



# Maban NFI Market Assessment

Bunj Town, Maban, South Sudan

South Sudan Refugee Response

November 2018

## Introduction

### Context and objective

Since 2011, insecurity in the Blue Nile region of Sudan has driven large-scale displacement to Maban County, South Sudan. 144,148 refugees currently reside in the four camps near Bunj Town<sup>1</sup>: Doro, Gendrassa, Kaya, and Yusuf Batil. These refugees currently receive soap in general distributions, and other in-kind non-food items (NFIs) according to needs. A greater understanding of market capacity can help humanitarians decide if and how to replace NFI distributions with cash-based interventions (CBIs).

REACH, with the support of the Office of the United Nations High Commissioner for Refugees (UNHCR), conducted a market assessment focusing on four research questions:

1. What is the current capacity of markets to meet the

demand for key NFIs?

2. To what extent can supply of key NFIs increase if demand increases?
3. Which NFIs would increase in demand if refugees received more cash?
4. What are the social and physical barriers to access to markets for refugees?

### Methodology

From 3 June to 12 July, REACH employed a structured questionnaire to assess demand, interviewing 1,622 randomly sampled households within the Maban camps: 384 in Doro, 400 in Yusuf Batil, 440 in Gendrassa, and 398 in Kaya. The findings are representative at the camp level with a 95% confidence level and a 5% margin of error. Averages across the four camps are weighted by population.

To assess supply, from 29 October to 2 November REACH conducted 21 key informant (KI) interviews with traders in the refugee camps and six focus group discussions (FGDs) with traders from Bunj, Doro and Kaya markets. Because the demand findings reflect the pre-July 23 situation, before a period of insecurity and reduced services, questions were included in the supply FGDs on the impact of 23 July on demand.

### Key findings

- Supply routes to Bunj markets are volatile. Traders adapt to insecurity and seasonally-changing road conditions by varying their route, volumes, and prices regularly. As a result, the market's capacity to provide key NFIs varies, being much lower in the wet season.
- Given the widespread practice of suppliers selling on credit, and the range of supply routes, it is likely

markets can absorb gradual increases in demand. Supply may increase faster if road conditions or security along the routes improve.

- If refugees were given cash in place of in-kind NFI distributions, it is likely most of this cash would be spent on food. Larger cash injections may lead to plastic sheeting being bought during the wet season.
- Access to markets was generally high in the Maban camps, with the exception of Kaya, where residents often have to walk to Batil camp market. However, high and volatile prices restricted households' ability to purchase NFIs at the markets. The scale down of services following 23 July has caused many refugees to lack the resources to buy NFIs in the market.

## Supply routes

FGD participants reported three main trade routes for sourcing non-food items in and around Bunj: the Sudan route via Renk, the Ethiopia route, and the Juba route (Map 1).

NFIs imported along the **Ethiopia route** are sourced in Yabus, Ethiopia, then transported via the Blue Nile region. Given the limited supply of goods in Yabus, this route was mostly reported by vendors of more low-cost goods such as soap. The greatest challenge along this route is reportedly that poor road conditions limit volumes, particularly during the rainy season when traders often have to transport goods by donkey cart. As a result, the retail price of a 100g bar of soap sourced on this route increased from 100 - 120 SSP in the dry season, to 150 SSP in the wet season.

**The Sudan route** is also more limited during the rainy season, as the time taken to travel from Renk to Bunj typically increases from 1-2 to 3-4 days. Moreover,

the ban on exporting goods to South Sudan forces a trade-off between different risks. Traders must choose between taking the main road to Renk, where high informal payments are almost certain, or taking the informal back roads, where drivers risk having their goods confiscated, being arrested or even being shot if caught. Most traders reportedly choose the back routes during the dry season when they are passable. Once inside South Sudan, informal payments continue to disrupt trade at check points. As a result of these risks, price fluctuation from goods on this route appeared to be the greatest, with a 100g bar of soap ranging from 100 SSP to, during the wet season, up to 250 SSP. A wider range of NFIs can be sourced from Sudan, including clothing, plastic sheeting and mosquito nets.

