to provide cash transfers on time and in a predictable manner” (para.19).

when beneficiaries visit a post office. Part of the reason why awareness raising had not taken place was because Owendo was newly created and a DCO was not yet in post while the DCO for Rongo had only recently arrived. In (new) Migori District, in contrast, the programme cycle included a two-monthly visit at sublocation level to handle emerging issues, although reportedly this had not always occurred. A meeting with the District Gender and Social Development Officer in Owendo explained the missed opportunity due to weak implementation of awareness raising. She said much could be done by working together in issues regarding for example HIV/AIDs, child care and welfare, nutrition, and income-generating activities including agricultural production.

More generally, there was the sense among key informants in the programme that upwards communication linked to financial/operational accountability within the programme was good, but downwards communication from national to district level and from district to community level could be dictatorial and non-empowering with flows of communication between district offices and beneficiaries being weak.<sup>80</sup>

### Beneficiary Welfare Committees

The decentralized operational structure of the CT-OVC programme shifted in 2012 from the Location OVC Committees (LOC) to Beneficiary Welfare Committees (BWC). In some districts the latter had already been introduced, including Kangundo and Owendo districts. The structure of the BWC is that every sublocation has a beneficiary representative who is part of a committee at location level. As described in Section 1.1, the BWC are intended to act as a mechanism to enhance beneficiary capacity building, participation and empowerment. It is intended that implementation of BWCs will help overcome problems encountered with the LOCs as previously identified.<sup>81</sup> Without adequate strengthening of BWC members, and clear communication among all stakeholders of their roles and the new structure, similar problems are likely to emerge.

A number of informants from Owendo and also Nairobi described one of the main previous problems as politicization and influence in the programme notably in targeting procedures and to some extent in payments. For example, there were reports of occurrences when unclaimed payments on payment day (due to a beneficiary being indisposed) would be given to other unidentified selected persons, at times non-beneficiaries. Through discussions of these issues and the shift to BWCs, chiefs met and expressed support for the formation of BWCs and the high representation of beneficiaries. However, they underlined that the chief still does have a vital role in the CT programme. He is the leader in the community and people naturally turn to him with their grievances (regarding the programme, about exclusion, etc.). Moreover, they confirmed that decisions taken in the community and sometimes within households (e.g. targeting, payments, etc.) require the “endorsement” of chiefs to ensure compliance of agreements reached. This is the political dynamic within traditional village governance structures – chiefs always play a role.

In Kangundo District, BWC members had received basic training and beneficiaries were aware of the BWC although confused about the difference between the BWC and the LOC.

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<sup>80</sup> This issue is reported more widely for social protection programmes in *Kenya, Social Protection Review* (Ministry of State for Planning, National Development and Vision 2020-2030). June 2012.

<sup>81</sup> World Bank Aide Memoire, JRIS Mission, 2010, paras. 23-6.

In Owendo District, there had been no training for BWCs although training was planned, as was a small payment of K Sh 300/month (approximately US\$3.50) to help BWC members with their functions. Most people who met were unaware of the shift from LOC to WC. At the time of the research, and in the absence of a charter and better training, BWC members remained confused about their roles and responsibilities

Despite formal statements over the BWC's role regarding beneficiary empowerment and participation, from the perspectives of the District Children's Officers the role of the BWC was perceived to be more less transformative and more administrative/technocratic in nature, tasked to announce through a baraza (public meeting) the payment date, to go to the post office on payment days, to resolve grievances (for example to identify an alternative caregiver if a beneficiary dies) and facilitate community mediation. Potential to make greater impact in areas of health, childcare, agricultural production and income generating exists if BWCs are more informed and capable to play a more active role.

The monitoring and back-up function of BWCs appeared to be poorly or patchily implemented. In Kangundo District, for example, there was some monitoring of the use of the CT through household visits, monitoring of school attendance and immunizations. Some informal meetings were also held among beneficiaries in the communities. This monitoring activity was not however regularly planned and lacked structure.

