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# The Kenyan Older Persons Cash Transfer Programme: Understanding the impact and experiences



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# BACKGROUND AND CONTEXT

The **Older Persons Cash Transfer Programme (OPCTP)**, part of the Kenya National Safety Net Programme, is a central element of Kenya's response to a growing population of older people, many of whom are entering later life without a secure source of income. The aim of the targeted OPCTP has been to guarantee a basic income for the most vulnerable and poorest Kenyans aged 65 years or older. Our research, using nationally representative household survey data and a detailed case study of two informal settlements in Nairobi, examines the impact of the OPCTP on a number of dimensions of poverty and well-being among older beneficiaries and their families, including intergenerational solidarity within their kin networks and broader relations within their communities.



Nearly 90% of potentially eligible poor households with at least one older person aged 65 and over did not receive OPCTP benefits.



36% of all beneficiary households were classified as 'non-poor' based on money-metric measures prior to receiving the OPCTP.

# FINDINGS

## 1. The coverage and targeting mechanism

The coverage of the OPCTP is very low. At the national level, nearly 90% of potentially eligible poor households with at least one older person aged 65 and over did not receive OPCTP benefits – indicating a very high undercoverage rate. Overall, the process of selecting beneficiaries for the OPCTP (a combination of community based targeting and proxy means-testing) does a reasonable job of identifying beneficiaries. However, 36% of all beneficiary households were classified as 'non-poor' based on money-metric measures prior to receiving the OPCTP – pointing to considerable leakage of funds in targeting. On-the-ground experiences of communities in Korogocho and Viwandani resonated concerns about the targeting approach, highlighting the inclusion of some non-deserving individuals with low levels of need and, more crucially, the exclusion of highly vulnerable older adults.

## 2. OPCTP has positive impacts across age-groups

Receipt of the OPCTP improved beneficiaries' perceptions around having enough money to meet basic needs and enhanced the subjective wellbeing of both primary beneficiaries and key family members. The OPCTP is viewed, without exception, as a good and laudable initiative for which the government is commended.

Beneficiaries utilise OPCTP funds, above all, to support (i) consumption to meet basic, everyday needs, (ii) investments in savings or income generating assets or ventures and, (iii) support of adult children and grandchildren. Even those living in poverty in the Nairobi slums (Korogocho and Viwandani), provided direct material support to their kin networks.

## 3. OPCTP reduces national headcount poverty

Old age pensions are a vehicle for poverty reduction. The analysis revealed that withdrawing the OPCTP would increase the poverty headcount among households containing an older person by 14%. The OPCTP beneficiaries are better off in terms of food security and basic needs after receipt. However, the value of the Kenyan OPCTP is not sufficient to actually 'lift people' out of poverty and issues of adequacy remain. Nationally, 80% of beneficiary households still reported that they worried that the household would not have enough food.

## 4. Inadequate information, transparency and accountability

Respondents unequivocally indicated a basic lack of understanding concerning levels of entitlement and, the operation of the scheme, including targeting criteria, as well as lack of knowledge of where to seek help or information about the scheme. There was also lack of clarity on what the National Hospital Insurance Fund coverage for OPCTP beneficiaries entails and how will operate.

# RECOMMENDATIONS

## Recommendation 1:

**Identify additional mechanisms for reaching the 'hidden' vulnerable older persons**, such as disabled elders, those who are incapacitated, isolated and those without identification cards. Even under the new 70 plus universal pension programme those 'additional' mechanisms' are needed to ensure the hidden older persons are identified and reached.

## Recommendation 2:

**Keep investing in old age social protection for people aged 65 plus.** The new Kenyan aged 70 plus universal pension programme will substantially reduce exclusion error, reaching all vulnerable adults over 70, but does so at the expense of poor older adults aged 65–69. A better approach is to reform the OPCTP, increasing the coverage and adequacy of the benefit, whilst also improving its targeting.

## Recommendation 3:

**Increase the funding of cash transfers, ensuring that funds are large enough to make a significant difference to beneficiary households.** The current monthly stipend of KES 2,000 is too low to cover all beneficiaries' basic needs. The social benefits of old age social protection programmes extend well beyond the primary recipient, as a result of older beneficiaries sharing their pension directly and indirectly.

## Recommendation 4:

**Invest in enhanced information, education and communication (IEC)** to improve the transparency and accountability of the scheme and empower beneficiaries' as rights holders. Communications need to differentiate between stakeholders, with separate information required for recipients and the wider community.

**Invest in the promotion of the joint OPCTP and NHIF benefit**, so that OPCTP beneficiaries are aware of their NHIF benefits; supporting the uptake of health care services amongst vulnerable older people and reducing the impoverishing effect of ill health.



Withdrawing the OPCTP would increase the poverty headcount among households containing an older person by 14%.



80% of beneficiary households still reported that they worried that the household would not have enough food.

# ABOUT THE STUDY

The findings emerged from the research project entitled 'Impacts of social pensions on multiple dimensions of poverty, subjective wellbeing and solidarity across generations'. The project is a joint initiative between the African Population and Health Research Centre (APHRC), Kenya, and the Centre for Research on Ageing (CRA), University of Southampton, UK. The study employed a mixed method design including in-depth interviews with beneficiaries, their adult children and key informants, and the analysis of national level<sup>1</sup> and local level survey data<sup>2</sup>. The research was conducted mainly in two informal settlements, Korogocho and Viwandani, located in Nairobi.

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<sup>1</sup> 2015/16 Kenya Integrated Household Budget Survey

<sup>2</sup> APHRC's Nairobi Urban Health and Demographic Surveillance System (NUHDSS) and nested surveys



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