



Fangak Rapid Market Assessment

Fangak County, Jonglei State, South Sudan, January 2020

Introduction

As cash is increasingly considered as a delivery modality in the South Sudan response, there is a growing need for humanitarian organizations and decision makers to understand market dynamics. Little is known about market structures in the Sudd – an area where communities have traditionally been vulnerable due to limited livelihood options and humanitarian access.

To fill this information gap, REACH carried out a rapid market assessment in Fangak County, which consisted of five focus group discussions (FGDs) with trade unions, five FGDs with households, additional semi-structured key informant interviews with traders, local authorities and humanitarian partners, as well as direct observation. Directly assessed marketplaces include New Fangak, Tonga (Panyikang County), Jaibor, Old Fangak and Toch. These locations were chosen because of their importance to the overall market system in the region, and to adequately represent various sub-systems that exist within the region. Primary data collection took place from 15 to 22 January

Key Findings

- **Marketplaces in Fangak County are supplied by boat from Juba and Sudan.** Due to nearby frontlines, Fangak markets are cut off from supply markets in Renk and Malakal. Typically, staple cereals (sorghum and maize) available in Fangak County are supplied by local producers.
- The biggest challenges that traders face are **insecurity and heavy taxation** along the supply routes. The Sudan route fully relies on informal border crossings, while supplies from Juba have been unstable due to insecurity and delays at the many checkpoints along the Nile.
- The diversity of available items is relatively low across Fangak County. Typically, **only the most basic items are available**, even in the main markets of Old and New Fangak. In rural satellite markets, availability of items is further reduced. Staple cereals were unavailable at the time of data collection across Fangak County due to the recent floods, which destroyed the local harvest.
- **Retail prices across Fangak County are at least double those in Juba markets**, which is mostly due to transportation and taxation costs. The high prices create a substantial financial barrier to market access for the local population, which already largely lacks access to cash-generating livelihood activities.
- Floods in September and October 2019 not only destroyed the local population's harvest, but also temporarily restricted market access and access to livelihood activities. Even though the floods subsided by December, the local population's market dependence and reliance on humanitarian aid have increased due to the disruption.

Context and Background

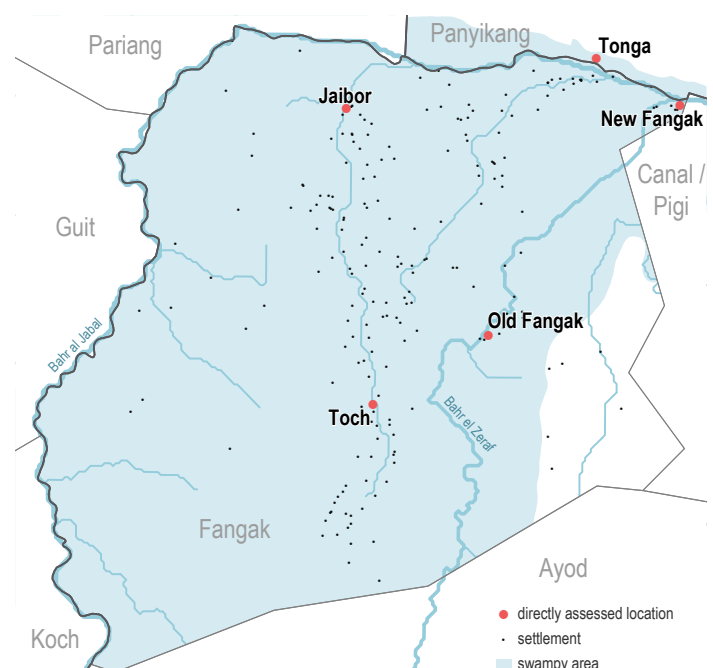
Fangak County is located in the far north-west of Jonglei State. It encompasses the northern end of the Nile's vast swamp lands, the Sudd. The county is framed by two Nile streams – Bahr al Jabal to the west, which marks the border between Jonglei and Unity States, and Bahr el Zeraf to the east. The highlands are located in between the two streams, mostly in the northern half of the county. These areas are dry throughout the year, while most of the swampy areas are typically flooded, and may only dry up briefly towards the end of dry season. As a result, most of the population is concentrated in the highlands, which serve as the heartland of Fangak County.

Due to the natural barriers, there are no roads in Fangak County. Bahr el Zeraf river and several side canals serve as the main transportation routes along which the community moves on boats and canoes. Access to many communities away from the main canal is severely limited (depending on the season) and requires several days of walking.