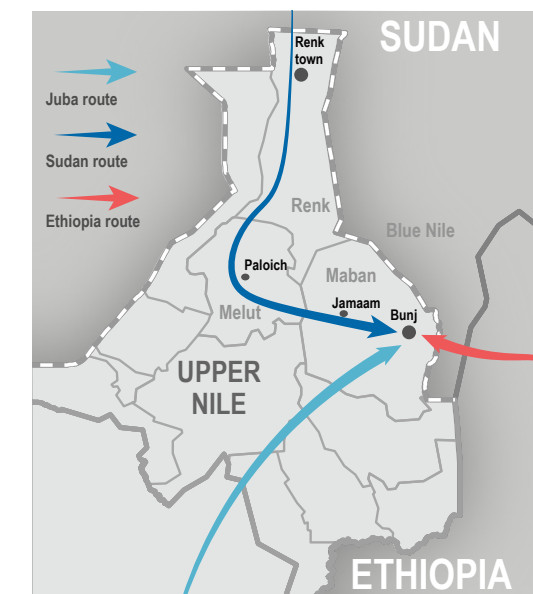
Finally, some goods are flown in on the **Juba route**. Mostly these NFIs are more high-end, such as branded hand soaps and plastic sheets, due to the high cargo

costs. With all three routes depending on imports, FGD participants highlighted fluctuating exchange rates as a common challenge.

### Different routes predominated in different markets.

In Doro, the first camp on the road from Blue Nile, the Ethiopia route was most common for soap. However, in Batil and Kaya, while traders would buy soap from Doro or Bunj if their usual supplier was delayed, typically the Sudan route was preferred because the additional transport costs from Doro made the Ethiopian route more expensive. In Bunj, closer to Doro than Batil, traders preferred the Ethiopia route for soap during the dry season and switch to the Sudan route during the rainy season. Traders' use of multiple routes both highlights the volatility of supply to Bunj and the camps, and suggests a certain level of market resilience as disruptions to one route increases trade on another.

Map 1: Key supply routes



<sup>1</sup> [South Sudan Refugee Statistics](#), UNHCR, as of 31 July 2018



# Maban NFI Market Assessment

Bunj Town, Maban, South Sudan

South Sudan Refugee Response

November 2018

## Soap Supply Chain Actors

In order to better understand the flow of trade between different actors in and around Bunj Town, this section looks at the soap supply chain as an example.

### Importers, wholesalers and large retailers

The line between importers, wholesalers and large retailers is somewhat blurred in the markets. Many traders import goods themselves (or hire a driver to import the goods) from the market of origin, then sell to both retailers and customers in their own market. The wholesalers and large retailers are often from outside the host and refugee community, particularly from the Darfur region of Sudan.

