

Evaluation Report for Programme Name: Impact Evaluation of the Economic Inclusion Programme (EIP) Pilot – A component of the Hunger Safety Net Programme (HSNP Phase 3) - 300143

Response to NAME of Evaluation Report

Overall summary of the evaluation:

The Kenya Social and Economic Inclusion Project (KSEIP) was conceptualised and designed by the Government of Kenya (GoK), the World Bank, and the UK's Foreign, Commonwealth, and Development Office (FCDO) to support the advancement of Kenya's social protection sector. With funding from FCDO, Oxford Policy Management (OPM) delivered a monitoring, evaluation, and knowledge (MEK) component of KSEIP, which supported the implementation of KSEIP, as well as Phase 3 of FCDO's support to the Hunger Safety Net Programme (HSNP). This evaluation presents the endline findings from an impact evaluation of a subcomponent of the KSEIP, a pilot of the Economic Inclusion Programme (EIP). The EIP aims to foster the social and economic inclusion of extremely poor households by increasing their access to skills, productive inputs and assets, finance, and economic opportunities. The evaluation employed mixed methods (quantitative and qualitative) to assess the relevance, impact, and sustainability of the EIP pilot.

In its initial pilot phase (the 'EIP Phase I pilot' or the 'EIP pilot'), the programme covered 7,500 households across five counties: Marsabit, Kisumu, Taita Taveta, Makueni, and Murang'a. The evaluation of the EIP pilot is restricted to the first three of these counties. The EIP Phase I pilot was implemented by GoK, together with a non-government organisation (NGO) implementing consortium, led by the Global Development Incubator (GDI). There were two implementing partners: BOMA and Village Enterprise.

Evaluation objectives and design:

The impact evaluation of the EIP pilot was designed to address evaluation questions relating to relevance, impact, and sustainability:

- **Relevance:** Is the design of the EIP based on a valid intervention logic and assumptions that are consistent with available evidence on how to achieve success graduation?
- **Impact:** What was the impact of the EIP pilot on household poverty, food security, wellbeing, and resilience? Were there any unintended consequences (positive or negative)?
- **Sustainability:** Are there signs that the EIP pilot is likely to have long-lasting impacts on households?

The evaluation design took a mixed-methods approach. It consisted of four randomised controlled trials (RCTs), in three of the five EIP counties. One RCT was conducted in Marsabit, one in Kisumu, and two in Taita Taveta (Mwatate and Taveta). All four RCTs consisted of two arms: a control arm and a treatment arm that received the EIP pilot. This enables the estimation of the EIP pilot's impact. The RCTs were complemented by qualitative research that provided further information on programme implementation and participant experiences and explored causal mechanisms and unexpected effects. A separate process evaluation, which is not discussed in this report, examined specific implementation issues (targeting and mentoring) in greater depth.

Three rounds of data were collected. Baseline data were collected in early 2022 for 3,605 households. An abbreviated midline took place in September 2023. Endline data collection occurred in June–July 2024. The majority of households (93%) were followed up at endline. All rounds included quantitative household surveys, along with key informant interviews (KIIs), in-depth interviews (IDIs), and focus group discussions (FGDs).

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The EIP pilot targeted the poorest in the communities in which it was implemented. At baseline, 63% of households were extremely poor and 35% experienced severe food insecurity. Participant households were primarily engaged in petty trade, crops/livestock sales, and charcoal/firewood sales. One-third of households were female-headed, 20% were headed by an individual aged 65 years or older, and 15% had at least one member with a disability.

The key conclusions from the evaluation:

- The design of the EIP pilot package was appropriate in regard to meeting participants' needs in most of the programme areas. The programme achieved significant impact, particularly in Kisumu and Taveta, and was valued by participants who were engaged in the evaluation. Complementary interventions allowed households to meet their immediate consumption needs while also enabling them to improve their socioeconomic wellbeing.
- The business development component of the programme achieved varying degrees of success. The group-based business strategy did not appear to be particularly successful, with many of the initial partnerships disbanding during the early stages of the programme. There were also many failed businesses during the early stages, with many participants having to change course. A commonly reported barrier to business success was low demand. However, at endline, approximately half of the participants reported having a new source of income.
- There was substantial regional variation in how well the programme was able to achieve impacts. In Kisumu and Taveta, the programme reduced the prevalence of extreme poverty and food insecurity, and participant households had more diverse income sources, higher income and savings, and more assets. Likely as a result, they showed more resilience to the extreme weather events that occurred in the study locations during the evaluation period and there are promising signs that impacts will be sustained, at least in the immediate future.

