

Joint Cash Feasibility Assessment

Monguno, Monguno LGA, Borno State, February 2018



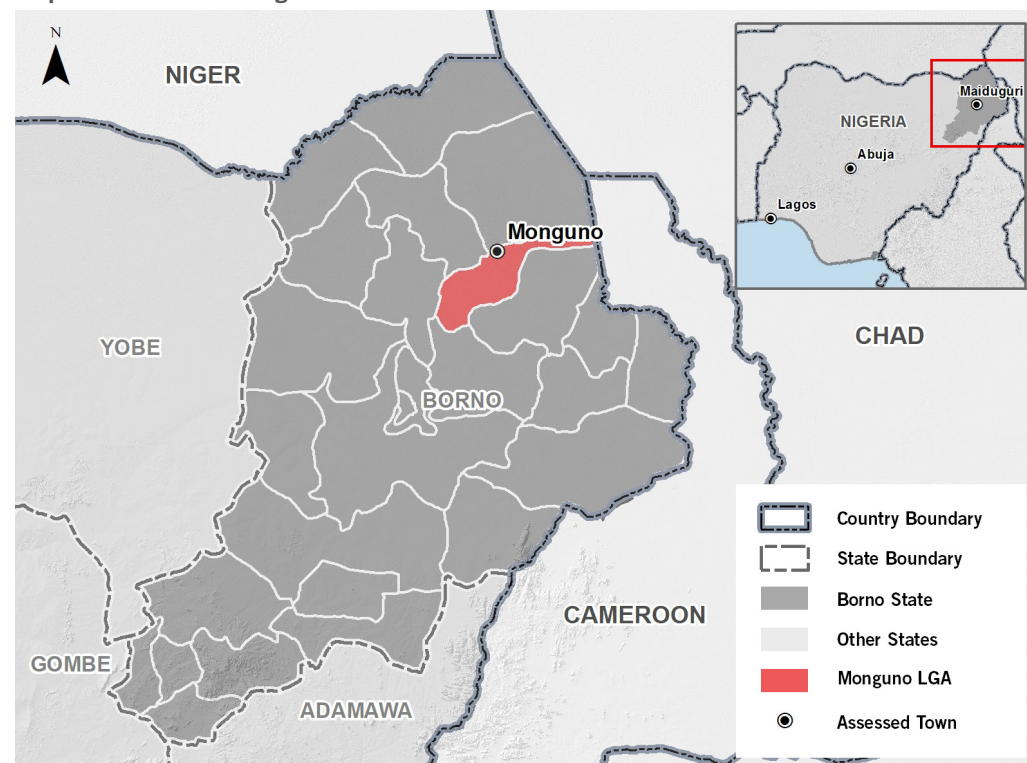
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INTRODUCTION

This situation overview presents findings from the Joint Cash Feasibility Assessment, aimed at identifying the most appropriate assistance modality in towns across Northeast Nigeria for food, hygiene non-food items (NFIs), household NFIs, firewood or fuel, and shelter repair materials.¹ The assessment was coordinated by the Cash Working Group (CWG) with support from REACH, and data was collected by 13 CWG member organisations from 1-16 February. In Monguno, data was collected by REACH and Christian Aid.

For Monguno, 212 household interviews were conducted (106 with IDPs and 106 with non-IDP populations), along with 12 Bulama (traditional community leader) interviews and 4 consumer focus group discussions (FGDs). In addition, 50 interviews and 3 FGDs were conducted with vendors selling the assessed items in Monguno, and 3 semi-structured interviews were conducted with heads of traders (an informally-designated spokesperson for market vendors).

Map 1: Location of Monguno in Borno State



Findings from household interviews have a confidence level of 95% and a margin of error of 8% when aggregated to the level of the overall town population. When aggregating the data, surveys from each population group (IDPs and non-IDPs) were weighted based on estimated population size and number of surveys per group, in order to ensure responses were not skewed towards any particular group. Household data focused on household assistance modality preferences and access to items, cash, and markets.

Vendor interviews focused on vendor capacity to respond to an increase in demand for assessed items, sources of supply, and barriers to conducting business. Findings based on data from individual vendor interviews and FGDs with both households and vendors are indicative rather than generalisable.

