

INSIDE THIS UPDATE:

- Our latest look into Bamba Chakula's cost-efficiency
- The success of Bamba Chakula's communications campaign
- Rolling out Bamba Chakula in Kalobeyei – a new settlement



Delivering digital cash in Kenya's refugee camps



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Quickfacts about Bamba Chakula:

WFP dubbed the new programme BAMBA CHAKULA, literally translating from Swahili-based Sheng to "Get your food".

The programme delivers cash electronically through mobile phones, so that refugees can buy food in the local markets.

WFP started Bamba Chakula in August 2015 and since then the programme has injected a total of 395 million Kenyan Shillings into local markets in Dadaab and 357 million Kenyan Shillings into local markets in Kakuma.

Bamba Chakula went live in Kakuma in August 2015 and in Dadaab in January 2016.

WFP's Latest cost-efficiency analysis

WFP has been doing electronic cash transfers since 2010 in Kenya, with a number of banks and mobile network operators. Bamba Chakula is the most cost-efficient cash delivery mechanism WFP has used so far.

In cash transfers, the biggest cost component is the assistance to the beneficiaries e.g. the cost of food. WFP regularly compares the cost of providing its assistance in the form of cash and in-kind to ensure maximum efficiency and effectiveness. The transaction and delivery costs for Bamba Chakula are very small (about 3% of the value of the transfer).

The cost-efficiency of the assistance depends on how beneficiaries will use and prioritize their cash transfers. For example, our monthly monitoring shows that in both Kakuma and Dadaab refugees are using Bamba Chakula to buy mainly wheat flour, vegetable oil and beans. We compared the full cost of delivering cash to the full cost of deliver-

ing the three commodities in-kind. The resulting ratio is called "alpha value". When the alpha value is <1, then cash transfers are more cost-efficient than in-kind and vice versa.

A one person monthly ration is equivalent to 12.8 kilograms of wheat flour, 1.8 kilograms of beans and 1.07 kilograms of vegetable oil. For this cost-efficiency analysis, WFP compared delivering 50% of the full ration in cash with delivering 50% of the full ration in-kind. Ideally, WFP would like to deliver its food assistance to refugees, split equally as 50% in-kind and 50% via cash transfer. However, current resources do not allow WFP to increase the cash component, leaving the in-kind to take the majority share in both Kakuma and Dadaab.

Comparing the costs for Bamba Chakula and for WFP's in-kind general food distribution (GFD), here's a summary of the analysis on page 2:

In **Dadaab**, providing 50% of the ration in cash is **15% more cost-efficient** than in-kind

Bamba Chakula Cash transfer



In-kind cost of buying



$$\frac{\$5.88}{\$6.94} = \$0.85$$

Alpha Value

Bamba Chakula
15%
More efficient

DADAAB IN NUMBERS



290 million KES were transferred to **75,000 households**.

706 traders out of the contracted **766 were active** and transacted regularly. The average amount transacted by each trader was **790,000 KES**

97% of registered households redeemed their **Bamba Chakula** regularly

So far **2,042 households** have not redeemed.

In **Kakuma**, providing 50% of the ration in cash is **6% more cost-efficient** than in-kind

Bamba Chakula Cash transfer



In-kind cost of buying



$$\frac{\$6.51}{\$6.94} = \$0.94$$

Alpha Value

Bamba Chakula
6%
More efficient

The higher prices of commodities combined with the cost to WFP of delivering a higher transfer value in Kakuma, leads to decreased cost-efficiency compared to Dadaab. Read on to find out how WFP is working to drive down food prices in Kakuma, through its new **Retail Engagement Strategy**.

WFP prepares Dadaab refugees for food assistance in Somalia

In response to the flow of refugees in Dadaab voluntarily returning to Somalia, WFP is taking the necessary steps to ensure they can immediately receive food assistance once they cross the border. Currently, WFP is registering all voluntary returnees into WFP's System for Cash Operations (SCOPE).

Through its Somalia operation, WFP is providing all households voluntarily relocating from Dadaab to Somalia with a six-month cash-based food assistance package. This will be delivered to returnees registered in SCOPE via a cash transfer, redeemable in any of the 400 WFP-contracted shops across Somalia. Each household will



receive a monthly cash transfer equivalent to the minimum expenditure food basket for a period of six months from the date of their return.

