In November, WFP more than doubled the Bamba Chakula transfer value for households in Kakuma from 13.5 million Kenyan Shillings to 31.5 million Kenyan Shillings. WFP focussed the increase mainly on small households because of reports that they feel the effects of prolonged ration cuts more acutely than the larger households. (See the September/October update for a more detailed explanation.)

Without a hitch
WFP is pleased to report that scaling up the transfer value went smoothly, with no system glitches or technical problems. Over the two months (November and December), WFP transferred 62.6 million Kenyan Shillings to 34,000 households, more than 90 percent of which was redeemed at the time of writing this update. The total amount transferred in 2015 since the start-up of the programme in August stands at 108.3 million Kenyan Shillings, just over one million US dollars.

Stable market
With such a large injection of cash into the markets, there was the possibility that prices would spike and negatively affect both refugees and host communities’ food security. However, the markets responded to the increase very well and prices for most key commodities were stable throughout the period. Immediately after the increased transfer values, prices of key commodities such as rice, wheat flour, powdered milk and beans remained stable. Some price increases were observed for meat, sugar, and fresh milk.

Meat
The price of meat increased marginally (by 8 percent) by December. Meat prices tend to increase during this season to compensate for the low supply, as farmers do not sell livestock during the rains. The prices are expected to stabilise in January and February.

Sugar
Sugar prices rose marginally (by 7 percent). This is a preferred commodity so the price increase can be attributed to the increased cash availability to the households, owing to the increase in cash transfer value.

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Milk
While the price of powdered milk fell by 11 percent, the fresh milk prices fluctuated considerably throughout November and December. This trend is considered atypical, as normally during the rainy season, supply of fresh milk is high and prices would tend to drop. However, the conditions of the roads were particularly bad in November which could have affected supply from the producing areas to the camps.
Helpdesks in action

In November, WFP introduced helpdesks at each food distribution centre to give individual hands-on assistance to beneficiaries who were having trouble using their mobile money.

The helpdesks are in operation “off cycle” i.e. during the period when there is no food distribution going on. They are designed to resolve the challenges that prevent some refugees from accessing their cash.

Helpdesk staff are fully trained to answer questions about Bamba Chakula and to provide on-site support for a number of technical issues, reducing the number of cases that need to be escalated to WFP or Safaricom in Nairobi.

Results

In October, around 9,000 households were yet to use their transfers. By the end of December, this number was almost halved to 4,600, and the number continues to go down each week.

The main issue that beneficiaries brought to the helpdesks in November was about PIN numbers. They had not received them, or they had forgotten them, or they did not know how to use them. Safaricom gave WFP a special interface to be able to reset PIN numbers directly for beneficiaries, and in the last two months of 2015, WFP staff successfully reset almost 7,500 PIN numbers.

The helpdesks work in sync with WFP’s helpline to offer beneficiaries wider access to support. The helpline operators can signpost callers with enquiries requiring in-person support to the helpdesk, for example for PIN resets. Likewise, the helpdesk staff can refer beneficiaries to the helpline to lodge complaints or to report serious issues related to wrongdoing of some sort.

Helping the helpdesks

Initially, the greatest challenge to providing good service at the helpdesks was the sheer number of people needing help in this early stage of the programme. In November, WFP helpdesk staff were overwhelmed mainly with issues about PINs, and lost or damaged SIM cards. Since the start of the programme, almost 200 SIM cards per week went missing, and thousands of PIN numbers were forgotten!

As people get used to the new system, these numbers are reducing. Still, WFP is looking into ways to offer speedier and better service at the helpdesks, for example by: booking time slots, extending working hours, setting up a ticketing system, and using the waiting time in the queues as an opportunity to communicate with beneficiaries on Bamba Chakula and other important topics.

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Helpdesk In Numbers

In November and December the helpdesks reached a total of 11,345 households with 7,485 PIN resets and 3,860 SIM card replacements.

