

Joint Cash Feasibility Assessment

Pulka, Gwoza LGA, Borno State, February 2018



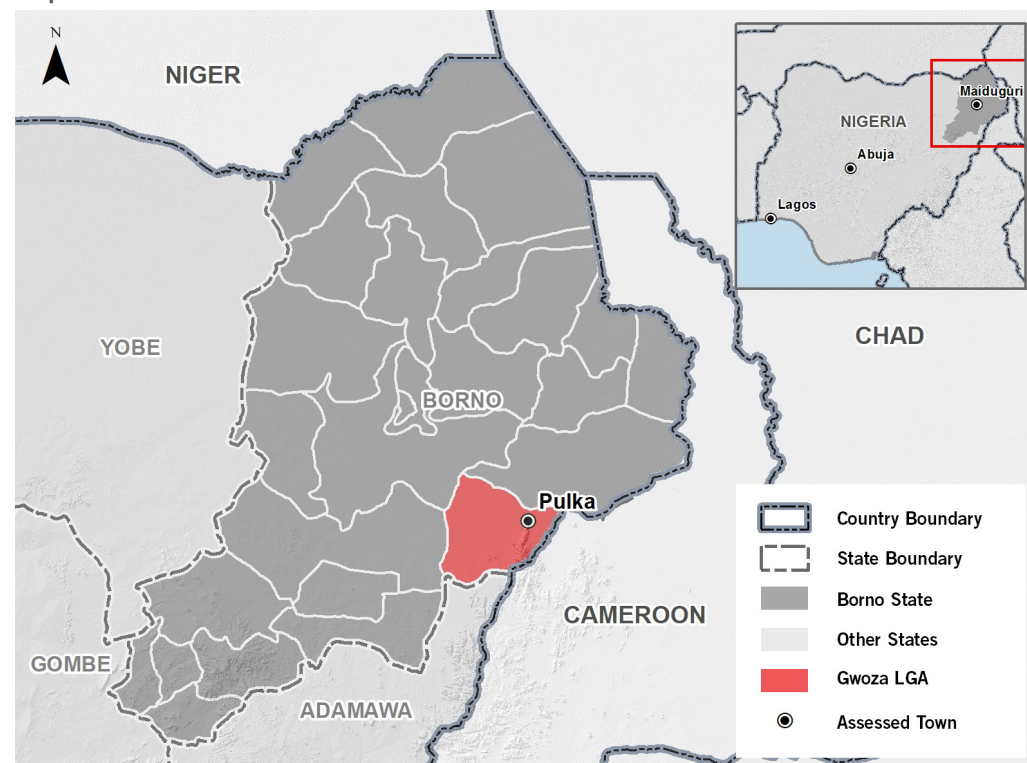
REACH Informing more effective humanitarian action

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 Pulka, data was collected by Oxfam.

For Pulka, 212 household interviews were conducted (119 with IDPs and 93 with non-IDP populations), along with 15 Bulama (traditional community leader) interviews and 4 consumer focus group discussions (FGDs). In addition, 40 interviews and 2 FGDs were conducted with vendors selling the assessed items in Pulka, and 2 semi-structured interviews were conducted with heads of traders (an informally-designated spokesperson for market vendors).

Map 1: Location of Pulka 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 Pulka 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

- Household modality preferences in Pulka were quite mixed, with significant proportions of households expressing preferences for cash-based and in-kind aid. Households preferring cash-based aid most commonly reported that they did so due to the freedom and flexibility that it provided in terms of choosing between different items within each category, between different categories of items, and when to spend the money. Those preferring in-kind aid most commonly attributed this preference to concerns about household members misusing cash, the poor quality of items at markets, and unstable market prices.
- Household preferences varied between item categories, with a majority preferring in-kind aid for food and hygiene NFIs, but more than half preferring cash-based aid for household NFIs, shelter repair materials, and firewood. FGDs suggest that this may be because household want the certainty that comes with directly receiving critically essential items such as food, but would prefer more flexibility in allocating their non-food expenditures.
- While the vast majority of households were reliant on humanitarian aid for food, significant proportions of households each relied on markets and aid for NFIs, and the majority gathered firewood from nearby bush areas.
- The majority of vendors reported being supplied from Maiduguri, although some also relied on supplies from Mubi. Vendors usually travelled to either location to restock 2-3 times per month, using hired vehicles to bring back the goods. However, vendors were not permitted to travel to and from Pulka other than with a military-escorted convoy, which reportedly impeded their ability to restock in time to consistently meet consumer demand in Pulka. Additional transportation barriers reported included poor quality roads, concerns about attacks by armed groups, and road closures by authorities.
- Although most vendors estimated that they could permanently double their supply of items, vendor FGD participants reported that the market would face challenges in expanding beyond double the current supply, primarily due to difficulties in transporting goods and accessing sufficient capital.