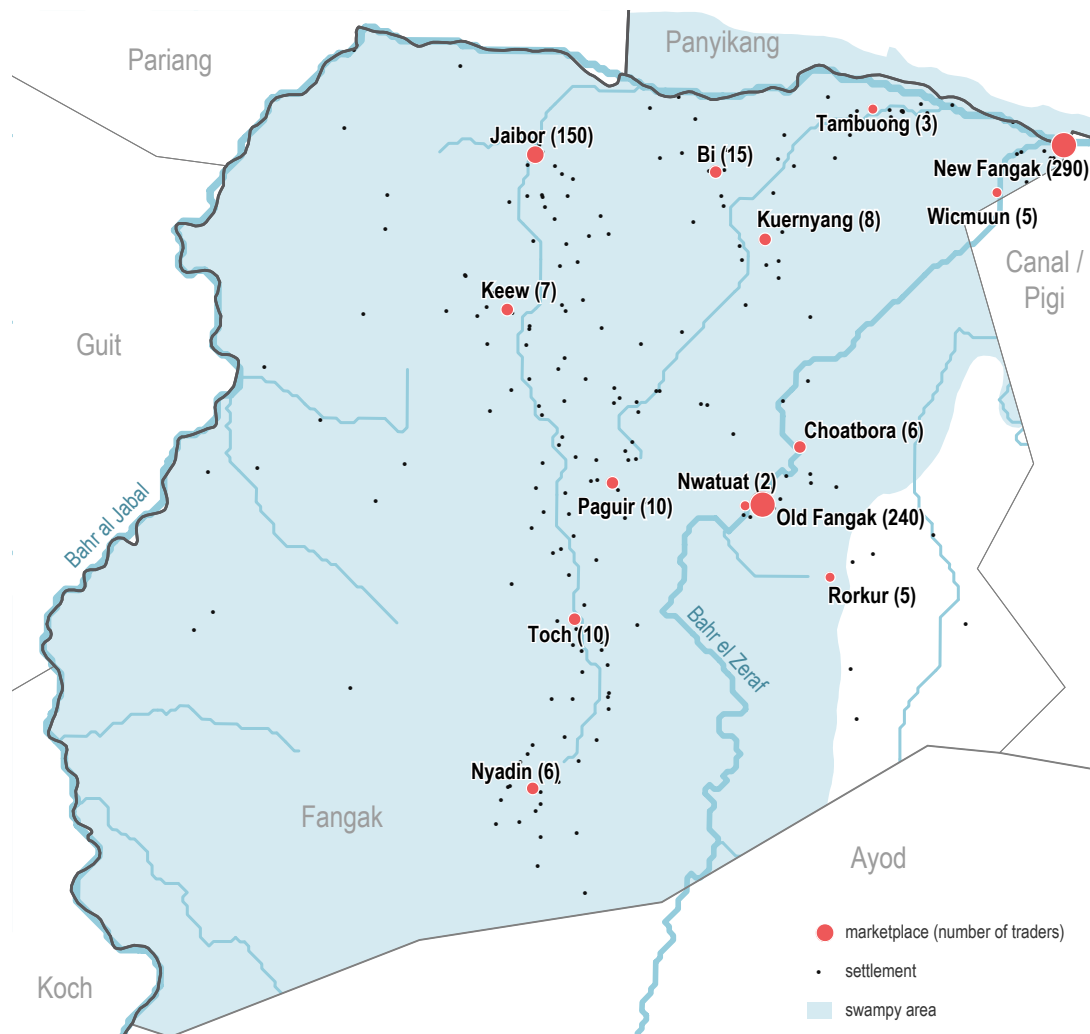
The communities in Fangak County traditionally rely on farming (sorghum and maize), as well as cattle keeping and fishing. The compounding effects of harvest loss across several years have left large parts of the population vulnerable to shocks and dependent on humanitarian food aid.

Due to intercommunal conflict, the county is reportedly cut off from most Upper Nile supply markets, such as Malakal and Renk. Despite relative proximity to the frontlines, regions deep in the swamp have not been directly affected by ongoing conflict. In fact, they have traditionally served as safe havens for communities to retreat to in times of active fighting.

Map 1: Locations Directly Assessed by REACH



Map 2: Marketplaces in Fangak County



Regional Structure

There are relatively few marketplaces in Fangak County. In total, REACH mapped 14 marketplaces in Fangak County through FGDs with trade unions. The two largest marketplaces are located in New Fangak (290 traders) and Old Fangak (240 traders) along Bahr el Zeraf river. They serve as regional hubs since the majority of goods passes through either of them.

Additional marketplaces are located in Jaibor (150 traders), Bi (15), Paguir (10), Toch (10), Kuernyang (8), Keew (7), Choatbora (6), Nyadin (6), Rorkur (5), Wicmuun (5), Tambuong (3), and Nwatuat (2). According to key informants, these rural and relatively small marketplaces are critical for the local population. Given that most settlements are concentrated in the highlands in central Fangak County, satellite marketplaces tend to be more easily accessible than markets in New and Old Fangak, and therefore serve as primary markets for many local residents.

There are no marketplaces in the swamp lands in the west between Bahr al Jabal and the central highlands where very few,

only seasonally inhabited settlements are located. Similarly, only one small marketplace is located in the swamps westwards of Bahr el Zeraf towards Canal/Pigi County.

Commodities are transported in Fangak County via canals. Bahr el Zeraf functions as the highway for regional trade flow due to its size, which allows for large boats to pass. Side canals are used to reach rural markets with smaller boats and canoes. The most remote marketplaces in the highlands are only accessible on foot.