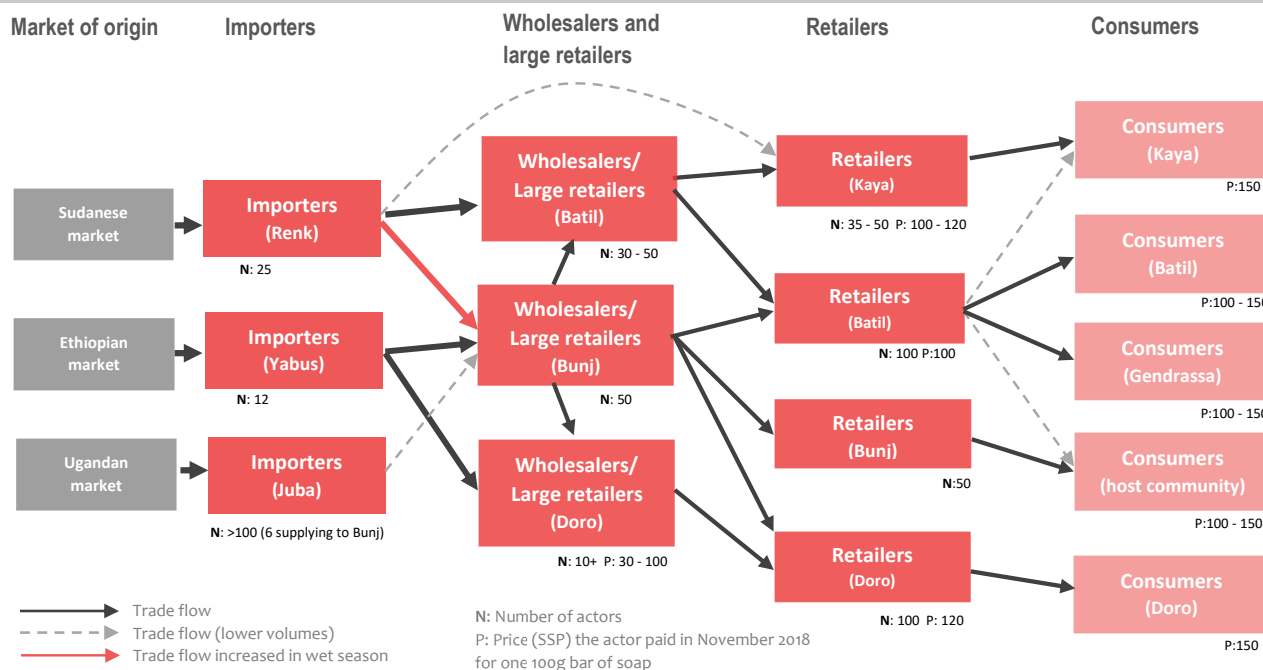
### Retailers

In contrast, traders who are refugees are more commonly retailers, selling to customers only. Retailers will sometimes source from markets other than their own camp, most commonly traveling to Bunj. The convergence of different trade routes in Bunj means that many retailers are able to partially store soap from both Sudan and Ethiopia.

### Consumers

While traders would often source from other markets, refugees most commonly visited their own camp markets to buy soap. Traders in both Batil and Doro reported also selling to the host community, but estimated the majority (over 80%) of their customers were refugees. For more details on consumers, see the demand section.

## Soap Supply Chain Map



## Supply: Challenges and Improvements

Challenges along the supply route were named by traders as the greatest limiting factors for supply. Traders representatives in Bunj reported that **informal payments**, both in Sudan and South Sudan were the greatest barriers to sourcing NFIs. Key informants in the refugee camp markets reported that **transport costs** were the biggest challenge to supply. This was particularly common for traders in Doro using the Yabus supply route, where volumes substantially reduce over the wet season. For more details on these issues, see the supply routes section.

Given the problems of sourcing NFIs in the wet season, **storage** is a critical factor. Most traders reported storing roughly one week to one month's

worth of soap in warehouses or in their shops. However, for larger traders with sufficient storage, it is sometimes possible increase profits during the wet season, as the harvest increases households' resources and boosts demand. But infrastructure is not the only challenge to storage. Several traders cited fluctuating dollar exchange rates as a challenge. This can increase the risk of financial loss when storing large quantities of NFIs for long periods of time. In addition, one trader reported that they restocked each week due to the risk of theft.

Finally, **informal payments** in and between the markets themselves were reported as a further challenge to supply.

On the other hand, **financial constraints** did not appear to be a substantial challenge, with most KIs reporting that they frequently bought goods from their suppliers on credit.

Corresponding to informal payments being considered the greatest limiting factors, trader representatives in Bunj suggested that reducing and regulating informal payments en route and in the market would boost supply. In addition, traders suggested improving road conditions by paving the Yabus road with murram. To scale up plastic sheeting supply, one trader recommended the local authorities write an introductory letter facilitating refugees' travel to Juba to find suitable suppliers.

## Supply Summary

The supply of NFIs to the markets in and around Bunj is prone to shocks, including insecurity on the roads, fluctuating exchange rates and informal payments. Moreover, poor road conditions during the rainy season reduces trade along preferred routes, restricting supply for traders with insufficient storage. Despite these challenges, the availability of key items in the market throughout the year is a sign of market functionality. The variety of supply routes and market actors, coupled with the availability of supply on credit, suggests that markets can adapt to small shocks and absorb gradual increases in demand. If road conditions, security, storage, or informal payments improve, the capacity of markets to scale up will also likely increase.