SCOPE is a reusable electronic smart-card that allows eligible families to

receive an electronic cash transfer. When the household redeems their entitlement at a WFP-contracted trader, the value of the transaction will flow directly from WFP's bank account to the retailer's account.

With support from WFP Kenya, UNHCR and the Danish Refugee Council, WFP Somalia is registering returnees' biometric data to SCOPE by capturing their fingerprint images and then issuing them with SCOPE cards.

SCOPE registration is only available for refugees that have registered for the voluntary repatriation process in Dadaab. Refugees who opt to remain in Dadaab will continue to receive their Bamba Chakula cash transfers and food in-kind, until the moment they decide to leave.

New Kalobeyei site opens and WFP delivers 100% Bamba Chakula



What's Kalobeyei?

Kalobeyei is a new refugee settlement site that is located about 10-15 kilometres from Kakuma. **Kalobeyei** is being developed by the government, development and humanitarian partners as a 'model' settlement, intended to offer a more durable solution to hosting refugees.

A 'Sustainable Integrated Socio-economic Development Programme' is in place to ensure that refugees and the host community live side-by-side and have equal access to basic services and livelihood opportunities. Bamba Chakula will be a key part of this and WFP is currently supporting traders from **Kalobeyei** town and the refugee community to set up their markets in the site.

Find out more about Kalobeyei in WFP's interview with UNHCR Project Coordinator at the end of this update.

In June, WFP responded to the needs of 2,500 new arrivals at the Kakuma reception centre, by providing Bamba Chakula to the refugees being settled in Kalobeyei. WFP is supporting refugees being relocated to Kalobeyei with a digital cash transfer of 1,400 Kenyan Shillings per person per month plus an in-kind Corn Soy Blend (CSB) ration.

In the weeks leading up to the refugees' relocation to Kalobeyei, WFP erected rubb halls to provide traders with a temporary marketplace to set up their shops. WFP is also carrying out "biometrics" at this site, to verify people's identification each month before they receive Bamba Chakula. Before they relocated to Kalobeyei, WFP briefed new arrivals at Kakuma's reception centre on their entitlements and how to redeem food items using Bamba Chakula.

WFP's decision to deliver the majority of the food assistance in cash through Bamba Chakula is in line with the Kalobeyei market economy approach. Furthermore, it gives beneficiaries freedom to manage their own diet while supporting the development

of markets and their long-term self-reliance. As refugees' livelihoods will build up over time generating income, WFP will progressively reduce the cash transfer value.

According to WFP's latest vulnerability study in Kakuma, 62 KSH per day covers the cost of a one-person minimum healthy food basket, including staples and fresh food. Resources permitting, WFP would like to give all refugees in Kalobeyei enough Bamba Chakula cash (1,860 Kenyan Shillings) to meet their minimum nutritional requirements on a monthly basis. However, WFP currently does not have sufficient funds to provide the full food assistance in the form of a cash transfer alone. Furthermore, the supply of quality food products available from the markets is still insufficient to cater for a healthy food basket from a cash-only assistance. Therefore, 460 Kenyan Shillings are replaced with the distribution of CSB.

WFP prioritises clear communication with the refugee community in Kalobeyei on how to spend their Bamba Chakula cash wisely, to ensure

the money lasts and can sustain a diverse and nutritious diet. WFP will closely monitor the food security of the households in Kalobeyei.

WFP transferred a total of 3.36 million Kenyan Shillings to refugees arriving in Kalobeyei throughout June. Families had the chance to buy goods from Kakuma's markets before settling at the new site. WFP has contracted five traders – two from the refugee community and three from the host community who have now set up temporary shops within the WFP rubb halls in Kalobeyei. Once the demarcation and planning for the market site in Kalobeyei has been completed, the traders will relocate to set up permanently there. WFP is reaching out to traders in Kalobeyei town and from the refugee community to recruit a total of 20 traders in Kalobeyei for the time being, until UNHCR's plans for a fully developed market site have taken shape.



March-June market matters

Kakuma

Overall, the prices of food items monitored by WFP have remained stable between March and June. With the beginning of the rainy season in April, the price of meat increased from 104 to 110 Kenyan Shillings per kilogram, due to a seasonal lower supply.