Supply Routes

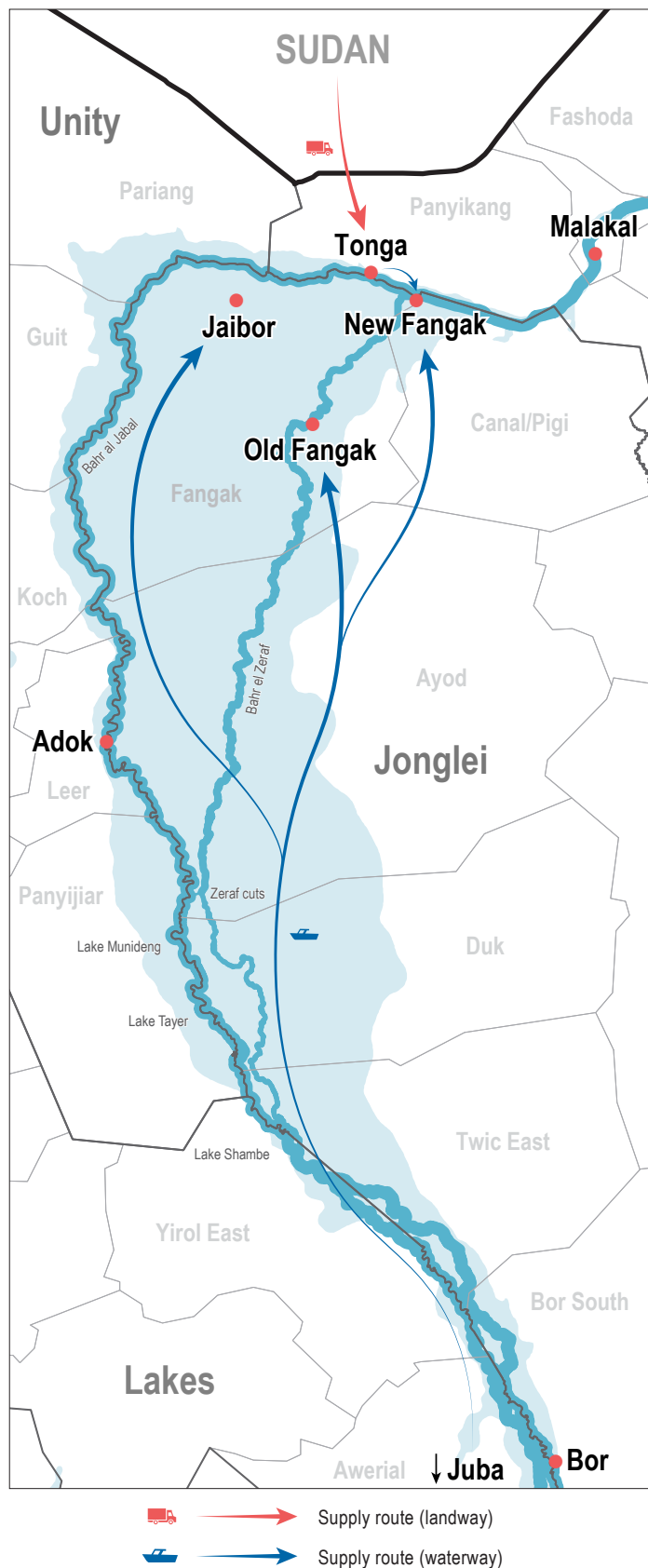
Marketplaces in Fangak County are supplied by two outside supply markets via distinct routes: (1) from Sudan, in the north, via Liri, and (2) from Juba in the south.

Juba Supply

The majority of the goods in Fangak marketplaces passes through Konyo Konyo Market in Juba. Due to the absence of roads to the Sudd, goods are shipped 500 km down the Nile on barges. After Mangalla, the Nile opens up into a vast swamp and splits

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Map 3: Supply Routes



¹ Bahr el Jebel connects Juba with the critical port of Adok, through which many marketplaces in Unity State are supplied.

into several streams that flow in parallel and reconnect in several places. The boats move along these streams and eventually reach Lake Shambe, where they further move along the Bahr al Jabal stream. Further downstream, Bahr el Jabal connects with Bahr el Zeraf via the artificially dug Zeraf cuts. Bahr el Zeraf heads north inside Jonglei while Bahr el Jabal marks the Jonglei-Unity state border.¹ The two streams eventually reconnect in New Fangak. Both streams are used for transporting goods.

Key informants reported that the main challenge along the Juba supply route was insecurity, as well as taxation at the many checkpoints along the way. Upon departure from Juba, it takes at least 7 to 8 days for the ships to arrive in Fangak County. However, the journey is often slowed down due to checkpoints, where the traders are stopped, taxed and frequently harassed and threatened. According to key informants, traders are often deliberately kept for longer than necessary in order for more money to be extorted. At each checkpoint, traders are taxed 50,000 to 150,000 SSP depending on the location and authority in charge, as well as the size of the boat.

There are more than 20 checkpoints between Juba and New Fangak. Additionally, some informal checkpoints were set up by local fishing and cattle communities. Key informants reported that the checkpoints can sometimes cause the journey to take up to one month, which creates additional challenges for traders, such as extra transport costs and shortages in their shops.