27 WFP staff have been trained to work and manage issues across 3 helpdesks in Kakuma.

Helpline In Numbers

In November/December 1,252 calls were received on the helpline, 1,167 of these were successfully resolved, simply by providing information about what people were entitled to receive under Bamba Chakula, and when they could expect to receive it.
Following five months of cash transfers in Kakuma, WFP took a look at the cost-efficiency of Bamba Chakula by comparing it to the costs of delivering the same assistance in-kind.

Right now, the Bamba Chakula transfer substitutes for a portion of the cereals ration that WFP provides to all households each month. For example, for household size 1 in Kakuma, the Bamba Chakula transfer right now is 500 Kenyan Shillings per month, and is intended to replace 50 percent of the cereals ration. A full cereals ration is 12.8 kilograms per month, so 50 percent of this is 6.4 kilograms. These households therefore receive 6.4 kilograms of cereals in-kind, along with a cash transfer of 500 Kenyan Shillings.

The value of the cash transfer should be sufficient for a household to buy approximately the same amount of cereals in the local market as they would have received from WFP. If they can do this, and if it costs WFP less to deliver that cash transfer than it would have cost to deliver the equivalent in-kind, then the cash transfers can be said to be “cost-efficient” against in-kind food.

To do this simple cost-efficiency analysis, WFP compares the full cost of delivering the cash transfer to the full cost of delivering the in-kind commodity. The resulting ratio can be expressed as a quotient called an “alpha value”. If the alpha value is <1, then cash transfers are less expensive than in-kind (i.e. they are cost-efficient).

Comparing the costs of Bamba Chakula with the costs of WFP’s in-kind general food distribution (GFD), here’s a summary of the analysis:

1. A full cereals ration is 12.8 kilograms per person per month. A half ration is therefore 6.4 kilograms per person per month.

2. In terms of cereals, beneficiaries in Kakuma have a strong preference for wheat flour. Monthly beneficiary contact monitoring indicates that the large majority of beneficiaries are using their Bamba Chakula transfer to buy wheat flour.

3. WFP’s market monitoring indicates that wheat flour prices in Kakuma fluctuate between 70 to 80 Kenyan Shillings per kilogram. Therefore, with a transfer of 500 Kenyan Shillings, a beneficiary can buy 6 to 7 kilograms of wheat flour.

4. The cash transfer of 500 Kenyan Shillings exchanges to $4.85, and costs WFP $0.12 to deliver. Total cost to WFP is $4.97 per person per month.

5. The in-kind 6.4 kilograms of wheat flour costs WFP $3.14 to buy internationally, plus $2.48 to deliver and distribute in Kakuma. Total cost to WFP is $5.62 per person per month.

6. Dividing the total cost for the cash transfer ($4.97) by the total cost for the in-kind ($5.62) gives an alpha value of 0.89, which means that cash transfers are 11% cost-efficient when compared with delivering wheat flour in-kind.

The alpha value for Bamba Chakula is heavily influenced by food prices in the local markets. Delivery costs are already quite low for the cash transfers (about 2.6 percent of the transfer value) so are not a key cost driver. WFP is looking into ways to engage with the retailers to improve the efficiency of their supply chains to bring food prices down, and will develop a retail engagement strategy in 2016.

**Spotlight on... Bamba Chakula’s Traders**

244 contracted traders – **149** male, **95** female

- **185** with shops or stalls inside the refugee camps, **59** located in the host community markets in town

- **80%** of these traders are actively transacting through Bamba Chakula, and have averaged 150,000 Kenyan Shillings in transactions since the start of the programme

- The **45** traders who are not receiving much business are based in Kakuma town. Beneficiaries clearly prefer to visit shops/markets in the camps.

A further **232** traders have been shortlisted for training and are expected to be active by February. Boosting the numbers of traders on the ground will increase both the options beneficiaries have, and competition in the markets.
**What We’ve Done So Far…**

**MARCH 2015**
- WFP held operational planning meetings with all stakeholders.
- FilmAid carried out communications research in Kakuma and Dadaab.