### Synergies with wider development initiatives

The opportunities and potential for creating synergies between programmes such as income generation, improved child nutrition, agriculture, secondary education, youth vocational training, and HIV/AIDS support programmes are significant but are not being optimized. Poor cross-sectoral connections are an endemic feature of the Kenyan institutional landscape. DP/GOK reviews repeatedly highlight fragmentation and lack of coordination between safety net programmes; weak/non-existent linkages exist between safety net programmes and initiatives in other sectors. CT-OVC beneficiaries may experience this as lack of information about opportunities combined with weak/non-existent contact with government extension and community development workers. District Child Welfare Officers may themselves have only limited knowledge of wider opportunities in their district and/or see actions to link CT-OVC beneficiaries to these initiatives as outside their remit, expertise and resource capacity.

Complementary reforms and investments are needed to encourage and enable beneficiaries to graduate from the CT-OVC programme. The Kenya Social Protection Sector Review (2012) highlights the need to “provide a suite of complimentary services to a single family or individual as it is the synergies between these investments that can increase household income to the point where households can escape poverty”.<sup>82</sup> An example of deliberate synergy creation for CT-OVC beneficiaries is the provision of livelihood investments by the Kenyan Urban Food Subsidy Programme. Further areas that could be developed relate to the exit strategy, as identified below.

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<sup>82</sup> Safety Net Programme fragmentation and lack of coordination is an issue identified in the *2012 Social Protection Review* (Ministry of State for Planning, National Development and Vision 2020-2030 June 2012, p.26).

### 3.4.4 CT-OVC exit strategy

According to the Operational Manual (Revised Version 2.2, 2011, p.21), beneficiaries are exited from the programme after five years or when they reach 18 or for reasons related to conditionality, misdemeanours or moving house. In practice, although some households exited on an ad hoc basis, there was no systematic district-level exit strategy in the research locations. One consequence was that grievances could build up against households and/or individuals whom community members perceived to be no longer eligible because of orphan age or because they had become better off.

Ironically, given the importance of an appropriate exit strategy, the research found evidence that lack of exit might actually protect vulnerable OVCs who were ill equipped for life beyond dependence on the CT either with respect to an unmet need for psychological support or practical employment needs. Here there was an evident lack of integration with other governmental or non-governmental programmes<sup>83</sup> such as support for secondary school education or the Youth Enterprise Development Fund in order to provide OVC with opportunities for the future.

## 4. Conclusions and Recommendations

### 4.1 Conclusions

#### Household economic impacts

The research addressed the following hypothesis:

*The introduction of a small but predictable flow of cash income improves livelihood choices and productive investments, although vulnerable households will be more highly constrained in their decision making on how to use the additional cash.*

Cumulative findings from global research on CT impacts in different countries has confirmed that small but reliable CTs can help poor households to diversify livelihoods and increase income by avoiding short-term distress sales of labour or assets<sup>84</sup> and by supporting longer-term investment in assets. CT experiences, for example from Maharashtra, India and from Ethiopia, provide evidence that “transfers allow households to make small investments; and in some cases take greater risks for higher returns”.<sup>85</sup>

This research found that a regular CT enabled households to meet their basic needs and to prioritize children’s education. The research also correlated the broader body of secondary literature in finding that CT-OVC beneficiary households were able to invest in economic activities although this was heavily dependent on the household asset base, associated level of vulnerability and level of opportunity within the wider economic environment. In summary the research revealed that the CT-OVC transfer:

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<sup>83</sup> Ibid. p.11).

<sup>84</sup> See for example, Slater, R. *et al.* 2006. *PSNP policy, programme and institutional linkages*, Final Report, ODI, the IDLgroup and Indak International, London, September .

<sup>85</sup> Arnold, C. with Conway, T. & Greenslade, M. 2011 op cit, p35.