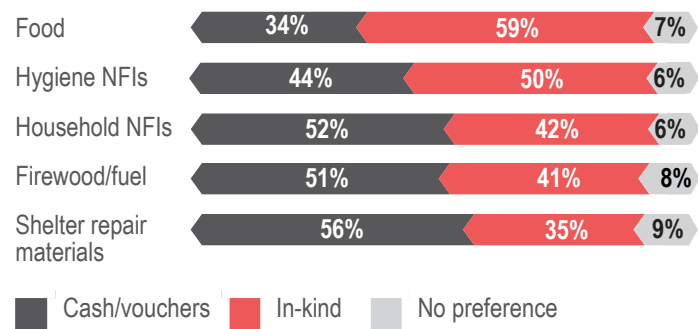
¹Hygiene NFIs include items such as soap and laundry powder. Household NFIs include items such as bedding materials, mosquito nets, and cooking utensils. Shelter repair materials include items such as plastic sheeting, nails/screws, and wooden poles.

RECOMMENDATIONS²

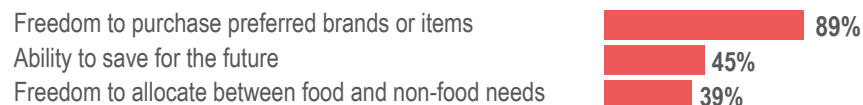
- Given the currently high reliance on in-kind aid and the difficulties vendors face in bringing goods into Pulka, the market may not be able to handle the increase in demand caused by a large and rapid shift towards unrestricted cash assistance.
- However, cash-based assistance through restricted vouchers may be more feasible, especially if humanitarian actors assist their verified vendors in overcoming some of the reported challenges in transporting goods to Pulka. Restricted cash-based assistance would also alleviate household concerns that cash assistance may be redirected by household members towards non-essential expenditures, while enabling households to choose their preferred items. Other delivery mechanisms, including those combining cash-based and in-kind assistance for different types of items or those including in-kind backups in case of market shortages, may also be more feasible than unrestricted cash while providing some of the benefits of that modality. These types of delivery mechanisms could also be used as part of a transition towards unrestricted cash in case it becomes more feasible in the future.
- As 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.
- Humanitarian actors should also consider the possibility of in-kind distributions for firewood or charcoal, or of fuel-efficient cooking stoves, in Pulka. The majority of households reported gathering their own firewood from nearby areas, and the volatile security situation in areas surrounding Pulka suggests that this may lead to protection concerns. However, actors considering such interventions should try to minimise the disruption they may cause to the livelihoods of those dependent on the sale of firewood.

HOUSEHOLD ASSISTANCE MODALITY PREFERENCES*

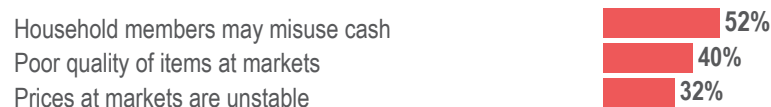
Reported preference of cash/vouchers or in-kind aid:



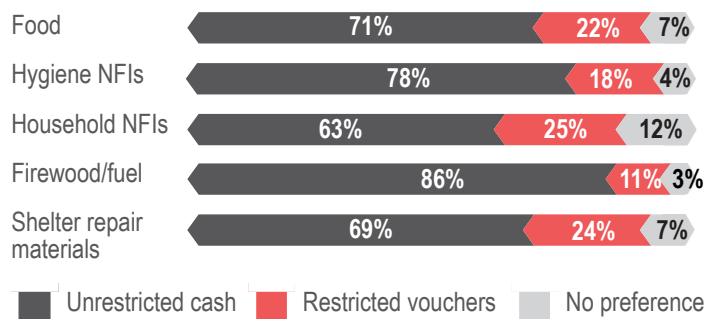
Of those preferring cash/vouchers, top reported reasons:



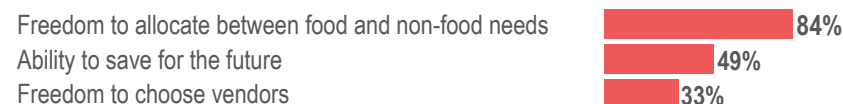
Of those preferring in-kind aid, top reported reasons:



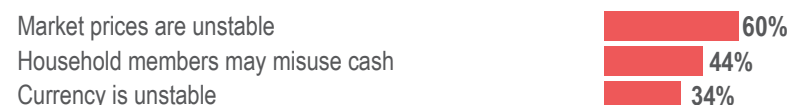
Of those preferring cash/vouchers, reported preferences between unrestricted cash and restricted vouchers:



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



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



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.

