

# Joint Cash Feasibility Assessment

Mafa, Mafa LGA, Borno State, February 2018



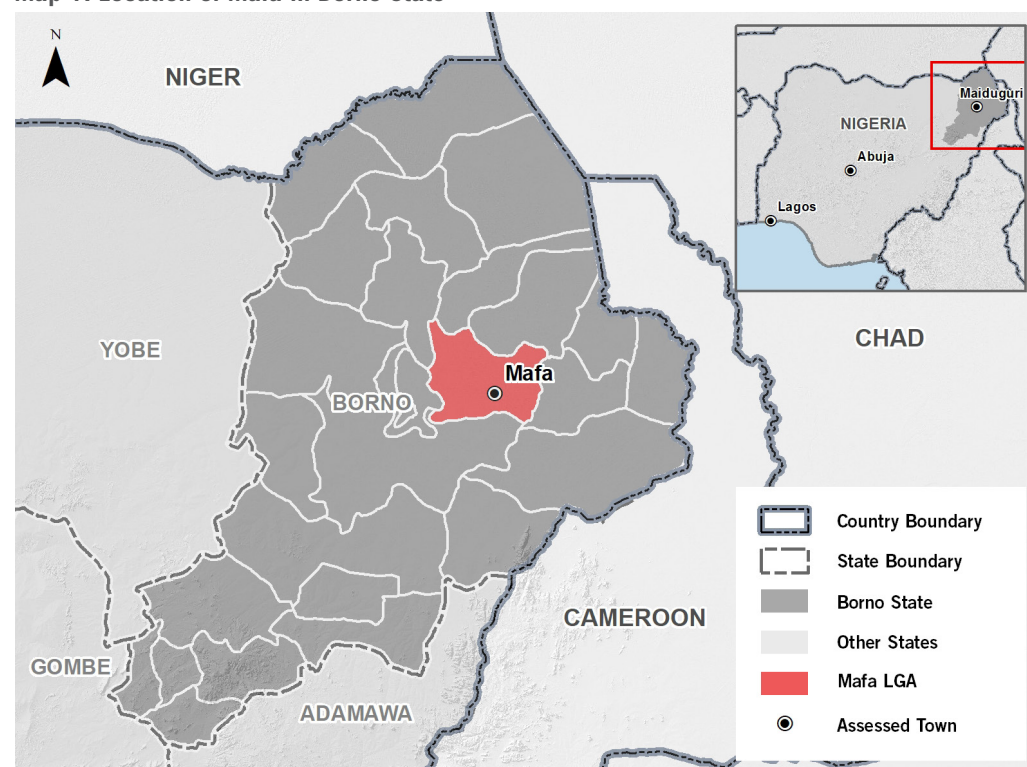
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## INTRODUCTION

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.<sup>1</sup> 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 Mafa, data was collected by ACTED.

For Mafa, 211 household interviews were conducted (115 with IDPs and 96 with non-IDP populations), along with 10 Bulama (traditional community leader) interviews and 4 consumer focus group discussions (FGDs). In addition, 50 interviews and 2 FGDs were conducted with vendors selling the assessed items in Mafa, and 1 semi-structured interview was conducted with a head of traders (an informally-designated spokesperson for market vendors).

Map 1: Location of Mafa in Borno State



Findings from household interviews have a confidence level of 95% and a margin of error of 7% 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 Mafa 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

- Over two-thirds of households preferred in-kind over cash-based aid. Household interviews and FGDs indicate that the main reasons for this preference were concerns that household members would misuse cash, a perceived lack of needed items at markets in Mafa, and a belief that in-kind aid provided a greater certainty of receiving items.
- The vast majority of households reported humanitarian aid as their main source of food. While households reported using markets more commonly for NFIs, sizable proportions still relied on humanitarian aid or reported no regular source for these items.
- A large majority of households reported no security or non-security barriers to accessing markets. Similarly, vendors generally did not mention any major challenges to operating in the markets in Mafa.
- Most vendors restocked goods from suppliers in Maiduguri, making the trip themselves using hired vehicles. The majority of interviewed vendors restocked two or fewer times per week. Although vehicles were required to travel to and from Maiduguri in a military-escorted convoy, vendors did not report that this impeded their ability to restock, with convoys travelling at least three times per week.
- Some vendors were reportedly able to access credit from their suppliers, usually if they had developed a relationship of trust with them through the frequent purchase of goods. However, not all vendors were able to access credit in this manner. Most vendors stated that they were willing to sell on credit to trusted customers. Other than vendors and suppliers, the only other reported source of credit was borrowing from friends and family in Mafa or Maiduguri.
- The majority of interviewed vendors estimated that they would be able to double supply in response to an increase in demand. However, some said that a lack of capital would prevent them from initially scaling up supply, particularly if they could not access credit from suppliers.