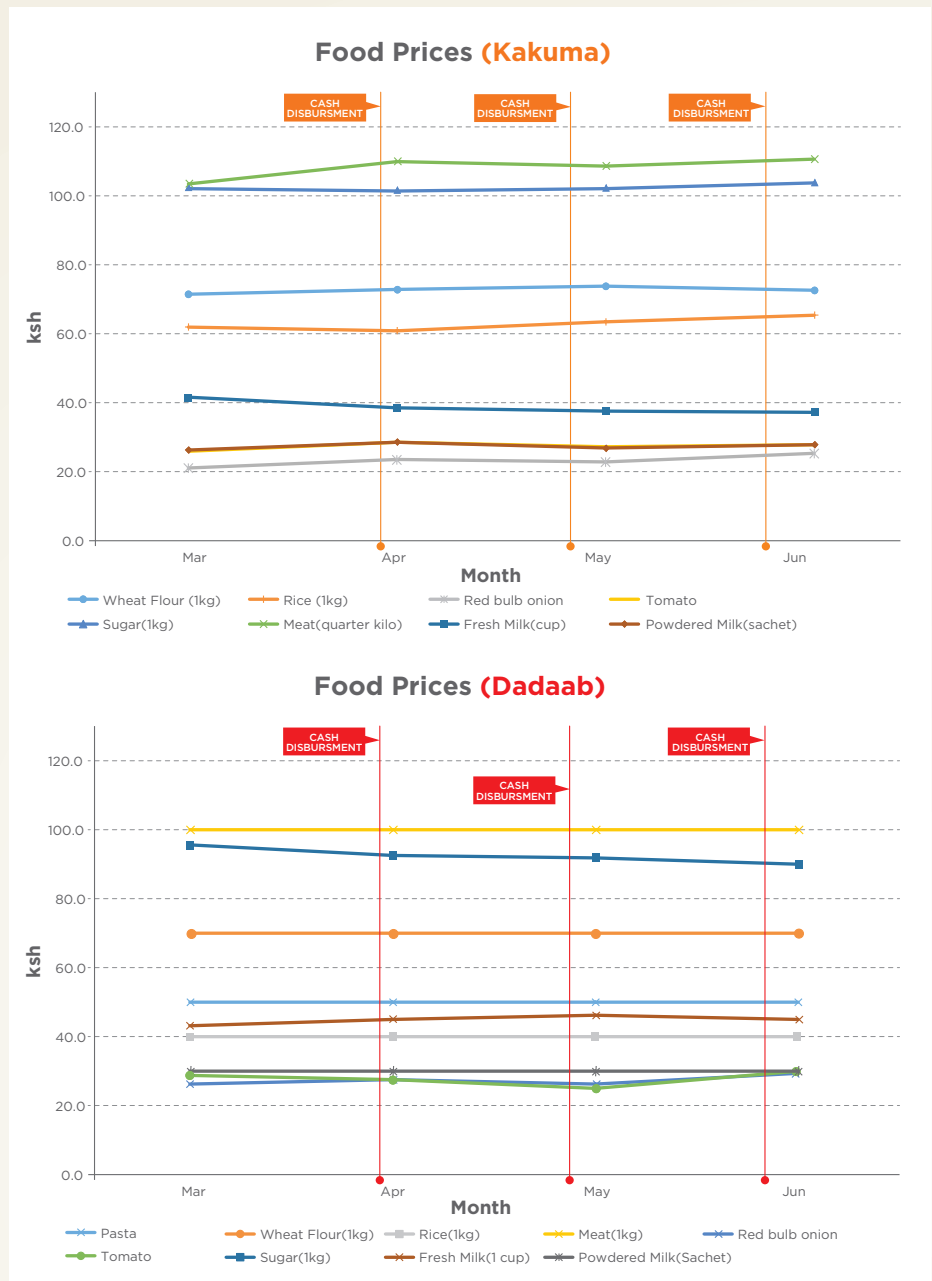
Prices are expected to decline in July when more livestock will be available on the market. Although stable, food prices in Kakuma remain higher compared to Dadaab.