**APRIL 2015**
- WFP finalized the Operational and M&E plans.
- FilmAid finalized the communication strategy.
- WFP launched the trader selection process in Kakuma, and received 660 applications.

**MAY 2015**
- Trader selection in Kakuma continued, with shortlisting and verification visits to the shops.
- WFP held M&E training to prepare for the baseline in Kakuma.

**JUNE 2015**
- WFP, UNHCR, and Safaricom integrated their systems, and linked the transfers to biometrics.
- WFP and UNHCR developed an application to track the SIM cards, and capture the phone numbers for each household in ProGres.
- WFP and FilmAid launched the communication campaign in Kakuma.

**JULY / AUGUST 2015**
July and August were ‘all hands on deck’ in Kakuma where:
- WFP, the County Government, and Safaricom trained 253 traders.
- WFP issued contracts to 177 traders.
- WFP and UNHCR issued 35,000 SIM cards to households.
- WFP collected baseline data and launched the SMS market monitoring system.
- Kimetrica completed the design of a study for measuring the impact of the programme.
- WFP trained 36 community helpers, and launched its Helpline in Kakuma.
- The first cycle of transfers were made!

**SEPTEMBER 2015**
- WFP and Safaricom cleaned up the system glitches experienced during the first round of transfers in Kakuma.

**OCTOBER 2015**
- WFP distributed 77,000 SIM cards in Dadaab.
- FilmAid raised awareness about Bamba Chakula through an event in Kakuma.
- Second round of transfers made in Kakuma.

**NOVEMBER 2015**
- Increased transfer values in Kakuma.

**DECEMBER 2015**
- Traders selected in Dadaab.

**What We Have Ahead Of Us**

**JANUARY 2016**
- Traders contracted in Dadaab.
- First transfers in Dadaab.
- Launch a tender for data collection and analysis for the impact study.

**FEBRUARY**
- 232 more traders due to be contracted in Kakuma.

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**Interview with Abayisaba Jean Claude**

Abayisaba Jean Claude runs a shop in the Lokitaung market in Kakuma 3 camp. His shop stocks flour, sugar, rice, canned fish, milk, beans and vegetables like tomato and carrots. He was contracted by WFP in August 2015 as one of 242 traders engaged to sell food to beneficiaries through the mobile cash transfers provided through the Bamba Chakula programme. Eddie Kisach, WFP’s supply chain officer in Kakuma, had a chance to ask Mr. Claude about his experience with Bamba Chakula.

**What made you decide to apply to WFP to be one of the traders for Bamba Chakula?**

WFP told us how important food is and as traders we’re responsible for selling food commodities to refugees. The refugees prefer to shop close to where they live, and to buy the food they want. If I am able to help my fellow refugees, I feel happy.

**How has your business been affected by Bamba Chakula?**

Before I got involved in Bamba Chakula, I had a capital in my business worth about 200,000 Kenyan Shillings. I decided to take a loan from a friend (who is also a refugee), to expand my shop and stock all the commodities required. The profit from Bamba Chakula is good. I have been able to repay my loan and currently my shop is worth 400,000 KES. Also before Bamba Chakula I was buying commodities from traders in Kakuma town or ordering them from Kitale. Because I am a Bamba Chakula trader, I now have a permit and I’m able to go to Kitale and buy the goods that I want myself, at a fair price. This programme has been an eye opener and has improved my business skills.

**What are some of the challenges you’ve faced with Bamba Chakula?**

When beneficiaries don’t have their own phone, we traders let them use our own phones to insert their SIM cards so that they can do the transactions. Inserting and removing many SIM cards spoils our phones; so far I have lost four phones. If WFP can come up with a device that we can use to insert the SIM card and perform the transaction it would be better for us.

The prices of food commodities change every day. If we increase the prices the beneficiaries complain. We would wish WFP to intervene and explain to the beneficiaries that the traders have no control over price fluctuations. Also, the road from Kakuma to Kitale is very bad. When we go to buy goods for our shops and the car breaks down on the way back – all the perishable goods spoil resulting in big losses.

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