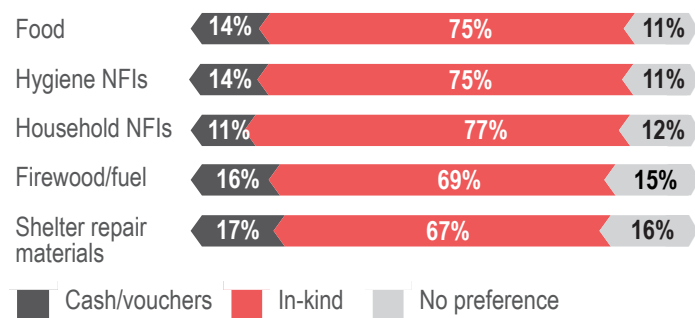
<sup>1</sup> Hygiene NFIs include items such as soap and laundry powder. Household NFIs include items such as bedding materials, mosquito nets, and cooking utensils. Shelter repair materials include items such as plastic sheeting, nails/screws, and wooden poles.

## RECOMMENDATIONS<sup>2</sup>

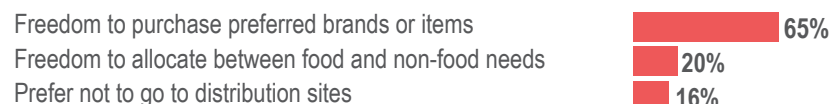
- Findings suggest that cash-based modalities may be feasible in Mafa. While the market may not be able to cater fully to all households' needs at the moment, this is likely due in part to the distribution of in-kind aid in the town, which has reduced demand for goods at the market. Were cash-based aid to be implemented in Mafa, the market may eventually be able to expand in response to growing demand. This primarily due to the proximity of Mafa to Maiduguri, the general ability of vendors to bring goods into Mafa from Maiduguri, and the reported absence of major security threats and barriers to market access for both consumers and vendors.
- However, an immediate shift to cash-based assistance, particularly unrestricted cash, is not recommended. A large proportion of households are currently reliant on in-kind aid, with many preferring to receive aid in this way. As a result, a sudden switch to cash-based aid would lead to a large increase in the burden on the market and may also cause concern in the community. In addition, many market vendors would reportedly be unable to meet a sudden increase in demand due to a lack of capital needed to initially scale up.
- Humanitarian actors considering implementing cash-based assistance in Mafa would be advised to do so in a phased manner and to work with vendors in the town to ensure that they could scale up to meet demand. This could be done through the implementation of restricted modalities such as vouchers, in which humanitarian actors select and support specific vendors they believe would be able to supply the necessary items, or through market-strengthening measures to support the market more generally.
- Given that many households expressed concerns about household members misusing cash, and about cash-based assistance more generally, it would be important for actors implementing such assistance to be aware of protection issues related to cash-based aid and to communicate with beneficiary communities to alleviate their concerns.

## HOUSEHOLD ASSISTANCE MODALITY PREFERENCES\*

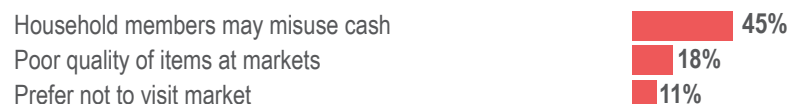
### Reported preference of cash/vouchers or in-kind aid:



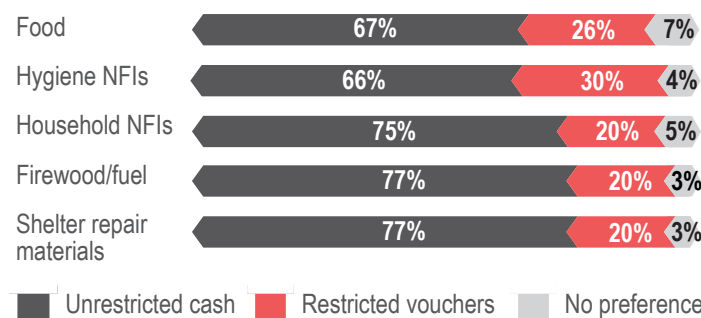
### Of those preferring cash/vouchers, top reported reasons:



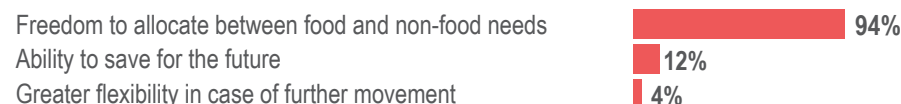
### Of those preferring in-kind aid, top reported reasons:



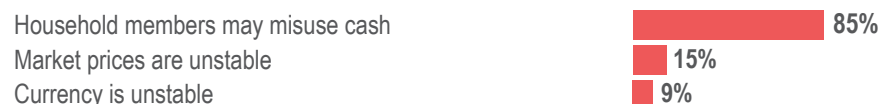
### Of those preferring cash/vouchers, reported preferences between unrestricted cash and restricted vouchers:



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



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



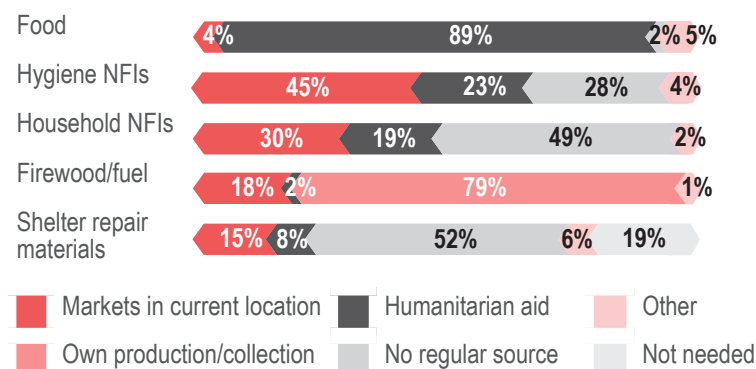
<sup>2</sup> Recommendations were developed jointly by CWG member organisations at a Joint Analysis Workshop. In addition to the location-specific recommendations listed below, more general recommendations for assessed areas can be found in the overview document for this assessment.

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

FGD participants also generally reported a preference for in-kind over cash-based aid, primarily because they were guaranteed to receive the items they needed, whereas with cash-based aid many participants were concerned that the markets in Mafa did not have enough of the items they needed and that cash-based aid would be diverted away from essential expenditures. However, some participants said they preferred cash-based assistance for firewood, as the market had plenty of firewood and they could use that assistance for other purposes when needed.

## 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:

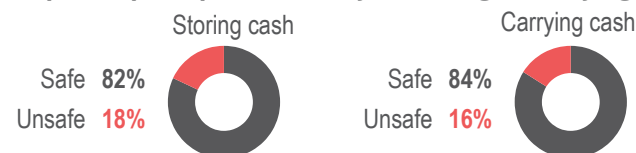


## Most needed shelter repair materials:



## HOUSEHOLD ACCESS TO CASH AND CREDIT\*

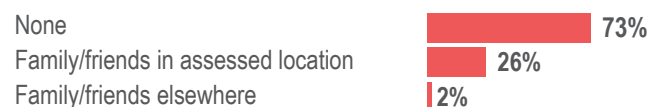
### Reported perception of safety of storing or carrying cash:



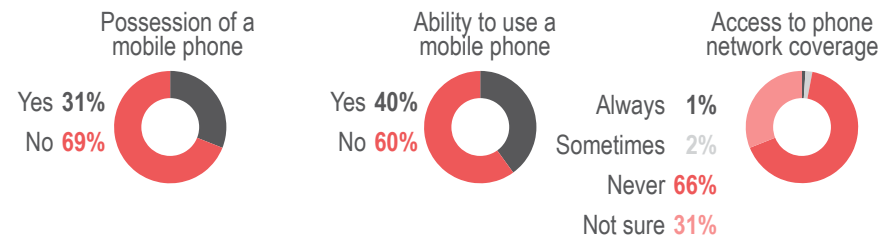
### Percentage of households able to buy items on credit:



### Reported household sources of credit other than vendors:



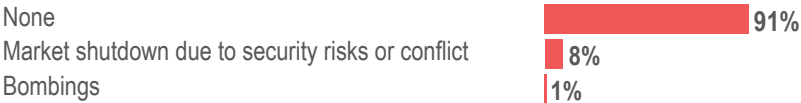
### Mobile phones:



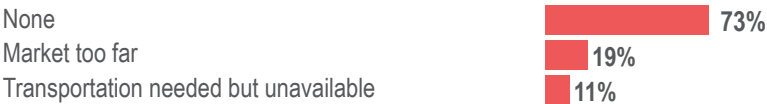
Some FGD participants reported being able to buy on credit from vendors, while others stated that they could borrow cash from family and friends either in Mafa or Maiduguri when they needed it. However, there were also some participants who reported no access to sources of credit. Similarly to household interviewees, participants reported no access to cellular networks, and stated that they had had no previous experience using mobile money transfers.

## HOUSEHOLD ACCESS TO MARKETS\*

### Reported security risks at markets:



### Reported non-security barriers to accessing items at markets:

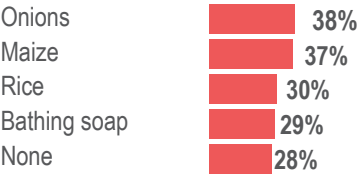


As with household interviewees, the majority of FGD participants did not report challenges to accessing markets in Mafa. Some participants also used markets in Maiduguri to access items unavailable in Mafa, although this required them to pay for transportation. Many female participants reported that their families did not always permit them to visit the market, particularly if they lived in camps that were further away from the market.

### Items most commonly reported by households as unavailable:



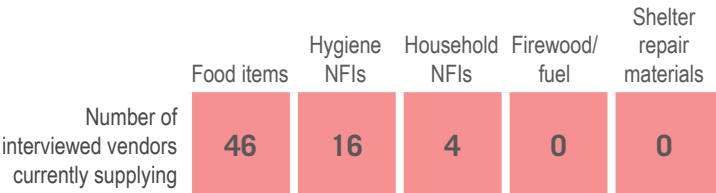
### Items that households most commonly report being able to afford:



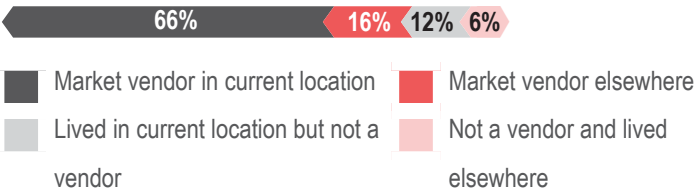
Most FGD participants reported that shelter repair items and household NFIs were frequently unavailable in markets in Mafa, with many getting these items either from Maiduguri or through humanitarian aid. However, food items, particularly sorghum, and hygiene NFIs were said to be more commonly available, as households sometimes sold these items from in-kind rations in order to meet other needs. Participants stated that prices fluctuated depending on vendors' ability to bring goods in to Mafa.

## VENDORS AND MARKETS: OVERVIEW\*\*

The main market in Mafa is located within the town, while an additional smaller market lies within the IDP camps. According to the head of traders in the main market, the volume of sales has decreased in recent months due to the prevalence of in-kind aid in Mafa. In addition, the head of traders reported that most pre-conflict vendors in Mafa were still conducting business, and that some IDPs from nearby villages had also begun selling goods in the town. As was the case in individual vendor interviews, the majority of vendor FGD participants reported no major security barriers to conducting business.

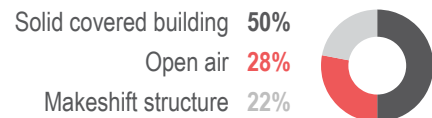


### Pre-conflict location and occupation of current vendors:



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

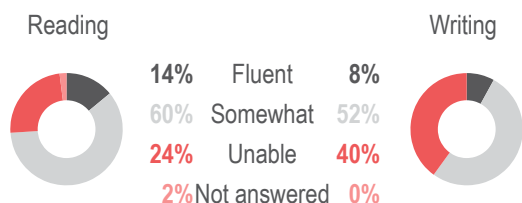
## Observed type of shop or stall in the markets:



## With 11 m<sup>2</sup> of storage area on average, the reported main location of storage space:



## Reported vendor literacy rates:

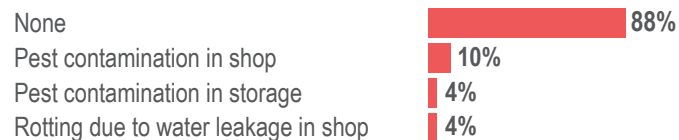


## CHALLENGES TO OPERATING IN THE MARKET\*\*

### Reported security challenges to conducting business:

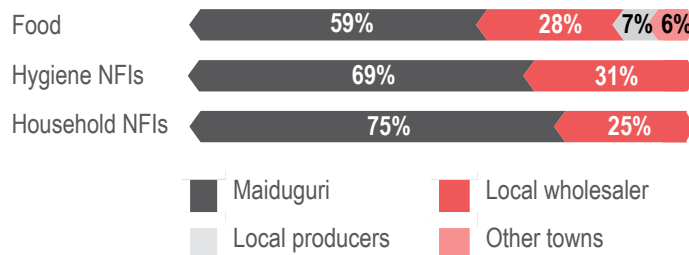


### Reported non-security challenges to conducting business:



## SUPPLY AND TRANSPORTATION OF GOODS TO VENDORS\*\*

### Main supply sources for vendors:



### Methods of transportation of goods from suppliers to vendors:



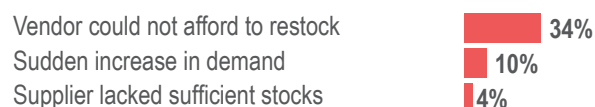
### Challenges in the transportation of goods from suppliers to vendors:



### 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:



Most vendor FGD participants reported that they restocked from Maiduguri, hiring vehicles such as taxis, vans, and pick-up trucks and travelling with the vehicles to collect the goods. Some vendors reported that many of them used the same suppliers in Maiduguri, while others said they used different suppliers each time in order to reduce the risk of relying on any one supplier. Some participants, particularly those using the same suppliers consistently, were reportedly able to access credit from their suppliers after developing relations of trust with them.

As was the case in the individual interviews, most vendors mentioned no challenges in the transportation of goods from their suppliers other than the lack of capital to restock frequently enough. Although vendors were only permitted to travel to and from Maiduguri with a military-escorted convoy, participants reported that the convoy departed three times per week and that the requirement to travel in a convoy did not impede their ability to restock.

## 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:

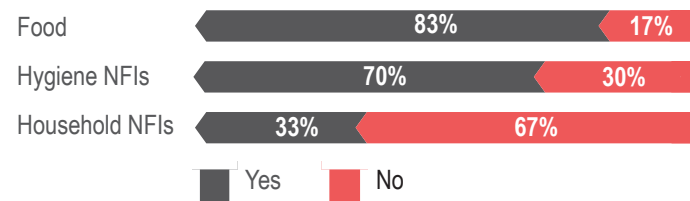


Some vendor FGD participants were able to access credit from their suppliers, usually because they had developed relationships of trust with them over time, while others did not have these relationships and could therefore not access credit. Participants said that they usually gave credit to their customers because they often faced liquidity challenges, although some reported facing difficulties in recovering money from them afterwards.

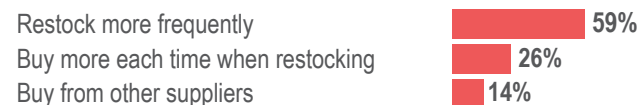
Participants reported that there had been a traders' association before the conflict, but that it was now defunct. However, the head of traders stated that vendors did sometimes support each other when one was in need. In addition, vendor FGD participants working in the small market in the camps stated that local community leaders had appointed a 'Discipline Master' to resolve vendor disputes, with the power to temporarily close vendors' shops in case of disputes. While vendors in solid buildings had to pay rent, no other fees were reportedly required to operate in markets in Mafa.

## 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:



Most interviewed vendors estimated that they would be able to permanently double their supply of assessed items, and most vendor FGD participants also reported that they would be able to do so. Although some said that they could scale up by relying on credit from suppliers and restocking more frequently, others reported that their ability to scale up may be impeded by a lack of capital.