- enabled households to improve overall care of OVC which in particular improved OVC well-being and also increased school enrolment and retention, thus contributing to improved human capital;
- was a certain and predictable (in payment if not in timing) source of income which aided household decision making, allowing beneficiaries to manage risk and reduce their vulnerability;
- functioned as a safety net in poorer households and those where chronic illness underpinned vulnerability enabling resource-poor households to cope better without disinvesting in assets, getting into debt or pursuing detrimental coping strategies such as child labour;
- stimulated household economic investments in productive activity and strengthened sustainable livelihood strategies but was highly dependent on household socio-economic status, vulnerability levels, and OVC numbers;
- provided a mechanism for households to generate informal savings through micro-credit schemes;
- increased the purchasing power of beneficiary households and changed purchasing habits, notably by diversifying purchases and buying in greater quantities (bulk);
- reduced engagement in the casual labour market as an option of last resort, changing patterns of wage labour, particularly for women and permitting expansion of own farm production and allocation of more time to domestic responsibilities;
- significantly stimulated income-earning activities where households had a good existing asset base and low vulnerability (including healthy adults); this ranged from increased on-farm productivity to ability to engage in riskier but high potential income-generating activities;
- enabled households to maintain some savings for an emergency while also contributing to the household budget;
- facilitated women's ability to support OVC welfare and their economic empowerment, with some evidence it contributed to female decision-making power although this should not be over-stated given that gender relations are rooted in highly patriarchal social structures;
- was constrained in its impact by the fast-growing number of orphans taken in by both beneficiaries and non-beneficiaries; this limited the value and benefits of the CT.

### Local economy impacts

The research looked at the following hypothesis at the local economy level:

*The whole community, including non-beneficiaries, will benefit economically from the injection of cash through multiplier effects on local goods, services and labour markets, although this will be mediated by the political, economic and social context.*

Existing research on the local economy impacts of CTs is quite limited, with more research required on this second order impact.<sup>86</sup> There is, however, some scattered evidence that CTs provide a local economy stimulus in the shape of increased demand for consumption goods, inputs or assets. These findings are supported by the tendency for poor people to spend locally, and on locally produced rather than imported goods. An impact assessment of the

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<sup>86</sup> Arnold, C. with Conway, T. & Greenslade M. 2011. op cit, p35.

Dowa Emergency Cash Transfer (DECT) programme in Malawi, for instance, found economic multiplier impacts exceeding two kwacha for every kwacha disbursed.<sup>87</sup>

The research confirmed some positive externalities of beneficiary household economic activity through increased agricultural productivity, diversification of income generation, and a greater level and diversity of economic exchange within the local economy resulting in greater circulation of cash and improved range of products bought and sold and, notably in Owendo, more bulk purchases. The mediation of an enabling economy, good biophysical environment for agricultural production, strong household asset-based, and low-levels of socio-medical vulnerability are critical factors which effect achievement of these positive impacts, as is the aggregate amount entering the local economy in a particular community. Poverty and vulnerability in beneficiary households, growing numbers of OVC, and constraints within the economic and physical environment however limit greater economic impact. Since education is perceived to be a priority use of the CT investing in productive outcomes is not perceived as a primary investment.

In summary, the research revealed that the CT-OVC transfer:

- injected regular and predictable (in payment if not in timing) amounts of money into the local economy, which stimulated economic exchange;
- contributed to increased diversity of products being bought and sold, and to some extent the nature of purchasing;
- contributed to increased labour market hiring among beneficiary and non-beneficiary households (including beneficiaries hiring in on-farm labour); increased self-employment (including working on own farms, start-up income-generating activities, small businesses and trade); and a reduction of distress sales and working as casual labour when in urgent need of cash.