# Maban NFI Market Assessment

November 2018

## Demand Summary

**Physical access to markets was high in the Maban camps, reported by 93%<sup>1</sup> of households. The exception was Kaya camp, where access barriers and protection incidents were more common.** Over half (53%) of households in Kaya faced physical market access barriers, most commonly the need to care for children and the sick (35% of households). Moreover, 37% of households in Kaya reported a security incident within the past year, compared to 11% across all four camps. The higher access barriers are reportedly due to the need to sometimes travel to Batil markets, where NFIs are sometimes cheaper. Female FGD participants reported fear of attack along the main road, citing tensions between the host community and refugees as a reason for the insecurity en route.

Compared to the generally high physical access,

**households reportedly face several barriers to purchasing items.** Only 28% reported facing no barriers to purchasing the NFIs they need. Items are reportedly either too expensive (reported by 65% of households), or in some cases not available at all (28%). The shortages in supply correspond with traders' reports of costly and sometimes obstructed supply routes.

It is likely that **purchasing barriers as of November 2018 are slightly higher than reported in the survey.** On 23 July, after the conclusion of the household demand survey, insecurity in Bunj Town caused a downscaling of humanitarian services to the refugee camps. Focus group discussion participants reported that demand for NFIs dropped considerably in the markets as few refugees had the resources to purchase goods. However, as of November 2018, demand has reportedly started to increase as services are resuming. These recent changes in purchasing

power are not reflected in the survey findings, which reflect the pre-July situation.

The barriers to purchasing appear to be driving more **cautious attitudes to cash amongst the refugee community.** The majority (93%) of households who reported receiving soap would prefer in-kind distributions of soap. Of these households, 60% reported unstable prices as a reason to prefer in-kind assistance.

If given cash, however, most households (58%) who received NFI distributions reported **they would spend the money on food.** Plastic sheeting, typically used to waterproof shelters, was the second most common item, as reported by 76% of households. Humanitarian partners explained this was likely a seasonal need, with data collection taking place during the wet season.

## Overview<sup>2</sup>: NFI demand

Five items reported as most likely to be purchased if cash replaced in-kind distributions, by percentage of households reporting receiving NFI distributions:

Food	58 %	
Plastic sheeting	10 %	
Clothes	7 %	
None	7 %	
Soap	4 %	

<sup>1</sup> All percentages in this factsheet are rounded to the nearest whole number

<sup>2</sup> All 'overview' percentages are weighted averages according to the number of households in each camp

## Overview: physical access to markets

Percentage of households with access to a market:



Five most common barriers to physically accessing markets, by percentage of households:\*

None	79 %	
Need to care for sick or children	15 %	
Unable to walk to the market	6 %	
Feel unsafe while at the market	4 %	
Feel unsafe en route to the market	3 %	

Percentage of households who visit markets experiencing a protection incident while visiting a market in the past year:

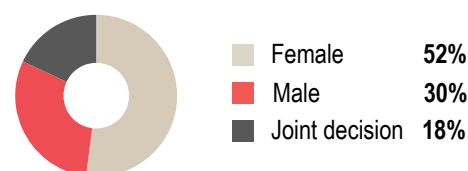


Five most common protection incidents, by percentage of households who visit a market:\*

Harassment at the market	3 %	
Harassment en route to the market	3 %	
Taxation en route to the market	2 %	
Non-violent theft en route to the market	2 %	
Taxation at the market	2 %	

## Overview: purchasing NFIs

Who decides how to spend household cash, by percentage of households who visit markets:

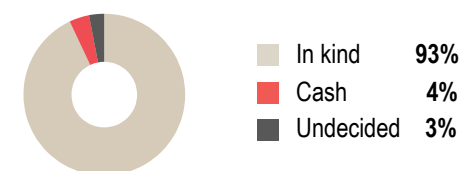


5 most common barriers to purchasing NFIs in the markets, by percentage of households:\*

NFIs too expensive	65 %	
None	28 %	
NFIs not available in market	28 %	
Household does not have cash	20 %	
NFIs in market are poor quality	11 %	

## Overview: assistance preferences

Preferred assistance modality for soap, by percentage of households receiving soap distributions:



Five most common reasons for preferring in-kind assistance for soap, by percentage of households:\*

Prices are unstable	60 %	
NFIs in market are poor quality	40 %	
Traders may raise prices	34 %	
Good quality soap in distributions	26 %	
Not enough soap in the market	16 %	