Informal checkpoints by communities around Lake Shambe reportedly pose the biggest challenge to river trade as they create a serious security threat, massive delays, considerable financial risk, and additional costs for traders. Control over the checkpoints in the area, and the resulting tax income, is heavily contested and leads to recurrent armed conflict between local communities, which puts passing traders at risk.

In theory, the Juba supply route is open continuously throughout the year, with no seasonal restrictions. However, as a result of inter-community clashes around Lake Shambe, trade along the Nile occasionally stops entirely. Recent fighting in December reportedly interrupted trade for a month, which left many boats stranded in Bor.

Sudan Supply

A second critical supply market is located in South Kordofan, Sudan. The border crossing between the two countries is officially closed on the Sudanese side. As a result, cross-border trading relies on informal trade routes.

To enforce the closed border and curb commodity flows to South Sudan, the Sudanese authorities have been actively pursuing traders who engage in the illicit trade, especially for staple cereals. If caught, traders risk imprisonment and confiscation of goods, which creates a significant financial burden. Key informants in Tonga reported that Sudanese authorities only recently (in December

2019) started to more actively prevent trucks from crossing the border.

Goods from Sudan are trucked in from Khartoum or Kosti, and pass through approximately 30 checkpoints where taxes are levied. On the Sudanese side of the border, they are bought by South Sudanese traders. They then transport the goods by vehicle or on foot to Panyikang county, where they are transferred to boats to Fangak. For traders in new Fangak, it takes roughly four days to make the round trip to restock in Sudan.

The informal trade route from Sudan is generally open throughout the year. However, due to rains and seasonal floods, the volume of trade tends to be reduced from July to September. In the wet season, the route occasionally becomes impassable for a few days following heavy rains, but eventually reopens. According to key informants in New Fangak, the route was closed completely in August and September 2019 as a result of severe, country-wide floods.

Security along the informal trade route has reportedly improved

Box 1: Renk Supplies

Since the conflict broke out in 2013, traders have been cut off from supply markets in Malakal and Renk, and from the northern Nile river route which had commonly been used for supplies from Sudan. However, due to the presence of the frontline between New Fangak and Malakal, trade to Fangak County from Sudan via the Nile has come to a halt.

A key informant from Old Fangak anecdotally reported that he had crossed the frontline with supplies from Renk in December, and that he had been the first trader to do so since 2013. With the national peace agreement further promoting trade, he is expecting other traders do follow his example soon, which would re-establish an old supply route and further stabilise market activities in the region.

Box 2: Cattle to Avoid Exchange Rate Losses

When restocking in Sudan, South Sudanese traders often struggle to obtain sufficient Sudanese currency, which they require to pay for the supplies. They tend to be confronted with a suboptimal SSP-SDG exchange rate, which reduces their profit margin.

A key informant reported that he uses cattle as a means of value transfer in order to avoid losses from the direct currency exchange. First, he uses the cash from selling items at his shop to buy cattle in South Sudan. He then moves the cattle across the border to Sudan, where he sells them for Sudanese pounds (SDG). With the SDG he pays for goods in brings back to South Sudan to sell, which he then brings back to South Sudan to sell to his customers for SSP.

Figure 1: Seasonal Calendar of Supply Routes

Supply route	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Juba	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sudan	✓	✓	✓	✓	✓	✓	(✓)	(✓)	(✓)	✓	✓	✓

✓ : open normally (✓) : open irregularly ✕ : closed

substantially over the last year. According to key informants, the Sudan supply route was mostly avoided by traders between 2016 and 2018 due to the presence of armed groups in the area. The improvement of the regional security context has boosted trade and seen the Sudan supply route grow in importance.

Juba vs. Sudanese Supplies

Whichever supply market is preferred by traders in Fangak County depends on the location of marketplace they supply. New Fangak and Tonga markets mostly rely on supplies from Sudan, while traders in Jaibor, Old Fangak and Toch mostly resupply from Juba.

The Sudanese supply route is generally faster, cheaper and more stable. However, unfavorable exchange rates in Liri occasionally offset the cost savings. As opposed to the Juba route, Sudan allows traders to only restock in small amounts at the risk of being arrested. Even though unstable due to insecurity along the way, the Juba supply route remains the most relevant in the region, particularly for food items and especially in the wet season, when the Sudan supply route becomes less accessible.

Supply Routes within Fangak County

Large parts of the local population in Fangak County reside in the highlands from Jaibor/Kuernyang to Fagwir and Nyadin and rely on rural marketplaces. As a result, it is critical to understand the supply routes from New and Old Fangak to the satellite markets in this area.

Traders in most of the smaller marketplaces derive their stock directly from the supply markets in Juba and Sudan. The trade union in Jaibor collaborates with traders in Keew and Bi to restock collaboratively using the same boat. Upon arrival by boat in Jaibor, goods are carried by porters to Keew and Bi in 3 hours. However, traders in Kuernyang pay porters to carry goods from New Fangak. In the small marketplaces of Faguir, Toch and Choatbora, traders restock from wholesalers in Old Fangak, by boat and canoe. From Toch, goods are carried for 6 hours to reach the most hard-to-reach marketplace in Fangak County, Nyadin. In the wet season, Nyadin can only be reached by canoe, and the journey from Toch takes a full day.

