



KENYA CASE STUDY 2023

TOKEN-BASED CASH TRANSFER TO SUPPORT VULNERABLE FAMILIES' ACCESS TO WATER

Using cash, vouchers or other market based approaches to reach WASH outcomes

ACKNOWLEDGEMENTS

This work is the result of collaboration between the British Red Cross Cash Hub and the RCRCM Cash and WASH TWG. The development of the case studies was led by Debora Bonucci (British Red Cross | email: dbonucci@redcross.org.uk) in collaboration with David Delgado and Rupert Gill with financial support from the Cash Hub as part of a work commissioned by the RCRCM Cash and WASH TWG. Key Informant Interviews were conducted with the cash and WASH focal points of the following National Societies: Jeff Otieno CVA Focal Point, Kenya Red Cross, Amar Poudel Deputy Director Nepal Red Cross Society, Kaustubh Dinkar Kukde Programme Management Delegate, British Red Cross, Renas Hussein WASH Program Manager, FRC and Brian Kae Enriquez Philippines Red Cross.



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INTRODUCTION

Introduction to the case studies on the use of MBP and CVA for WASH outcomes in the RCRCM

The RCRCM has been implementing CVA and investing in cash preparedness for many years. The Movement is uniquely placed to become a world leader in the provision of CVA in emergencies. The IFRC's Cash Roadmap highlights the IFRC's commitment to increase CVA whilst recognising the need to invest in cash preparedness and organisational mainstreaming to achieve this goal. Since 2012, the IFRC, ICRC and several National Societies (NSs) have been supporting the institutionalisation of CVA within several NSs to help integrate CVA into their disaster response activities.

As stated in the IFRC Plan and Budget 2021-2025, "Cash and voucher assistance is the IFRC's preferred form of material assistance, as a responsive and flexible modality that promotes human dignity, choice and community resilience."

While MBP has been widely used in livelihoods, food security, and relief sectors, the WASH sector has been relatively slow to embrace it. Over recent years humanitarian aid organisations have increasingly used market-based programming (MBP) to deliver water, sanitation and hygiene (WASH) in emergencies. CVA and Market-based modalities include the distribution of cash and vouchers, and this approach has many advantages to enable recipient vulnerable households to access WASH basic needs and services they need more efficiently and effectively, contributing to economic recovery, as well as supporting local WASH markets to deliver these goods and services at humanitarian standards.

MBP in humanitarian settings, such as cash distributions, can provide the support that is more tailored to individual needs. It shifts the focus from in-kind assistance to technical support, community engagement and the support of local economies to recover, rather than disrupting local markets with imports. Still, there is not enough evidence within the RCCM that these approaches have resulted in a positive effect on WASH outcomes. As a result, the evidence, level of expertise, specific training materials, and dedicated tools are underdeveloped and need to be improved and disseminated across the RCRCM WASH sector.



These case studies present the analysis and mapping of available evidence of the effect of market-based modalities used in the emergency WASH sector within the Red Cross Red Crescent Movement. The documents highlight examples of the application of Market Based Programming (MBP) and Cash and Voucher Assistance (CVA) approaches in delivering humanitarian WASH, for example, latrines rehabilitation using the distribution of cash or the replacement of hygiene items with vouchers in the Red Cross Red Crescent Movement representing various regions and contexts (e.g., protracted conflict, natural disaster, protracted crises, population displacement, epidemic outbreaks, both emergency and longer-term etc.).

The case studies were developed with the intent to provide examples of good practice and demonstrate the breadth and diversity of contexts in which NSs work to provide MBP and CVA for WASH outcomes and identify some common learnings and potential opportunities to NSs that are considering using Market Based Programming and CVA to support WASH outcomes.

PROJECT DETAILS

Region: Southern and Eastern Africa

Country: Kenya

National Society: Kenyan Red Cross Society

Specific location: Baringo County

Year intervention started: 2020 (11 months pilot project)

The focus of your intervention utilising CVA: Water Supply

Response Phase for your intervention: Development

The number of people reached: 400

Type of beneficiaries targeted: Geographically targeted, People with Disabilities, Gender; Low Income / low capital, rural.