You can find out more on WFP's activities to improve retail sector's efficiency in Kakuma and consumer purchasing power on page 5.

Dadaab

Market prices also remained stable in Dadaab, apart from the price of vegetables which fluctuated but did not go beyond a 10% increase during the period.

This could be the result of a higher demand for fresh vegetables in Dadaab's camps. The price of sugar reduced by six Kenyan Shillings during the period, probably due to increased supply.



KAKUMA IN NUMBERS



179 million Kenya Shillings were transferred to **35,000 households**.

192 traders transacted an average of **790,000 KES**

94% of registered households redeemed their **Bamba Chakula** regularly

2,240 households have not redeemed at all.

What is WFP doing about households who have never redeemed?

- We have developed a tool for helpdesk assistants to better track and support cases who may be facing technical problems and are unable to redeem.
- WFP has set up help desks at each camp which the refugees can easily access for assistance with SIM cards, PIN number resets and any other technical issue
- WFP is working closely with UNHCR in addressing identified issues e.g. UNHCR is going to share with WFP data of households that are no longer living the camps so that WFP can clean the data in the cash transfer systems.
- WFP has launched a rigorous campaign to identify and resolve any pending technical issue that may be preventing beneficiaries from redeeming
- WFP will launch an awareness campaign in September to encourage Households to redeem their Bamba Chakula cash.

WFP launches new plan to improve economic resilience in Kalobeyei and Kakuma



WFP Kenya's Retail Engagement Strategy aims to...

- **Work with the retail sector to drive efficiency**, while balancing immediate profit and long-term functioning markets.
- **Gain best value** for customers, refugees and host community alike, in terms of food prices, quality, diversification and service.
- **Gather insight of customer demand and purchase behaviour** to increase the marginal utility of cash transfers and household's budget allocation.
- **Support retailers to setup electronic inventories** to enhance the overall management of their supply chain.
- Work with County Government to **enhance retail market's standards**.

Since the introduction of Bamba Chakula in Kakuma last year, WFP has contracted around 250 traders. While markets have responded fairly well to the additional demand, beneficiaries' purchasing power remains undermined by high prices in Kakuma.

WFP has developed a Retail Engagement Strategy (KRES), aiming to address some structural bottlenecks in the food supply-chain thus to increase its efficiency as well as consumers' marginal utility. WFP will initially work with traders and retailers present in or supplying products to the Kakuma and Kalobeyei markets.

At the heart of the Retail Engagement Strategy is WFP's objective to support retailers and the county government to establish sustainable and structured local retail market places.

With the support from retail market experts, WFP conducted a series

of consultations and group discussions with key players along the food value-chain in Turkana e.g. retailers, wholesalers, distributors, manufacturers, transporters and beneficiaries. Working backwards from the customer to the source of the food products, the assessment provides a better understanding of the role of the different actors, cost elements and related challenges.

Among the findings specifically on the retail supply chain in Kakuma we found:

1. A genuine interest by the traders to meet the needs of their customers.
2. Large inefficiencies in the Fresh produce and fish supply chains, but also the potential for improvement by aggregating the retailers' demand and linking it directly with the source of supply.
3. Meat supply chain well established, with broad competition across meat types.
4. Important entrepreneurial capacity disparities between traders in the host and refugee communities in Kalobeyei.
5. Traders require training and capacity development on supply chain and retail management to trade competitively.

WFP is continuing to refine its Kenya's Retail Engagement Strategy. We'll update you as soon as its activities are implemented and conclusions on its impact on the markets and communities in Kakuma and Kalobeyei are made.



Communication is the key



In May WFP and FilmAid carried out a joint evaluation of its first year of the Bamba Chakula communications campaign in Kakuma and Dadaab.

To gather evidence on how successful our communication channels and messaging with beneficiaries had been, WFP and FilmAid conducted a series of focus group discussions with refugees from different communities, age and gender groups; plus key informant interviews with refugee leaders, traders and wholesalers.

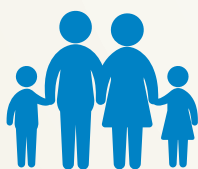
In addition, FilmAid carried out Creative Feedback Sessions throughout the year to collect suggestions for our communications from food advisory committee members, minority groups, camp leaders, youth and persons with disabilities. Feedback on the timings of the film screenings, accessibility of helpdesks and ideas on mass awareness campaigns have all informed the coming year of Bamba Chakula communications activities.