\* Multiple responses were allowed for these questions



# Maban NFI Market Assessment

November 2018

## Doro: physical access to markets

Percentage of households with access to a market:



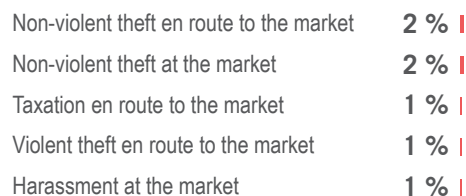
Five most common barriers to physically accessing markets, by percentage of households:\*



Percentage of households who visit markets experiencing a protection incident while visiting a market in the past year:

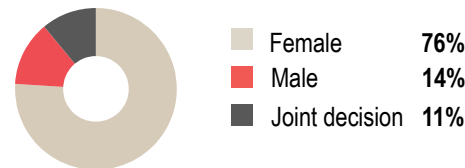


Five most common protection incidents, by percentage of households who visit a market:\*

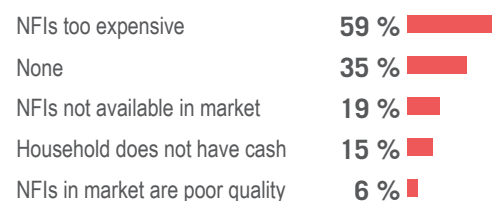


## Doro: purchasing NFIs

Who decides how to spend household cash, by percentage of households who visit markets:

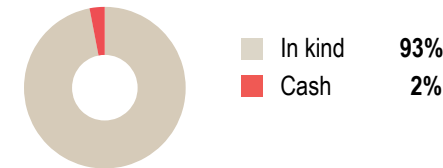


5 most common barriers to purchasing NFIs in the markets, by percentage of households:\*



## Doro: assistance preferences

Preferred assistance modality for soap, by percentage of households reporting receiving soap distributions:



Five most common reasons for preferring in-kind assistance for soap, by percentage of households:\*

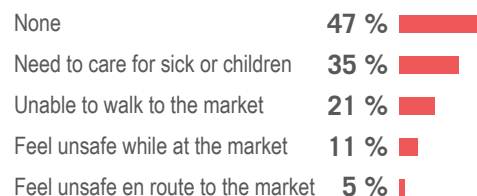


## Kaya: physical access to markets

Percentage of households with access to a market:



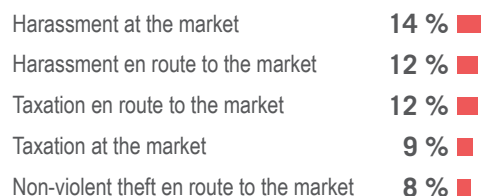
Five most common barriers to physically accessing markets, by percentage of households:\*



Percentage of households who visit markets experiencing a protection incident while visiting a market in the past year:

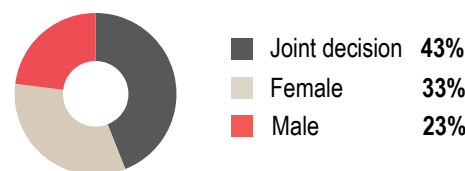


Five most common protection incidents, by percentage of households who visit a market:\*

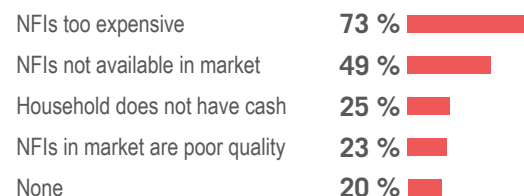


## Kaya: purchasing NFIs

Who decides how to spend household cash, by percentage of households who visit markets:

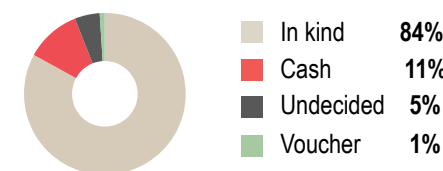


5 most common barriers to purchasing NFIs in the markets, by percentage of households:\*



## Kaya: assistance preferences

Preferred assistance modality for soap, by percentage of households reporting receiving soap distributions:



Five most common reasons for preferring in-kind assistance for soap, by percentage of households:\*