Availability

Availability of Basic Items

The challenges that traders face in supplying marketplaces throughout the region result in a relatively small range of items that are for sale. A typical trader in Fangak County sells sugar, wheat flour, cooking oil, soap, and a range of sweets and biscuits. In the larger marketplaces, such as those in New Fangak, Old Fangak and Tonga (Panyikang), one can find specialised traders selling clothes and some limited household items such as cooking equipment. Beyond these basic items, however, few commodities are sold.

In most years, traders also sell staple cereals like sorghum and maize, which they purchase from local farmers. However, heavy floods in September 2019 caused crop failure across the region. As a result, traders were not able to restock as usual, and sorghum and maize were almost completely unavailable in marketplaces across the region at the time of data collection. Restocking cereals from other sources has been challenging. In theory, cereals could be supplied from Sudan all year round, but the Sudanese authorities' restrictions on cereal exports has created a barrier that most traders in Fangak County have not been able to overcome. With the harvest of cereals in the Equatorias and imported crops from Uganda expected in mid-December to end of January, Fangak traders have been struggling to restock staple cereals in Juba.

Pulses, such as beans and lentils, are largely unavailable across marketplaces in Fangak County.² Similarly, vegetables and fruit are virtually impossible to find (with the exception of onions). Due to the presence of cattle and other livestock, meat and milk are generally available. Clothing and some basic household items can typically be found in the main markets. Firewood is generally available, but agricultural tools and seeds are not. Only locally sourced construction materials (such as wooden poles and dried grass) are available, while plastic and iron sheets are absent from the marketplaces. Overall, the diversity of available items across different categories is low.

Regional Variation in Availability

The diversity of available items correlates negatively with the remoteness of marketplaces and positively with the purchasing power of the local population. The main marketplaces in New and Old Fangak offer a more diverse range of items than the satellite markets in rural places. In rural marketplaces, traders stick to the most basic items to meet the population's immediate needs.³

Rural marketplaces are also more likely to run out of a basic item altogether due to the low number of traders and the additional challenges these traders face to transport goods to remote areas. Traders in rural marketplaces are often smaller in terms of volume than their urban counterparts and therefore tend to have less capital at their disposal for restocking. Their capital is further diminished

by the need to provide food for their families, which reduces the amount of cash that can go towards restocking commodities.

Demand is Driving Supply

However, the lack of diversity of available goods in Fangak County marketplaces is demand-driven. As a result of low purchasing power, households spend their limited cash on the most basic items. Traders respond to this demand and mainly supply the most essential commodities. The demand for non-essential goods is low and limited to the marketplaces in New and Old Fangak, where segments of the local population have higher purchasing power.

The current shortage of staple cereals in Fangak marketplaces is similarly reinforced by low demand. When available, staple cereals are expensive due to the added costs for traders to bring in crops from outside Fangak County, which creates a high financial barrier for the local population to buy cereals. The provision of humanitarian food aid in the area further reduces demand for staple cereals, which shifts people's limited cash expenses towards non-cereal commodities.

Figure 2: Availability of Items in Fangak Marketplaces*

	New Fangak	Old Fangak	Jaibor	Toch
Urban / rural	urban	urban	rural	rural
Number of traders	290	240	150	10
Staple cereals	(✓)	(✓)	×	×
Pulses	×	(✓)	×	×
Sugar	✓	✓	(✓)	(✓)
Cooking oil	✓	(✓)	(✓)	(✓)
Vegetables	×	×	×	×
Fruit	×	×	×	×
Meat	✓	✓	(✓)	×
Fish	✓	✓	✓	✓
Milk	✓	✓	✓	×
Wild foods	✓	✓	✓	×
WASH items	✓	✓	✓	(✓)
Cooking equipment	✓	(✓)	×	×
Firewood	✓	✓	✓	✓
Agricultural tools	×	×	×	×
Seeds	✓	×	×	×
Livestock	✓	✓	✓	×
Building materials	(✓)	×	×	×
Clothing	✓	✓	✓	(✓)
Fuel	✓	✓	×	×
Medicine	(✓)	×	×	×
Phone credit	×	×	×	×

✓ : available (✓) : limited × : unavailable

* The data was obtained through FGDs with trade unions in the respective locations as well as direct observation.

² Lentils are available in Old Fangak marketplace, but only at a relatively high price.

³ In Toch marketplace, all consumers can buy is sugar, cooking oil, wheat flour, dried fish, soap, firewood and sandals. Out of these, traders most commonly sell sugar and sandals.

Prices

Retail prices reflect the challenges that traders face when supplying goods. The main drivers are wholesale prices in the supply markets as well as transportation costs and taxation along the way to Fangak County.