A year of communications in numbers



72%

of the population in Dadaab and Kakuma have accessed information on **Bamba Chakula**



108,000

refugees reached in **Kakuma**



62,000

refugees reached in **Dadaab**



36 radio shows

addressing beneficiaries' queries were aired in Dadaab and **34** in Kakuma.



1,500 radio adverts broadcast.



5 films

were produced and screened a total of **470 times** in daytime/ evening screenings and workshops in both camps.

103 mass awareness campaigns

in Kakuma, reaching a cumulative total of **229,000** refugees

Some lessons learnt

1. Mass awareness and SMS are the most popular communication channels. WFP is planning to set up a bulk SMS platform, which will send text messages to beneficiaries' phones up to four times in a month. This can be used to communicate disbursement dates, news on the transfer values and other key messages.
2. The radio talk-back shows were popular, especially in Dadaab. However, beneficiaries told us that the timing of the show in the morning was inconvenient as they were often out. WFP has secured slots in the evenings to air 'repeats' of live shows given that due to safety concerns, WFP staff cannot go to the radio stations in the evenings.
3. "Face to Face" interaction was the most preferred approach and this will be addressed through planned interactive sessions. WFP is also increasing the mass awareness activities in Kakuma and introducing them in Dadaab and making them longer to allow for more interaction with beneficiaries.
4. WFP help line has now been set up as a "toll free" line, a communication campaign on this will commence in September after the new materials to communicate the same are finalised.
5. The information and messages are considered as 'satisfactory' or 'more than satisfactory' by the majority of refugees. However, they want to know more about WFP's reasons for providing differentiated assistance by household and how they can tackle challenges in redeeming – like a trader forcing them to redeem the entire value.

What we're doing differently this year...

- **Tailoring the campaigns** to suit the precise needs of beneficiaries in each camp. For example, we have scaled down radio outreach in Kakuma and increased mass awareness sessions. We've also focused activities in Kalobeyei to support new arrivals, for example more group meetings and film-based workshops. In Dadaab we're introducing mass awareness and increasing film-based workshops to provide more direct support and feedback.
- **Stepping up communication of 'beneficiary rights.'** To enhance beneficiaries' ownership of their Bamba Chakula and to help mitigate trader malpractices, WFP is focusing on radio talkback shows, radio spots, mass awareness and printed information on the theme of beneficiary rights. At the same time, we're strengthening our communications with traders on their rights and obligations through briefings in trader committee meetings and via SMS.
- **We're recruiting Bamba Chakula Champions** in response to refugees' demands for more community-led activities and to ensure minority groups are better represented and communicated with.

These 'champions' will be identified as having a clear understanding of Bamba Chakula, how to redeem and its benefits. They will be passionate about sharing their knowledge and experience with others in their community.

- To increase the refugees' knowledge, change their attitudes and nutritional practices, WFP is bringing in more **messaging on good nutrition practices**, carefully tailored to the needs of refugees in each camp.



Our beneficiaries say...

"I didn't know how the SIM card worked but after the film I have learnt more about how to use it and that the PIN is secret."

Abdinasir Abdillahi,
Dagahaley camp,
Dadaab



"Not many people in Kakuma 2 or 3 have radios. And the quality of network is poor. I've never heard anything about Bamba Chakula on the radio."

Mary Nyalat Tut, Kakuma 2.



"When I hear FilmAid over the loud-speaker, I go there to find out more about Bamba Chakula. It's good that the messages are translated to many languages so everyone can understand."

Jeannot Mujimikive, Kakuma 2.

"They sometimes play the videos during General Food Distribution, so we don't hear it. It's too noisy and we're busy getting our food."

Ibrahim, Ifo 2,
Dadaab.

Milestones:

WHAT WE'VE DONE IN 2016...

JANUARY 2016

- WFP carried out a retail supply chain assessment in Kakuma.
- First transfers in Dadaab.
- Launch a tender for data collection and analysis for the impact study.

FEBRUARY 2016

- WFP increased transfer values in Dadaab and Kakuma.