Key findings and recommendations for Monguno are provided below. These recommendations were developed by CWG members during a joint analysis workshop. In addition, more general findings and recommendations applying to all assessed areas can be found in the [overview document](#) for this assessment.

KEY FINDINGS

- The majority of households reported a preference for in-kind over cash-based aid, although large proportions reported having no preference between the two. The main reasons for these preferences were concerns about the quantity and quality of items available at markets. However, in FGDs, when modalities were explained to participants in more depth, many participants reported a preference for vouchers, as they did not require long waiting times at distribution sites like in-kind aid but also had a lower risk than cash of theft or misuse by household members.
- For food items and hygiene and household NFIs, the majority of households in Monguno reported accessing items through humanitarian assistance. However, most households reported either not needing or not having access to shelter repair materials in the past month, and most accessed firewood by collecting it from nearby bush areas.
- The market system in Monguno was reportedly quite developed, with at least 1,000 vendors, at least three markets, and a functioning vendors' association. Most interviewed vendors reported no challenges to conducted business or transporting goods to Monguno, while the vast majority of interviewed households reported no challenges to accessing markets.
- Most vendors stated that they mainly sourced their goods from Maiduguri. However, others mentioned that they also relied on local gatherers for firewood, suppliers in Gajiganna and Gajiram for maize, local wholesalers, and, when needed, suppliers in further away locations such as Adamawa and Taraba States.
- Interviewed vendors generally had mixed responses to the question of whether they could permanently double supply to respond to an increase in demand. Those reporting that they could do so mentioned a range of methods, including more frequent restocking, restocking greater quantities at a time, and diversification of suppliers. Those reportedly unable to permanently double supplies also cited a range of reasons, most commonly a lack of storage space.

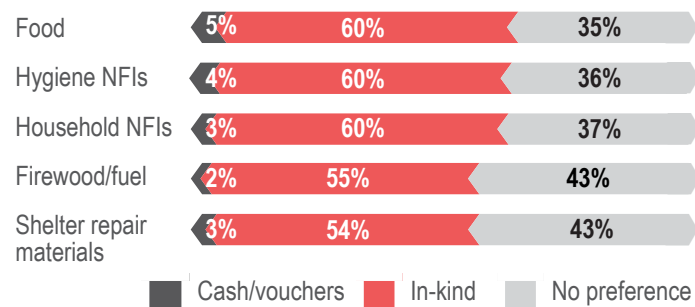
¹ Hygiene NFIs include items such as soap and laundry powder. Household NFIs include items such as bedding materials, mosquito nets, and cooking utensils. Shelter repair materials include items such as plastic sheeting, nails/screws, and wooden poles.

RECOMMENDATIONS²

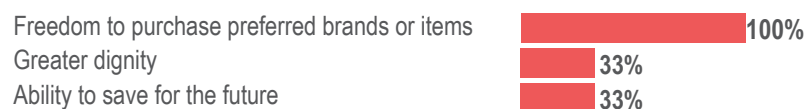
- Although most households reported a preference for in-kind over cash-based aid, other indicators suggest that cash-based assistance would be feasible in Monguno. Vendors may be able to respond to growing demand, as they do not face major movement restrictions when transporting goods by road from Maiduguri, in contrast with many other assessed locations. In addition, market systems in Monguno were reported to be large and developed compared to other area, and both households and vendors did not report facing major security risks at markets.
- Actors considering switching from in-kind to cash-based aid in Monguno should do so in a gradual and phased manner, as many households are reliant on in-kind aid and markets may struggle to respond to a large increase in demand caused by a sudden switch towards cash.
- Given that many households reported disfavouring cash-based assistance, any implementation of cash-based modalities should be accompanied by community outreach to address beneficiary concerns and clearly explain the processes relevant to the use of the modality.
- While market systems in Monguno are quite extensive, humanitarian programming to strengthen markets would enable these systems to more effectively cater to the needs of the town's population of over 100,000. Such programming could include supporting the organisation of vendors, improving their access to credit and financial services, and improving storage infrastructure in the town. The strengthening of market systems in Monguno could also enable it in the longer term to become a market hub serving other less accessible areas in northern Borno State.