Drivers of Retail Prices

Figure 2 shows a breakdown of activities and costs associated with supplying a 50 kg bag of sugar to Old Fangak and Toch markets. While the exact figures vary by trader and timing of restocking, the indicative figures provided here give an important insight into the costs that Fangak traders incur and into drivers of retail prices across the region. Across different marketplaces and key informants, boat rental from Juba to Fangak County was reported to cost between 2,000 and 2,500 SSP per 50 kg bag of sugar, which accounts for 10% to 15% of the retail price. Checkpoint fees, which are usually paid per boat rather than bag, were estimated to be roughly 300 SSP per bag and checkpoint. In total, the mark up due to checkpoint fees is between 12.5% and 25% of the retail price when restocking from Juba.⁴

When restocking from Sudan, roughly 10% to 20% of the retail sugar price goes towards (partially informal) taxation in Sudan and upon arrival in South Sudan. On top of that, prior to selling the goods to South Sudanese traders in Sudan, Sudanese traders pay roughly 20 Sudanese pounds (84 SSP) per checkpoint and per 20 kg bag of sugar along the way from Khartoum or Kosti. Overall, the cost of taxes for sugar supplied from Sudan may well exceed 50% of the retail price in Fangak markets.

Figure 2 provides an insight into the reason why satellite markets tend to have much higher prices than the main regional markets. Traders from Toch, a small satellite marketplace, restock from wholesalers in Old Fangak by boat and canoe. The profit margins of the wholesalers in Old Fangak as well as additional transportation costs drastically drive up the retail price of sugar. Despite there being a mere 20 km distance between the two locations, sugar prices are 30% to 50% higher in Toch than in Old Fangak.

In two of the visited marketplaces, Old Fangak and Toch, traders are reportedly not free to set their own prices. In all other visited locations, traders reported that there were no regulations that would restrict them from setting prices freely. In Old Fangak, the authorities reportedly restrict food prices (such as those for cereals, sugar and cooking oil), while there are no regulations for non-food items. The price of each food item is set by the trade union on a weekly basis. This price regime is strongly enforced and traders who do not comply risk being fined and arrested. In Toch, the traders reportedly agree on retail prices for all items with the local administration after detailing their restocking expenses.

Regional Variation in Retail Prices

Map 4 indicates how soap prices vary across marketplaces in Fangak County. Substantial differences become apparent. The main marketplaces, such as Old Fangak, New Fangak and Tonga (in Panyikang) have the lowest prices, while goods at rural marketplaces tend to be more expensive. By far the most expensive goods are found at satellite markets, such as those

⁴ While different transportation models exist along the Juba-Old Fangak route, it is likely that some of the boat rental costs go towards taxation as well, which further drives the mark up due to checkpoint fees upwards.

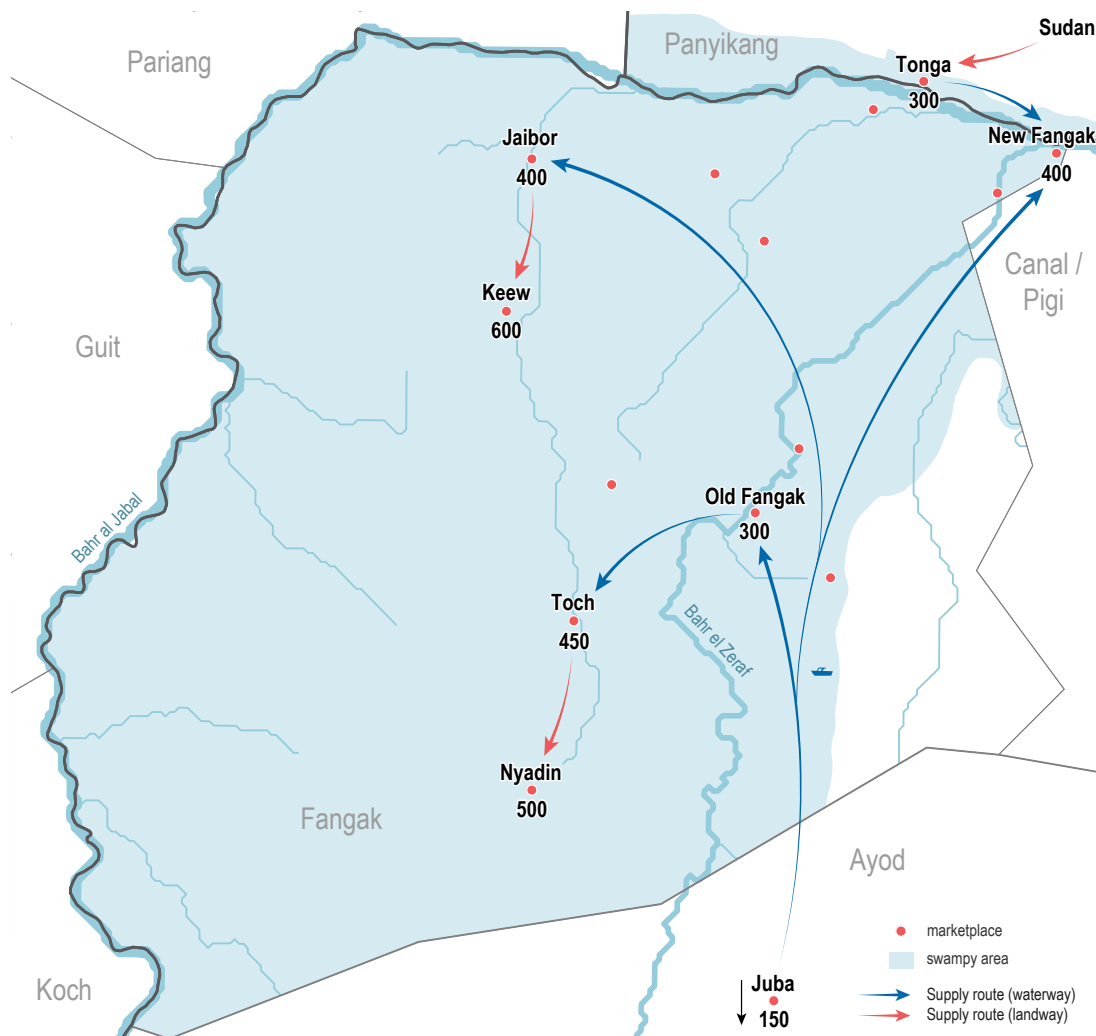
Figure 2: Cost breakdown of supplying a 50 kg bag of sugar from Juba to Old Fangak and Toch