Recommendations from evaluations:

See table below.

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Recommendations: FCDO	Accepted or Rejected	If “Accepted”, Action plan for Implementation or if “Rejected”, Reason for Rejection
<p>Recommendation 1: There is a need to ensure realistic timelines for the EIP, allowing for potential implementation delays due to the multi-step process of targeting and enrolling, and recognising the need for asset transfers to be timed in line with the agricultural calendar. Participants reported frustration that initial business ideas could not be implemented as planned due to delays with the transfers, sometimes requiring them to wait a full agricultural cycle before they could commence activities.</p>	Accepted	<p>Action plan: Work with GoK to develop an EIP strategy with clear timelines before KSEIP2 starts in July 2025</p> <p>Progress: The UK has worked with the Government of Kenya’s (GoK) State Department for Social Protection and Senior Citizen Affairs, together with other partners to develop the National Ultra Poor Graduation Strategy for Kenya that includes all the processes, complete with risks and mitigation, for the Economic Inclusion Programme. This Strategy sets out timelines, including mitigation for delays.</p>
<p>Recommendation 2: There is a need to consider how to better support new business ventures. While the EIP pilot provided business training, it did not provide technical training. The EIP, in its next phases, should consider how to integrate with local capacity-building programmes or extension facilities to support participants starting businesses that require acquiring new skills. There is also a need to assess whether local demand will be sufficient to support new ventures, and, if so, what types of ventures, or, if not, how to connect participants with other markets. Strategies for transitioning VSLAs from mentor-led to member-led operations should be integrated into programme design. A policy of including non-EIP members should also be considered to foster broader community engagement.</p>	Accepted	<p>Action plan: Work with GoK to test approaches to integrate local capacity building into EIP programming before KSEIP2 starts in July 2025.</p> <p>Progress: The UK scaled up the pilot in 8 counties benefitting from the HSNP consumption cash transfers from the Government of Kenya. The activities in these counties introduced cooperatives at a ward level (several VSLAs coming together for scale) which provided a platform for market linkages with government and private sector services like banks, subsidised insurance, livestock exporters and off-takers, etc. VSLAs have been encouraged to allow non-programme participants to join, so long as they meet the VSLAs criteria. The team is involved with technical discussions with the GoK, the World Bank and other partners for scaling up the EIP programme to 25 out of the 45 counties in Kenya. One of the recommendations in this discussion is the transition of Mentors from incentivised teams to a permanent cadre recognised and remunerated by the government.</p>

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<p>Recommendation 3: A future evaluation of the EIP should assess costs, scalability and cost effectiveness to inform full-scale government implementation. It should also examine the value add of the separate components of the EIP, using a multi-arm trial approach. Evaluations should align the timing and nature of data collection to be able to better assess agricultural activities and how local market characteristics supported or hindered participants' businesses. Comprehensive evaluation requires adequate time. An initial endline should be followed by a later round of data collection, timed to account for the gradual nature of business growth and the evolving impacts on participants' livelihoods.</p>	<p>Accepted</p>	<p>Action plan: <i>Together with World Bank, commission a costing study for the EIP programme to inform KSEIP2 design before KSEIP2 starts in July 2025.</i></p> <p>Progress: <i>The UK, together with the World Bank, carried out an EIP costing study to assess costs, scalability and cost effectiveness to inform full-scale government implementation through a 5-year WB funded GoK programme known as KSEIP2 that is scaling EIP programme to 25 out of the 45 counties in Kenya. Evaluations and studies are planned throughout the 5-year life of KSEIP2 to refine it further for GoK final 100% take-over in the future.</i></p>
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