HOUSEHOLD ASSISTANCE MODALITY PREFERENCES*

Reported preference of cash/vouchers or in-kind aid:



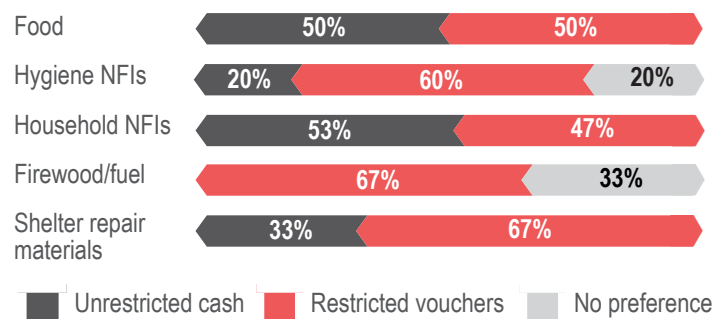
Of those preferring cash/vouchers, top reported reasons:



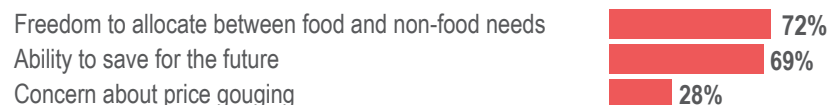
Of those preferring in-kind aid, top reported reasons:



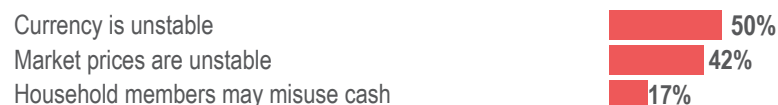
Of those preferring cash/vouchers, reported preferences between unrestricted cash and restricted vouchers:



Of those preferring unrestricted cash over restricted vouchers, top reported reasons:



Of those preferring restricted vouchers over unrestricted cash, top reported reasons:



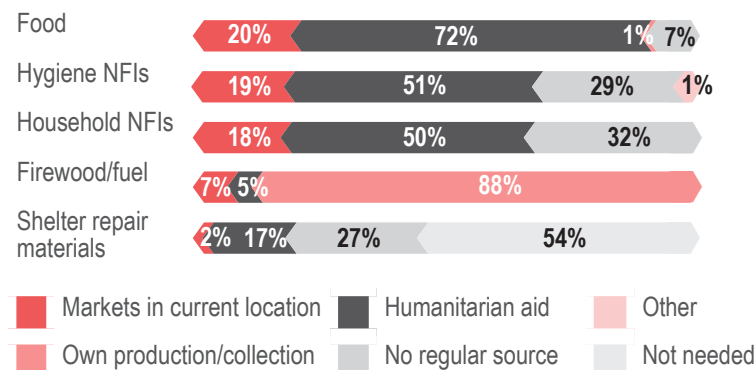
In individual interviews, households expressed an overwhelming preference for in-kind over cash-based aid, although large proportions of households reported that they had no preference between the two. However, in FGDs, a large majority of participants stated that their preferred modality was restricted vouchers, suggesting that, in a setting like an FGD where modalities were explained to them in more depth, households may be more open to cash-based modalities such as vouchers. Participants reported that they preferred vouchers to in-kind aid due to the lack of variety and long queuing times they associated with in-kind aid, and that they preferred vouchers to unrestricted cash because of the risk of theft of cash and concerns that household members may use cash for personal interests rather than household needs. Some also reported that they had heard reports from other people that vouchers were easy to use.

² Recommendations were developed jointly by CWG member organisations at a Joint Analysis Workshop. In addition to the location-specific recommendations listed below, more general recommendations for assessed areas can be found in the overview document for this assessment.

*All data shown in the graphs in this section comes from household interviews.

HOUSEHOLD ACCESS TO ITEMS*

Primary method of accessing items in the past month:



Most needed food items:



Most needed hygiene NFIs:



Most needed household NFIs:

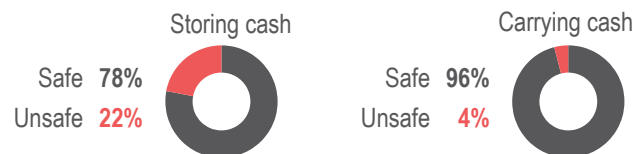


Most needed shelter repair materials:

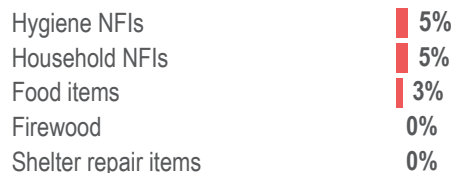


HOUSEHOLD ACCESS TO CASH AND CREDIT*

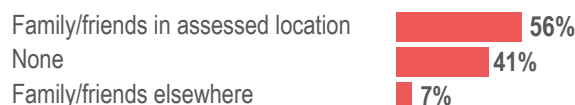
Reported perception of safety of storing or carrying cash:



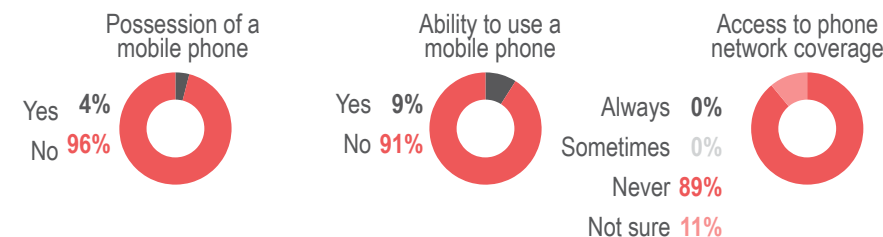
Percentage of households able to buy items on credit:



Reported household sources of credit other than vendors:



Mobile phones:



Very few households reported being able to access credit from vendors, although this might be reflective of the fact that few interviewed households reported using market as their main source of items. However, more than stated that they were able to borrow cash from friends and relatives in Monguno. FGD participants also mentioned that they would collect and sell firewood or water when they needed cash. Households generally reported that it was safe to store and carry cash, although some stated that it was unsafe to store cash due to the risk of theft.

The penetration of mobile phones was reportedly quite low, with most households stating that they did not own a phone, know how to use one, or have access to mobile network coverage.

HOUSEHOLD ACCESS TO MARKETS*

Reported security risks at markets:

None 100%

Reported non-security barriers to accessing items at markets:

None 85%
Market too far 15%

As with the households interviewees, FGD participants reported no major security or non-security barriers to market access.

Items most commonly reported by households as unavailable:

None 86%
Beans 13%
Maize 9%
Rice 8%
Onions 5%

Items that households most commonly report being able to afford:

Onions 58%
Bathing soap 38%
Laundry soap 31%
Maize 26%
Rice 23%

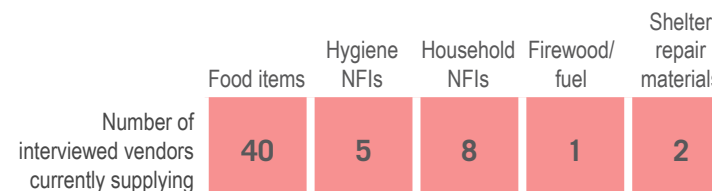
Most households did not report facing availability issues in the past month. However, given that many also reported that they had preferred in-kind over cash-based aid because they felt that markets had insufficient quantities of items, it is possible that they were accessing many items through in-kind aid rather than markets.

While the majority of households reported being unable to usually afford staple foods such as maize and rice, FGD participants said that food items were usually more affordable than household NFIs and shelter repair materials. Participants also stated that prices fluctuated, often reducing when aid was distributed but increasing during the rainy season when fuel was more expensive and transportation costs were therefore higher.

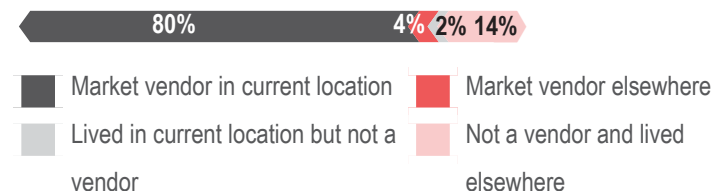
VENDORS AND MARKETS: OVERVIEW**

Heads of traders reported that Monguno had quite a developed market system, with multiple markets, at least 2,000 vendors (including small-scale traders) registered with the traders' association, and an estimated 100 wholesalers. The largest market in Monguno was the Saturday market, which had operated only on Saturdays before the conflict, but was now open every day. The vast majority of vendors in the town were estimated to operate in this market. Smaller markets included Kasuwar Kifi (which mostly sold fish) and the Monguno Garage Market (which mostly sold grains).