Wholesale price at Konyokonyo (Juba)
10,000 - 12,000 SSP
+
Loading into truck
50 SSP
+
Transport to Juba port and loading on boat
150 SSP
+
Boat rental from Juba to Old Fangak
2,300 SSP
+
Taxation at checkpoints
2,000 SSP
+
Porter in Old Fangak
500 SSP
=
Total costs to supply to Old Fangak
<u>15,000 SSP</u>

Retail price in Old Fangak
16,000-18,000 SSP
+
Porter in Old Fangak
500 SSP
+
Boat rental to Toch
1,500 SSP
+
Porter in Toch
200 SSP
+
Taxation in Toch
100 SSP
=
Total costs to supply to Toch
<u>20,300 SSP</u>

Retail price in Toch
24,000 SSP

Map 4: Price of a Bar of Soap (in SSP)



in Keew and Nyadin, where a 600g bar of soap is sold at almost double the price of one in Old Fangak, and almost four times the price of one in Juba. The differences in price are a direct outcome of the additional challenges that traders face when supplying to rural marketplaces. Additional costs, such as for porters carrying the goods to the marketplace, are priced in and drive the final retail price upwards.

Critically, prices are highest in rural and remote areas, which is where the most vulnerable households tend to reside. As a result of the high prices, rural households' purchasing power is reduced, which further limits their ability to buy basic goods from the market in times of need and to balance out harvest shortfalls, which ultimately increases their dependency on humanitarian aid.

Demand Side

Access to Cash

According to participants in focus group discussions with consumers conducted in Jaibor, Old Fangak and Toch, large parts

of the population in Fangak County depend on markets to access key goods despite the relatively low number of marketplaces in the region. Throughout 2019, key informants in virtually all settlements assessed through REACH's Area of Knowledge⁵ (AoK) project reported that most residents bought cereals from a marketplace throughout the year. The food items that are most commonly bought, in both the dry season and the wet season, are sorghum, sugar and salt. As for non-food items, FGD participants noted that they mostly bought soap, jerrycans and clothing, as well as mosquito nets in the wet season. Most of a household's cash is reportedly spent on food items according to FGD participants.

Even though many households engage in crop farming and livestock keeping, and some in fishing, the resulting foods are mostly for intended home consumption. In order to generate the cash needed to pay for goods from a marketplace, the local population engages in several other livelihood activities, such as

⁵ Area of Knowledge (AoK), is a monthly data collection with the aim of monitoring the humanitarian situation in South Sudan. The AoK terms of reference can be accessed [online](#).

Figure 3: Most Commonly Bought Food and Non-food Items

Food Items:



Sorghum



Sugar



Salt

Non-food Items:



Soap



Clothes



Jerrycans

selling grass (as construction material), firewood and wild fruits at one of the larger marketplaces (specifically those in New and Old Fangak) in the region. Many of these livelihood activities are limited to the dry season and very limited during the wet and lean seasons when the population needs cash income the most to cover food gaps.

Access to Markets

FGD participants reported that consumers normally access a marketplace once or twice a week. Those who do so are mostly women, who not only buy goods but also sell items in order to generate the cash income needed to cover expenses.

When they are only buying goods, households tend to visit the closest marketplace, which is normally the easiest to access. Consumers that are able to access one of the main marketplaces in New or Old Fangak reported that the commodities they are looking to buy are generally available. However, populations who depend on some of the rural satellite markets often cannot find the goods they need in their preferred marketplace. They are therefore often compelled to travel to one of the larger marketplaces, which may be far away and substantially more difficult to reach. When selling natural resources, residents also have to travel to an urban marketplace, as demand for such products is insufficient in rural marketplaces.

Common challenges that consumers face when attempting to access market places, according to KIs/FGDs, include the long

distance to reach marketplaces, floods in the wet season, robberies along the way to or from marketplaces and wild animals (such as snakes and crocodiles). It is common for residents of many rural communities to walk for several hours to reach a marketplace. It takes the population in Toch two days to reach the marketplace in New Fangak by floating down the Nile on a pile of grass covered by a plastic sheet. In the wet season, market access deteriorates heavily for many households who live in swampy areas. If they do not have canoes, they are virtually cut off from markets for several months.