Modality of CVA: Vouchers

Transfer mechanism used: Mobile Money





BACKGROUND

The pilot project was implemented by Kenya Red Cross with the support of the Austrian Red Cross in rural communities of Baringo County. The project model was premised on the digitization of community water points installed with tokenised water meters accessed through electronic vouchers (in form of tokens) paid through mobile money.

A brief outline of the project

The pilot project has the objective to provide support for vulnerable families to access safe drinking water. This was achieved through the support of the project in setting up smart water meters and distributing electronic vouchers in the form of tokens to vulnerable families to allow them access to safe drinking water. A community management committee was also set up to improve the management of the revenue from selling drinking water and all the payments were done through mobile money to a bank account through a pay bill number linked to a bank account to obtain a token to access water. The committee would only withdraw cash from the account after making a need-based budget presented to community members for approval to ensure accountability and sustainability.

National Society Cash preparedness

Kenya Red Cross Society Cash preparedness began with the initial support of the British Red Cross through a DM Strengthening project that was implemented for five years. The team started with an Organization capacity assessment and developed a plan of action which was implemented through the years to become cash ready. Cash preparedness as part of Disaster Management Strengthening has seen the NS make CVA a default response modality and eventual use of cash and vouchers in most of its disaster response operations. Having developed its capacity in cash and extensive use in basic needs and livelihoods, Kenya RC began to influence the use of CVA in other sectors such as WASH and Health as part of the DM programme. The NS has used different cash delivery modalities ranging from cash transfers to voucher transfers through various delivery mechanisms such as cash in hands, mobile money, banks, and the most recent blockchain technologies.

One of the cash preparedness milestones that was critical for this project was the Standard Operating Procedures for cash developed by the NS covering all possible modalities and delivery mechanisms. The NS also customised the tools developed by the movement in the Cash in Emergency Toolkit to suit their programmes. This pilot project was key in sensitising and developing the capacities of the WASH cluster members from both Government and Humanitarian sectors to gain skills in using CVA for WASH outcomes.

To ensure that cash is used in all sectors within the NS, an internal CWG was set up drawing its members from all the sectors/departments to steer CVA uptake and implementation in the Organization and within all sectors including WASH and Health. The NS piloted the use of cash in different sectors with reviews to draw learning and develop case studies for evidence and encourage replication in other areas.

FINDINGS

Digitalization of community water points for improved accountability

This pilot project aimed at the digitalization of the water points through the installation of token-based water metres linked to bank accounts to collect revenue from the sale of water directly to the bank account from the communities buying water, and generate increasing savings that can only be withdrawn from the bank account upon the approval of expenditure proposal and leaves auditable transaction records with the bank.

At the beginning of the project, most community members were not aware that the community water points and water systems belonged to them, and this created a window opportunity for those selected to the water committee to misuse revenue collected from the sale of water. KRCS deliberately planned for community sensitization in the programme to build community awareness on the management of the water points/systems and take full charge of their resources so that the committees they select to run such resources on their behalf become fully accountable to the community. Through community sensitization activities, people started to realise their role in the project.

The main objective of the project was to promote the sustainable use of community water systems by ensuring that the water system continues to be in operation and supplies water to the communities with possibilities of self-expansion from savings of water revenue. Apart from the installation of the smart water metres, the water committees alongside a few community members were trained on the O&M of the water system. The water systems were repaired and installed with the smart pre-paid water meters which are simple to use with automatic and cloud-connected water dispensers/taps powered by solar energy and can be used at any water point.

This helped to address the challenge that prevailed on misuse of water revenue that led to many water points shutting down out of minor breakages/damages that could be easily repaired by the community but could not be done due to lack of accountability on funds realised from water revenue. At the beginning in the community, there was no system for accountability on the collection of revenues from the sale of water to support O&M of the water system. Revenues collected from selling water are now well managed because the committees understand that they are managing the water systems on behalf of a well-informed community that would demand accountability or change management and that the "big brothers" that is the KRCS and the County Government Water Officers are watching closely.

The digitization aspect of the water metres is also considered cost friendly installation to reduce operational costs, for example, the smart water metres and water pumps run on solar panels taking advantage of the strong sun in the area and can run for at least 12 hours of no sunlight after being charged. This reduces operation and maintenance costs to the community as opposed to the diesel-run generators that are costly to run and maintain.