\* Multiple responses were allowed for these questions





# Maban NFI Market Assessment

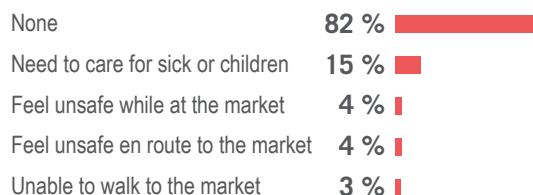
November 2018

## Yusuf Batil: physical access to markets

Percentage of households with access to a market:



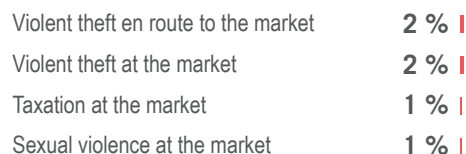
Five most common barriers to physically accessing markets, by percentage of households:\*



Percentage of households who visit markets experiencing a protection incident while visiting a market in the past year:



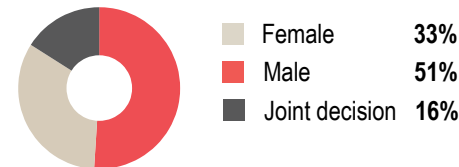
Four<sup>1</sup> most common protection incidents, by percentage of households who visit a market:\*



<sup>1</sup> All other options rounded to 0% for Batil

## Yusuf Batil: purchasing NFIs

Who decides how to spend household cash, by percentage of households who visit markets:

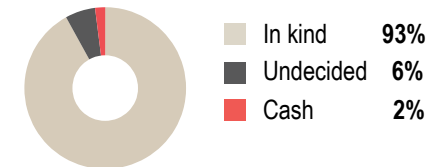


5 most common barriers to purchasing NFIs in the markets, by percentage of households:\*



## Yusuf Batil: assistance preferences

Preferred assistance modality for soap, by percentage of households reporting receiving soap distributions:



Five most common reasons for preferring in-kind assistance for soap, by percentage of households:\*

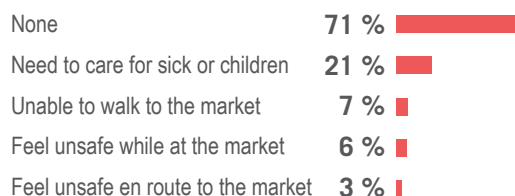


## Gendrasa: physical access to markets

Percentage of households with access to a market:



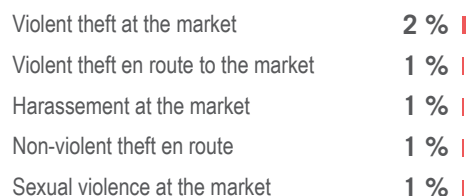
Five most common barriers to physically accessing markets, by percentage of households:\*



Percentage of households who visit markets experiencing a protection incident while visiting a market in the past year:

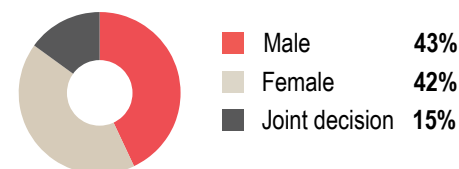


Five most common protection incidents, by percentage of households who visit a market:\*

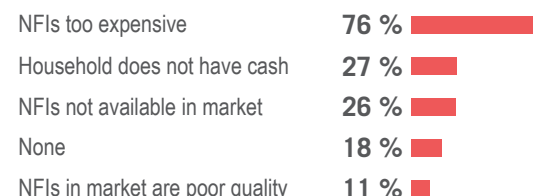


## Gendrasa: purchasing NFIs

Who decides how to spend household cash, by percentage of households who visit markets:

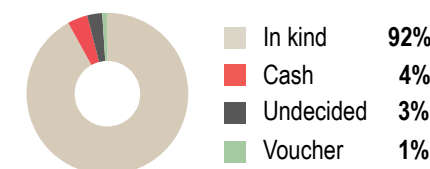


5 most common barriers to purchasing NFIs in the markets, by percentage of households:\*



## Gendrasa: assistance preferences

Preferred assistance modality for soap, by percentage of households reporting receiving soap distributions:



Five most common reasons for preferring in-kind assistance for soap, by percentage of households:\*



\* Multiple responses were allowed for these questions