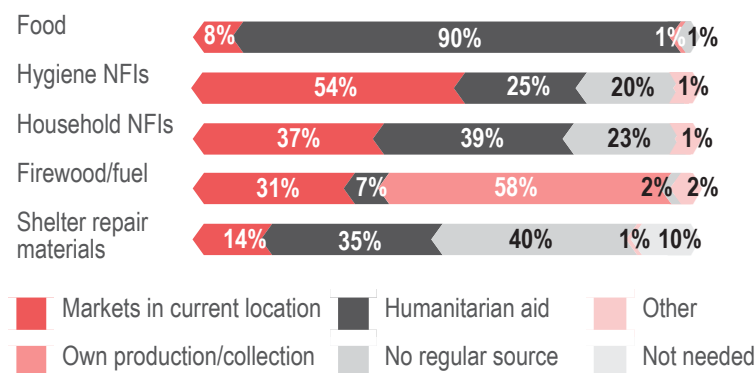
In both FGDs and interviews, households preferring cash-based aid most commonly reported that they did so due to the freedom and flexibility that it provided in terms of choosing between different items within each category, between different categories of items, and when to spend the money. Similar reasons were given for preferring unrestricted cash over restricted vouchers.

FGD participants preferring in-kind aid commonly stated that this was because they saw it as more reliable, in that recipients of in-kind aid were given items according to fixed quantities, instead of being required to source the needed items on their own.

The reasons behind these preferences likely explains the differences seen between item categories, as was confirmed in FGDs. Some participants reported that they wanted food aid in-kind but aid for other assessed item categories in cash because they wanted to be sure that they would receive food, but were more flexible in how they wished to allocate their non-food expenses. The preference for food aid in kind might also be because many households already reported relying on in-kind aid for food and would prefer for such aid to continue.

HOUSEHOLD ACCESS TO ITEMS*

Primary method of accessing items in the past month:



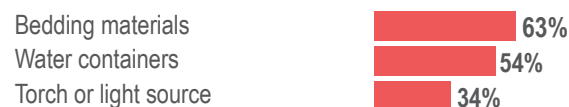
Most needed food items:



Most needed hygiene NFIs:



Most needed household NFIs:

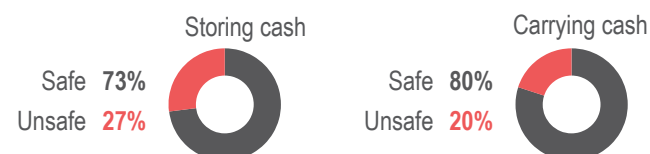


Most needed shelter repair materials:



HOUSEHOLD ACCESS TO CASH AND CREDIT*

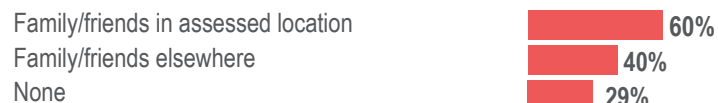
Reported perception of safety of storing or carrying cash:



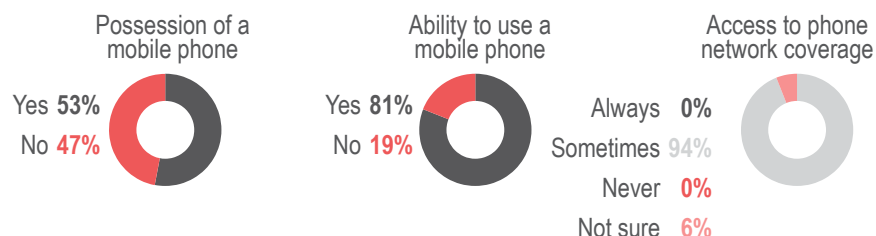
Percentage of households able to buy items on credit:



Reported household sources of credit other than vendors:



Mobile phones:



While fewer than half of households reported being able to buy items on credit from vendors, the majority were able to borrow money from family and friends either within or outside Pulka. FGD participants corroborated this information, and some participants also reported selling food items when short on cash.

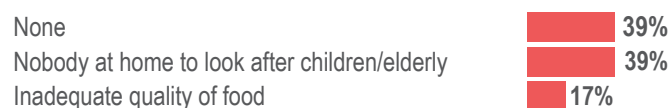
FGD participants also reported never having received money through mobile money transfers. While not many households reported knowing how to use phones, almost half owned phones and most reported that network coverage was sometimes available.