The smart water metres will promote the use of payment methods that create electronic sales and payment records that can be audited to promote accountability among those charged with the responsibility to manage the water points on behalf of the community. This is expected to translate into the creation of revenue that can be used to meet O&M costs or expand the water system. This is a simple-to-use technology that will not pose challenges to the communities as learnt from the previous similar projects that KRCS has piloted.

How the token works

The system is run on a one-app platform that allows community members to pay for water through mobile money using a pay bill account provided by the mobile money service provider and linked to the community water point bank account. The system then transforms cash into credits/tokens equivalent to the cash amount paid at the rate of Ksh. 1 to 1 token. The community members are provided with token cards linked to their mobile phones through their mobile number as the account, so that every time they make a cash payment to the bank using the pay bill, the token card automatically gets loaded with tokens of cash equal amount. The community member would activate the tokens loaded on their cards by tapping the card on the smart metre to see the balance on the metre screen. The cost of water was set by the community at Ksh.5 for 20 litres jerry can/container and people are keen not to allow wasted water through over-flows when collecting water because they know it's their token getting water. The ever-wet long water flows from the water points have now dried or reduced to significant stretch, a sign that water wastage is now minimised as opposed to the past.

To collect water, they place the container under the tap and tap the card on the metering sensor and it dispenses 20 litres of water. To continue to collect more water, they tap again as much as their tokens can deliver. To disconnect the water flow, they press a button and tap the card on the sensor to check their balance which shows on the screen of the smart water meter.

This is a cashless transaction, and the water kiosk attendant would only monitor the use of the system or assist those who have difficulties in using the system. The attendant is also given a master token card with a specific volume of water per day to sell to those who may not have the token card but have ready cash. This is monitored by the committee and the volume of water that the attendant can sell is reviewed every day against the sale.

The system can also be set to dispense a given quantity of water free of charge before beginning to charge for specific token cards held by community members considered to be vulnerable for example the elderly who have no source of income and no one supporting them.

Some of the activities implemented in this project include:

- Assessments on the water points involving communities and community water committees where they exist to understand past operational issues and jointly design the proposed technology and training needs and required safety of the installed systems.
- Procurement and installation of smart prepaid water metres as well as training for water committees.
- Field monitoring visits to assess the adoption and use of the technology through mentorship.
- Establishment of feedback mechanisms through a Toll-Free Line that the community member can reach KRCS in case they have a challenge in using the token system.

KEY SUCCESSES

Advocacy lobbying with the Government

At the beginning of the project, it was necessary to lobby with the county government to get their involvement and technical support for the community management of water infrastructures. The County water officers were part and parcel of the project implantation providing technical input and monitoring support.

Innovative approach and communication

When it is about introducing an innovative approach, there is a general tendency for people not to accept changes very fast, they are reluctant and resistant initially to changes. The Kenya Red Cross team initially organised meetings with all the focal points of the sectors responsible for the DM response to create awareness and sensitization on the use of Cash to support other sectors. More people now are looking to use Cash and think that Cash can also be used for WASH interventions and not only for Livelihood activities. For the last three years, cash has been used in programme implementation, and the agenda Cash and WASH started to become more relevant from 2018. It is important to explain to people how Cash can be used to support WASH outcomes. This approach is also supported by other Kenya Red Cross WASH partners like UNICEF.

It is also important when introducing an innovative approach to conduct sensitization activities for the community and the Water Committees before introducing the new technology, as this will help in creating ownership of proper use and O&M of the water supply system.

Particularly it was critical to assess the willingness of the community to pay for drinking water before starting the implementation of the project. This project was a good system to provide a sustainable supply of clean and safe drinking water, to ensure sustainability and to achieve this it was important to promote the idea that end users need to pay for safe and clean water, it was important to explain accountability and ownership.

As part of the digital water pumping system, there were also private water vendors that started to buy water from the water points, and they sold safe clean water privately in other areas.

CEA - Community and Engagement and Accountability

In the community, some members were not aware of the type of work to be done. The process of CEA provided the opportunity to engage with the community and explain to them the objective of the programme and to get them onboard and participating in the planning and setting up of the system.