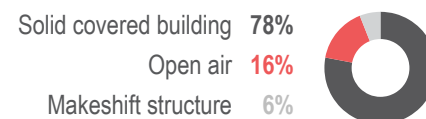
The majority of interviewed vendors did not report facing security or non-security barriers to conducting business, although 40% faced contamination of items by pests in their shop. Vendor FGD participants corroborated the view that vendors generally did not face security challenges.



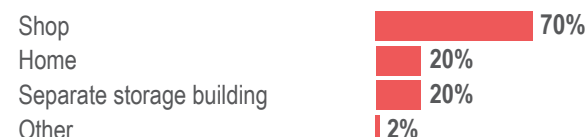
Pre-conflict location and occupation of current vendors:



Observed type of shop or stall in the markets:

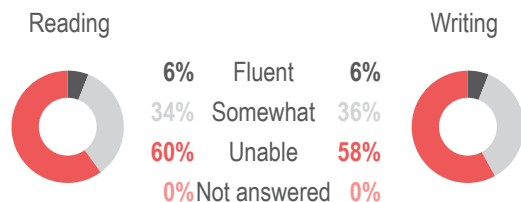


With 4 m² of storage area on average, the reported main location of storage space:



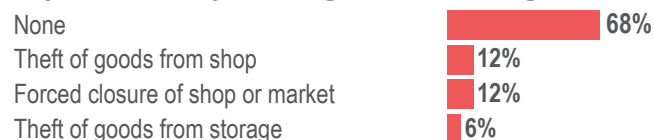
**All data shown in the graphs in this section comes from individual vendor interviews.

Reported vendor literacy rates:

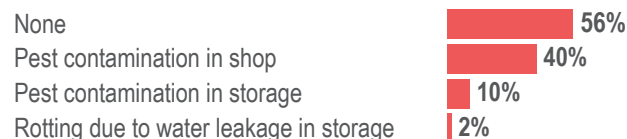


CHALLENGES TO OPERATING IN THE MARKET**

Reported security challenges to conducting business:

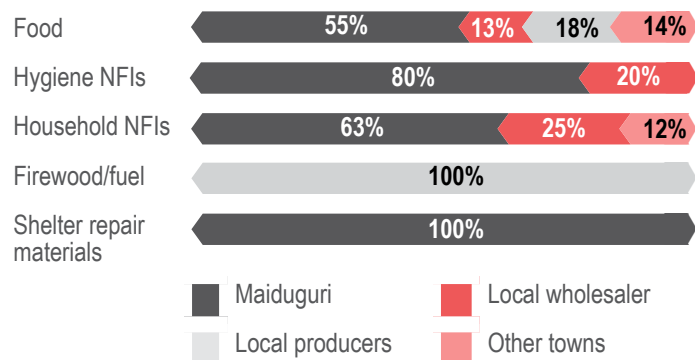


Reported non-security challenges to conducting business:



SUPPLY AND TRANSPORTATION OF GOODS TO VENDORS**

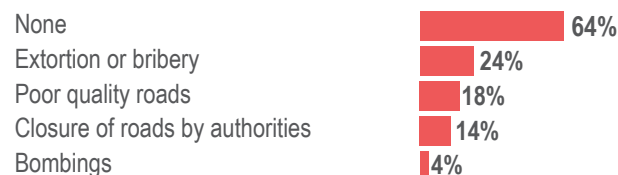
Main supply sources for vendors:



Methods of transportation of goods from suppliers to vendors:



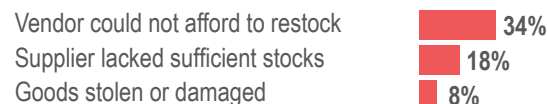
Challenges in the transportation of goods from suppliers to vendors:



Of vendors selling each assessed item category, most commonly reported shortages in the past month:



For vendors reporting shortages, most common reasons:



Reported restocking frequency:



The majority of vendors reported sourcing their items from Maiduguri, although firewood was generally reported to be sourced from people gathering it from nearby bush areas. Some FGD participants also stated that, while their main source of supply for goods was Maiduguri, they also restocked from other places, such as Gajiganna and Gajiram for maize and other agricultural items, and further away locations like Adamawa and Taraba States when needed. Many of the retailers in Monguno also reportedly restocked from local wholesalers. Some vendors reportedly chose their suppliers based on price and willingness to provide credit, while others relied on past relationships such as linkages with Maiduguri-based suppliers who had previously lived in Monguno.