HOUSEHOLD ACCESS TO MARKETS*

Reported security risks at markets:



Reported non-security barriers to accessing items at markets:



While some FGD participants reported being concerned about the general security situation in the area, they did not report modifying their behaviour in response to market access barriers. Some female FGD participants mentioned that their families sometimes restricted them from accessing markets.

Items most commonly reported by households as unavailable:



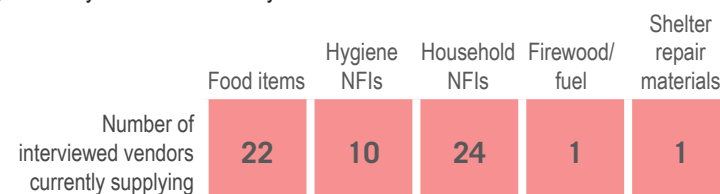
Items that households most commonly report being able to afford:



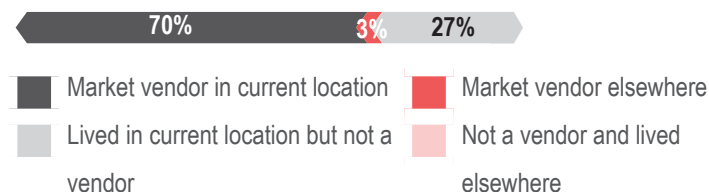
Many FGD participants stated that key NFIs were frequently unavailable in markets, particularly household NFIs and shelter repair materials. According to participants, availability issues were usually linked to difficulties for vendors in accessing their suppliers in Maiduguri or Mubi.

VENDORS AND MARKETS: OVERVIEW**

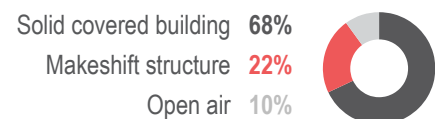
According to heads of traders in Pulka, the market still operated in its pre-conflict location, although some pre-conflict vendors had not yet resumed business in the market. Heads of traders also estimated that there were 5-10 wholesalers operating in Pulka. The main market day in Pulka, Tuesday, was chosen not to conflict with market days other nearby towns, enabling vendors from these towns to come to Pulka and sell goods only on the market day.



Pre-conflict location and occupation of current vendors:



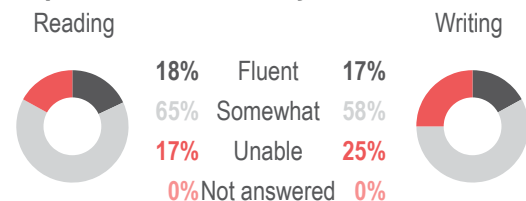
Observed type of shop or stall in the markets:



With 7 m² of storage area on average, the reported main location of storage space:

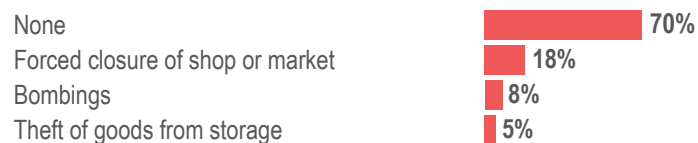


Reported vendor literacy rates:

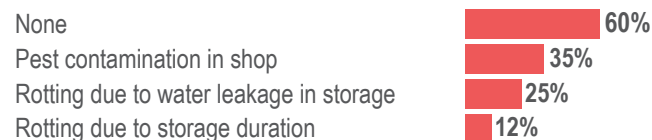


CHALLENGES TO OPERATING IN THE MARKET**

Reported security challenges to conducting business:

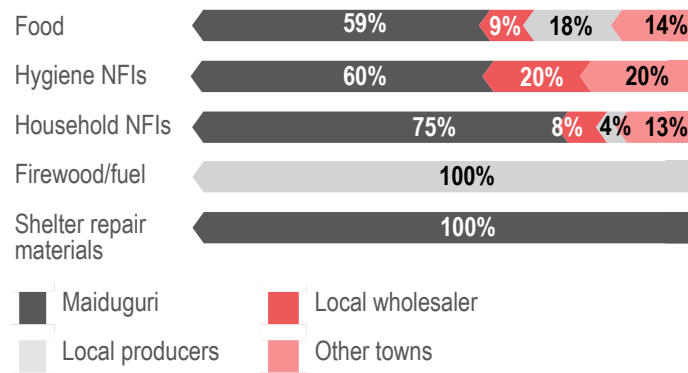


Reported non-security challenges to conducting business:

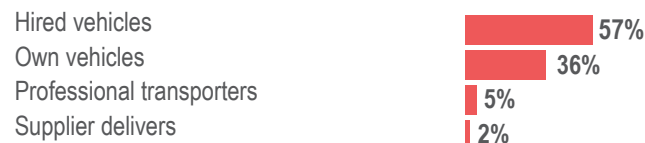


SUPPLY AND TRANSPORTATION OF GOODS TO VENDORS**

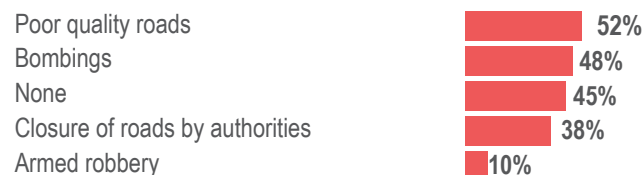
Main supply sources for vendors:



Methods of transportation of goods from suppliers to vendors:



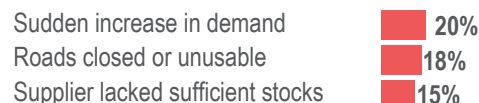
Challenges in the transportation of goods from suppliers to vendors:



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 vendors relied on suppliers based in Maiduguri, with many hiring vehicles such as trucks and cars to make the journey in order to restock, although firewood and some food items were also sourced from local producers. Vendor FGD participants reported that vendors commonly restocked 2-3 times per month, as they could only travel to Maiduguri as part of a military-escorted convoy due to security risks along the road. As a result, vendors were sometimes unable to restock in time to meet demand when military escorts were unavailable. In addition, some participants reported insufficient storage space as a barrier to restocking.

Participants also mentioned that many vendors chose who to buy from in Maiduguri at random, rather than based on past relationships, although some had developed relationships with suppliers over time. Other than Maiduguri, some vendors also used suppliers in northern parts of Adamawa State, such as Mubi.

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:

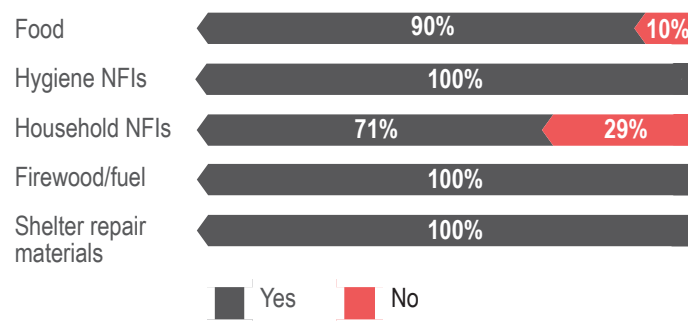


The majority of vendors in Pulka did not report being able to buy from their suppliers on credit, which is likely linked to the fact that most vendors did not report developing relationships with their suppliers. While the vast majority of vendors reported selling on credit to customers, most of them only provided credit to those they trusted. This was confirmed in FGDs, where vendors said they offered credit to trusted customers but sometimes faced challenges recovering the money.

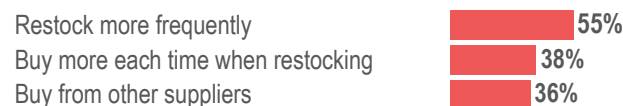
Both vendor FGD participants and heads of traders reported that there was no traders' association in Pulka. Heads of traders would reportedly get involved in resolving disputes amongst vendors, which were said to be quite common, and in supervising any informal bartering that occurred between vendors. Vendors FGD participants also reported that only vendors using a solid covered building had to pay rent to the building owner, while other vendors did not have to pay any fees to operate in the market.

VENDOR ABILITY TO INCREASE SUPPLY OF ASSESSED ITEMS**

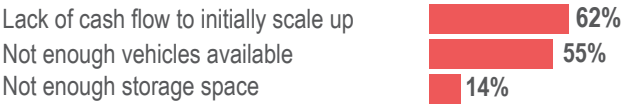
Percentage of vendors reportedly able to permanently double supply of items:



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 reported that they would be able to permanently double their supply of goods in response to an increase in demand, primarily by restocking more frequently. Vendor FGD participants also reported that they would hire an additional vehicle to bring back more goods during each trip to restock in Maiduguri, and that they would supplement supplies from Maiduguri with some locally-sourced items. However, participants stated that it would be challenging for market vendors to expand supply to more than double the current amount, primarily due to the challenges in transporting goods to Pulka and the need to travel with a convoy. In addition, participants reported that, while it was possible for new people to become vendors in Pulka, they would face challenges such as accumulating enough capital to secure spaces for shops and storage.