### Social networks

The research addressed the two inter-related hypotheses:

*Cash transfers increase beneficial risk sharing arrangements and economic collaboration underpinned by social capital (trust-based reciprocity).*

*Changes in social networks linked to cash transfers positively affect the most vulnerable and least powerful people in a community through greater inclusion in decision-making processes (including through an increased ability to make “social contributions”) and increasing their entitlement set and livelihood choices.*

Wider research on the impact of CTs is limited but suggests that transfers can build self-esteem, status and increase choice among vulnerable people, including the elderly, enabling them to be active members of their households and communities rather than perceived as “burdens”.<sup>88</sup> Qualitative research in Namibia and Lesotho found that social pensions have

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<sup>87</sup> Davies, S. & Davey, J. 2008. A regional multiplier approach to estimating the impact of cash transfers on the Market: the Case of Cash Transfers in Rural Malawi. In *Development Policy Review*, 26(1):91-111.

<sup>88</sup> Arnold, C. with Conway, T. & Greenslade, M. 2011. op cit, p41.

improved the status of older people without relatives who might otherwise have been isolated and excluded from community life.<sup>89</sup>

This research confirmed existing evidence on social inclusion impacts by revealing that the CT-OVC transfer increased levels of social capital and associated risk sharing arrangements and economic collaboration. This was facilitated by a socio-economic environment in which there were well-established and dynamic mechanisms of informal micro-credit structures (Merry-Go-Rounds), HIV/AIDS support, church-based welfare support, etc. In addition, for even the poorest households CTs contributed to building self-esteem and engaging in community and religious activities.

The research revealed that the CT-OVC Programme has:

- enabled increased inclusion in social networks, through permitting poor people to engage in regular religious activity and associated support groups and in activities such as *Harambees* (community fund raising efforts);
- facilitated beneficiary households' entry into existing socio-economic associations such as 'Merry-Go-Rounds' (revolving loan groups), labour groups and income-generating groups; and in some cases it has enabled beneficiaries to form new groups;
- improved the creditworthiness of beneficiary households due to others' increased confidence and trust in repayment, and perceived greater credibility because of the CT;
- contributed positively to caregiver and OVC self-esteem, increasing hope and inculcating a longer-term perspective notably related to the perceived value of education;
- threatened to undermine trust-based reciprocity within communities, particularly where there were high numbers of orphans because of jealousy felt by non-beneficiary households with equal or greater levels of need and the perception of targeting errors related to programme's operational dynamics.

### Operational issues

The research addressed the following hypothesis:

*Cash and in-kind transfers can be improved through a better understanding of likely household and local economic impacts.*

The final hypothesis addressed by the research is somewhat delinked from existing evidence on CTs but builds on the broader notion that impact evaluation can feed back into what is described as "evaluative practice", in which reflections on impact motivate improvements in design and delivery.<sup>90</sup> The focus in this research was on the relationship between understanding household and economic impacts and improving operational support for a more transformative, productive use of the CT. The research revealed that the CT did not necessarily reach the poorest households. This was due in part to the fact that districts where research was conducted entered the programme at an early stage when targeting measures to include the most poor were not fully operational. Today the CT-OVC programme has

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<sup>89</sup> Save the Children UK, HelpAge International, and Institute of Development Studies. 2005. *Making cash count*. Brighton: Institute of Development Studies.

<sup>90</sup> See for example Abbott, D., Brown, S. & Wilson, G. 2007. Development management as reflective practice. In *Journal of International Development* 19(2):187-203.

improved poverty indexing through the use of proxy means testing. Even so, the burden of vast and growing numbers of OVCs presents a profound challenge within the context of programme budget and operational constraints. This increases community tension and perceptions of exclusion by households in need (in terms of OVC numbers). The CT is a flat sum and is not indexed to OVC numbers in the household which can undermine its contribution to both welfare and economic impacts.