2019 Floods

Due to flooding in the 2019 crop season, in September to November, large parts of Fangak County suffered an almost complete loss of crop harvest. As a result, households were reportedly unable to cover their food needs with their own harvest at the time of data collection. The population has thus become drastically more dependent on markets in a period when it typically relies on small-scale, local production. As outlined earlier, the lack of sufficient cash income generating activities creates a substantial financial access barrier to market access for many households. As a result, they are often not able to afford enough food and instead rely on humanitarian aid.

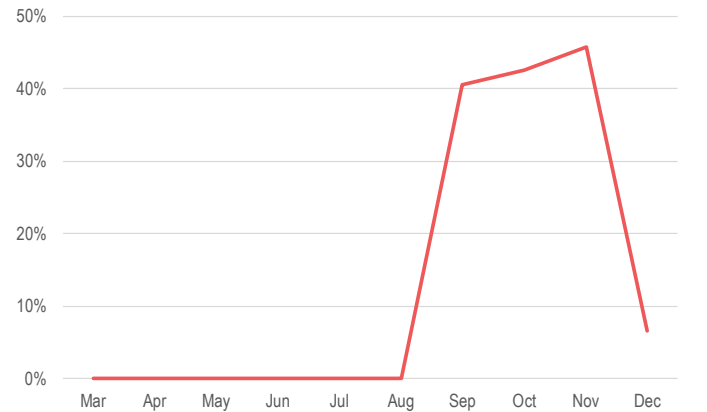
FGD participants also reported that the floods limited physical market access, especially in the most remote areas, where many communities were completely cut off from marketplaces. Figure 5,

Figure 4: Seasonal Calendar of Common Livelihood Activities in Fangak County

Supply route	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Grass	✓	✓	✓	✓	(✓)							(✓)
Firewood	✓	✓	✓	✓	✓	(✓)		(✓)	(✓)	✓	✓	
Wild fruits	✓	✓	✓	(✓)								(✓)
Fishing	✓	✓	(✓)	(✓)	(✓)	(✓)	(✓)	✓	✓	✓	✓	✓
Crop farming						✓	✓	✓	✓	✓	H	
Dry season	✓	✓	✓	✓							✓	✓
Wet season					✓	✓	✓	✓	✓	✓		

✓ : livelihood activity available (✓) : livelihood activity limitedly available H : crop harvest

Figure 5: Assessed Settlements Reporting Floods as Market Access Barrier, Fangak County, March to December 2019



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indicates the percentage of settlements assessed through REACH's AoK project where floods were reported to be a market access barrier. A significant uptick is visible from September to November. As confirmed by key informants, the situation normalised again around December.

According to FGD participants, the flooding also limited cash-generating livelihood activities, such as the collection of firewood, which may have a compounding effect on food security outcomes. The reported barriers to market access and livelihood activities are particularly concerning, especially towards the end of the wet season when market dependence tends to increase as households run out of stocks prior to the next harvesting season.

The floods severely disrupted livelihoods, as well as crop markets, in the Fangak region. Locally produced cereals, which are typically available by November, will not reach markets in this season. Instead, traders will bring in cereals from more distant supply markets, such as Juba and Uganda. Given the steep mark-up due to transportation and taxation costs, cereal prices will likely be substantially higher than normal, and the financial barrier for many households may therefore grow even higher. This will make households that are already struggling to obtain sufficient food even more vulnerable and more dependent on humanitarian aid.

Conclusion

Markets play a critical role in Fangak County by supplying basic commodities to households. Despite the substantial challenges and seemingly unfavorable market environment, traders in the region have demonstrated a high degree of resilience and have managed to supply basic goods even to rural marketplaces.

Despite the relatively low level of market functionality across marketplaces in Fangak County, humanitarian organisations could utilise local markets for aid delivery, particularly in the urban centres of New and Old Fangak, which host the two largest and most functional marketplaces in the region.

The most imminent market functionality barrier is currently demand-driven. Due to the population's lack of purchasing power, traders tend to sell only the most basic goods. Cash programming has the potential of inducing demand, which could boost trade and increase diversity of available items in Fangak marketplaces, while supporting vulnerable households.

Cash feasibility assessments should take into account potential adverse effects of relying on local markets. The many checkpoints that exist along the supply routes to Fangak County, levy taxes that drive up retail prices. Humanitarian organisations should consider indirect consequences of informal taxation on goods, which beneficiaries of cash programs may buy in Fangak marketplaces.

Furthermore, the level of cash transfers should reflect local price levels, which tend to be substantially higher than in common reference markets, such as those in Juba. Even within Fangak

county, there exist considerable differences in retail prices across marketplaces, which challenges the notion of harmonised transfer values and suggests that a highly context-specific approach may be appropriate.

Traders pointed out that the improving security situation along supply routes in general has been conducive to trade flows to markets in Fangak County. With the implementation of the national peace agreement, trade barriers may be reduced going forward, which may improve market functionality across Fangak County and create new opportunities for market-based humanitarian programming.