CHALLENGES

It is important to focus the attention on training properly the Water Committee and members of the community on the correct use and operation of the system. The Kenya Red Cross had to organise a refresher training on the water metre, and the system supplier has been requested to help with this.

Some members of the community are elderly, so it is good for community members to grasp the operation of the system and attend the refresher training and also provide help to cascade it to the rest of the community. This project requires follow-up and a refresher from time to time.

The initial design of this project did not have a hygiene promotion component. In the second phase of the project which starts in 2022, the team planned to include hygiene promotion, sanitation and waste management components at the household level in the same community. As part of the hygiene component, there will also be monitoring of the project.

When we installed the system, the team realised that there were structural changes to be done to the water system. It took time to repair. We learnt that we need to dedicate more time during the construction stage to allow for rectification work and as well to have a contingency in the budget.

This was an 11-month project, and due to the work involved it would be good to give a longer duration of around 18/24 months. 11 months were not adequate for example to consider system installation, follow up with an adaptation of the system to work properly, engagement with the community to ensure that everything is running well. It is necessary to train the community members and Water Committee on accountability and financial management of the funds collected to be used for the community benefit to mitigate tension between the community on common resource management.

The water supply system is composed of a borehole with a submersible pump working on solar power. The water pump is installed by the County Government. This last one they have some problems because there is high water demand, and they started water rationing due to lack of pressure.

Good practices

- Innovation technology and sensitization of both government authorities and local communities.
- Initial sensitization of the community and CEA with community engagement, and discussion with the community for them to understand the system.
- Internal sensitization on the use of cash to support other sectors like Health and WASH.
- Inclusion and protection: In the community, there were vulnerable groups. The inclusion of poor families and people with disabilities and the community agreed to have specific Tokens that were held by vulnerable members: it was agreed that the first tap of 20 Litre is free, and then the additional amount of water is charged. They get a sort of bonus water before they start to buy. The bonus water allowance for the first 20 Litres is supported for 7 months by Kenya Red Cross to provide time for the Water Committees members to come up with an arrangement to continue supporting the vulnerable people that are not able to pay after this initial period.
- Also, the community members decided that there were households that could have a token to obtain free water from the system, this was discussed as part of the community members. As part of the accountability and transparency, these rules were set by the Water Community in agreement with the community, to support the most vulnerable households in their community.
- The Water Committees generate an amount of money from the selling of water by mobile payment, these resources are used to manage the system and to make improvements to the water supply system.
- Strengthening the community to raise funds to support the operation and maintenance of the water system.



LESSONS LEARNT

Feedback from the community

Community members were and still are excited about the technology and fully embraced it. They say that it has reduced queuing as more taps are provided and equally water can be collected at any time in the absence of a water attendant. With the provision of the CVA program, Vulnerable families are now able to access adequate safe water for household use. Before the project, the community would collect water from unprotected and unsafe water sources such as streams due to a lack of money to purchase water. Overall, they reported that access to clean water is improved

Replicability and scalability of the intervention

This project worked well, and the team advised other colleagues in other NS to adopt this approach also because it promotes community accountability. In Kenya, we are looking for funding to cascade this project to other water points in other parts of the country.

The County Government, Water Resources Minister expressed her happiness with the innovation and hinted that she has got an idea from the project to present to the County Assembly to digitise all water points in the county based on the successes of the pilot project. Since the project runs on minimal maintenance costs and is run on solar power that is adequate in most tropical countries, the project is easily scalable. It also provides other options for accessing water should the system fail.

ANNEX / ABBREVIATIONS

List of abbreviations

KRCS	Kenya Red Cross Society
CTP	Cash Transfer Program
WASH	Water Sanitation and Hygiene
RCRC	Red Cross Red Crescent
UNICEF	United Nations International Children's Emergency Fund
CVA	Cash Voucher Assistance
RAM	Rapid Assessment of Markets
IEC	Information, education and communication
HHs	Households
IPC	Infection, Prevention and Control

REFERENCES

1. **KRCS CVA Journey: General presentation**
2. **Contact Person and Lead Organization for this Case Study:** Jeff Otieno, Kenyan Red Cross, CVA Focal Point Otieno. Contact: jeff@redcross.or.ke
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