Vendor FGD participants reported that vendors used a wide range of vehicles when making trips to Maiduguri and other towns to restock, including trucks, lorries, pickup trucks, and cars. These vehicles could be hired either in Monguno or in Maiduguri. Along with vehicles for hire, professional transporters were also reported to be available, and, for further away supply locations, suppliers were sometimes willing to organise the transportation of goods up to Monguno. Participants stated that vendors usually went twice a month to restock. In contrast with many other towns in Borno State, vendors were reportedly allowed to travel to and from Maiduguri freely, without the requirement of travelling only in military-escorted convoys.

VENDOR ACCESS TO CREDIT AND INFORMAL MARKET SYSTEMS**

Of the vendors selling each type of item, percentage of able to buy each on credit from suppliers:



Percentage of vendors reporting that they sell on credit to customers:

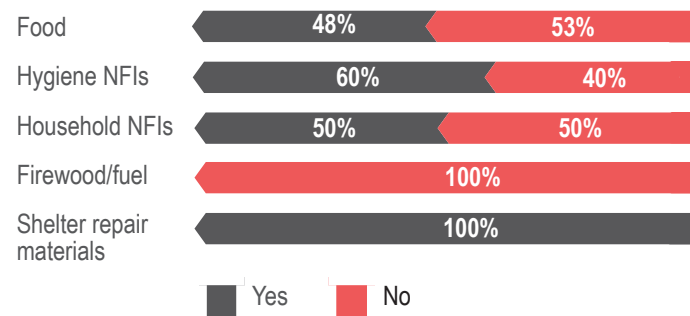


The majority of vendors reported being able to buy goods on credit from their suppliers, a fact confirmed through vendor FGDs. FGD participants reported that the ability to buy goods on credit was crucial for some vendors to be able to conduct business, and that suppliers were more likely to extend credit lines after they had developed relationships of trust with vendors. Vendor FGD participants that sold to trusted customers on credit did not mention facing challenges in recovering the money from them later.

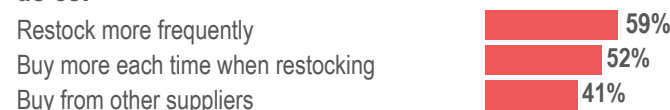
Vendors' associations were reported to be operating in Monguno, providing services such as legal advice, resolution of vendor disputes with customers, suppliers and each other, and advocacy for vendors in interactions with local authorities and other actors. Vendor FGD participants reported that vendors would occasionally barter with other vendors when running low on supplies of a particular good that a customer wanted to buy.

VENDOR ABILITY TO INCREASE SUPPLY OF ASSESSED ITEMS**

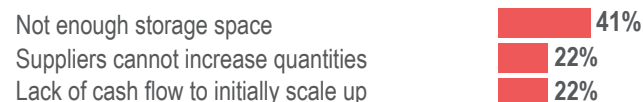
Percentage of vendors reportedly able to permanently double supply of items:



For vendors able to permanently double supply, reported ways in which they would do so:



For vendors unable to permanently double supply, reported barriers to doing so:



Interviewed vendors generally had mixed responses to the question of whether they could permanently double supply to respond to an increase in demand. Those reporting that they could do so mentioned a range of methods, including more frequent restocking, restocking greater quantities at a time, and diversification of suppliers. Those reportedly unable to permanently double supplies also cited a range of reasons, most commonly a lack of storage space.

In vendor FGDs, participants estimated that they would not face major challenges in restocking, with some saying that, as long as demand increased, vendors in Monguno could expand supply to meet it. However, some others mentioned that vendors without credit lines from suppliers may struggle to expand due to a lack of capital for the initial scale-up. Participants also stated that they believed new people could become vendors in Monguno market if they could access the start-up capital to do so. Some others speculated that vendors displaced from other nearby towns in the future might want to start selling goods in Monguno.

Overall, indicators from vendor interviews and FGDs suggest that many vendors would be able to increase supply in response to a growth in demand for items from the market. Unlike many other assessed locations in Borno State, goods could be transported from Maiduguri to Monguno by road without the need for a military escort. In addition, the large size of the market, the availability of supplier credit, and the presence of informal market systems such as traders’ associations and inter-vendor bartering suggest that the market has some capacity to expand.