The research revealed that the CT-OVC programme:

- had largely met programme objectives, provided critically needed household support to enable children's attendance and retention in school and had improved OVC well-being through better quantity and quality of food, access to health care and better domestic welfare;
- was profoundly negatively affected in its impact by payment delays which threatened achievements, undermined social safety net functions and economic initiatives and in some cases worsened household economic security and prompted negative risk coping mechanisms;
- suffered from so-called "exclusion errors", compounded by increased numbers of orphans and few households exiting the programme; community members also perceived there to be some inclusion errors, attributed to "unfair" selection processes generated by local power structures;
- elicited somewhat mixed reactions on priority for greater coverage versus scaling up the CT value per beneficiary household; there was broad agreement, however, that a greater number of beneficiary households should be included in the programme (reflecting a traditional community social norm that "all should eat") and acknowledgement that this was less likely to happen if the CT value was increased; it was also widely acknowledged that the benefit of the CT for a household diminishes with greater orphan numbers, with calls for equity and impact to be improved through indexing payment according to OVC number per household;
- was in need of households retargeting at sublocation level to ensure the most vulnerable OVC were included in the programme; this was found to be a key issue (many found the targeting to be "unfair") although it was recognized it was unrealistic to expect it to occur given national budget constraints;
- needed to address the issue of empowering beneficiaries through the mechanism of Beneficiary Welfare Committees, this considered an important step by beneficiaries; however the BWC were still not operating outside the existing community power structures that contributed to problems with the "Local OVC Committees";
- needed urgently to address BWC capacity building, a priority that had not to date been adequately addressed.

## **4.2 Recommendations**

The conclusions reached by the research raise a number of important operational recommendations. Given that the research communities entered the CT-OVC programme in an early phase and that there has already been substantial programme learning regarding poverty indexing within targeting for later phases this aspect will not be highlighted.

### Timely payments for beneficiaries

Late transfer of financial resources to districts and consequently late payments to beneficiary households profoundly undermines the value of the CT-OVC programme for welfare, educational and productive outcomes and risks actually worsening the economic base of households and deepening their levels of poverty. Every effort should be made to rectify this situation.

### Capacity building for Beneficiary Welfare Committees

BWC were introduced in 2012 and have an important role to play in empowering beneficiaries in the operations and implementation of the programme. However a lack of accompanying capacity building threatens to undermine the value of the BWC. This aspect is already planned within the CT-OVC programme and needs to be given priority. In addition, the research team was informed during the research debriefing of a “beneficiary/citizen charter” which each beneficiary would be provided with to inform them of their rights, responsibilities (conditions) as well as the programme’s procedures and processes, including grievance mechanisms.

### The role of community power structures

One rationale for reducing the transformation of the LOC was to overcome the negative influence local power-holders (especially the chief and subchief) may play in decision-making regarding beneficiaries as well as in corrupt practices. It is however naïve to consider that the BWC and the programme in general can operate outside of these power structures as they are critical to the functioning and governance of communities, central actors who are woven into the socio-political fabric of local structures. They cannot be bypassed. Therefore explicit consideration should be given to the role and functions they play and how they will relate and interface with the BWC in the future.

### Communication and awareness-raising

The CT requires improved communication and awareness raising on a number of issues and processes in the programme, e.g. the new BWC arrangements, the thematic areas of sensitisation (e.g. HIV/AIDs, good nutritional practices, improved farming practices and income-generating activities).

### Communication with beneficiaries about service provider changes

A further recommendation relates to the need for better communication to beneficiaries about the programme’s service provider change from post office to Equity bank (Kangundo District). This should involve engaging over concerns about under-18s not having IDs to take money from the bank and widespread perceptions that money is not safe and will be stolen by the Kikuyu owner.

### Complementarities between programme initiatives

Finally, more efforts are needed to ensure complementarities among different programmes with the CT, such as HIV/AIDs, agriculture, youth promotion, income generation and government support for secondary school education. This would contribute to optimizing and synergising existing services and projects and programmes with the CT to promote sustainable livelihoods and economic growth.