MARCH 2016

- Launched a tender for data collection and analysis for the impact study

APRIL 2016

- Transfer value increased in Dadaab and Kakuma

MAY 2016

- Kalobeyei site opened and WFP facilities installed
- Mystery shopping exercises carried out in Dadaab

JUNE 2016

- First Bamba Chakula disbursements in Kalobeyei released

WHAT WE HAVE AHEAD OF US

JULY 2016

- FilmAid activities commence for second year of communications campaign

AUGUST 2016

- Gender and Protection Assessment in Kalobeyei

SEPTEMBER 2016

- Review and finalization of the draft Standard Operating Procedures
- Bamba Chakula anniversary event

MARCH-JUNE IN NUMBERS

471.5
Million KES
was transferred to
113,000
households

1,012
traders
contracted and
984
traders
transacted



Interview with Henock Ochalla

Project Manager for Kalobeyei at UNHCR.

Taking a break from his busy schedule of coordinating the plans for Kalobeyei, Hencoock found time to tell us what's in store for residents at the new site.

What are the plans behind Kalobeyei?

When the land was handed over to us last year in June 2015, we were reminded by both the County Government of Turkana and the National Government not to create another 'Lokichogio.' Lokichogio dominated the local economy in the 80s but then became a ghost town after the operation 'lifeline Sudan' moved to South Sudan.

We reached out to our partners to brainstorm how we could do things differently in Kalobeyei including development actors, private sector, and humanitarian partners. We came up with these four thematic areas: 1. Develop integrated services to cater for the local and refugee community, 2. infrastructure development to follow the County Government's urban 'town planning' structure rather than a typical 'refugee camp', 3. Build livelihood and self-reliance opportunities for both refugee and host communities, 4. Engage the private sector to bring more human capital into the area.

How long will the development of the Kalobeyei take?

The idea is to divide the development of Kalobeyei into phases so that we get it right. Phase one (2016-2020) is setting up the humanitarian assistance and laying the foundations for the long term development plan. In Phase two (2021-2025) the idea is to invest heavily in social infrastructure and move both the host and refugee communities into self-reliance, at this stage we might consider providing reduced/subsidised humanitarian services. By phase three (2026-2030) people will be fully self-reliant and then we will plan exit strategy of humanitarian support.

One of the key objectives of the Kalobeyei plan is to integrate the refugee and host community, how does UNHCR plan to do this?

One of the first things we did when negotiating for the land was to talk to members of the host community, especially those who felt the presence of refugees had not benefitted them much over the last half a century. The major areas of interest are water, health, education - so we're working with the government to ensure these services fit within the county development plan. We also have the 'Host community support projects' where at the beginning of every year the community will come to us and outline their priority needs for UNHCR to support with.

What are some of the key challenges ahead?

During the last 25 years in Kakuma both refugee and host communities have been living side by side and peacefully co-existing. What we're looking at for Kalobeyei is to prioritise this relationship between the two communities. There will be challenges of course, the potential for traders coming from the host community is small compared to the refugee community and this has to change. Access to education facilities is also a challenge.

The pastoralist lifestyle of the host population involves mobility, so in the dry season these families move as far as Uganda to survive and their children go along. Their education has never been consistent. Why do they have to move? Looking for greener pastures. Looking for water. So we need to provide this and over time I hope that pattern will change.

What is your take on WFP's approach to deliver almost the entire Kalobeyei ration in cash?

WFP and UNHCR are two humanitarian agencies which are inseparable. Our relationship is therefore very strong and will continue to be as we work together to see our humanitarian assistance gradually withdrawn.

Initially we were concerned that 100% Bamba Chakula for a new population in Kalobeyei might be a risk, but we can see it is working and the refugees are extremely happy. For me, the Bamba Chakula system is a game-changer because this provides the opportunity for a family to go out there and choose what they want to eat. I think the decision of 100% cash in Kalobeyei is a wise one. We've learnt from the success of Bamba Chakula and we too are looking at switching our non-food items to cash, because cash is the best way so that people can decide for themselves on what they need to buy. And this is something we're looking forward to.

To request documents and previous editions of this update contact: Kenya.Feedback@wfp.org

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