

Joint Cash Feasibility Assessment

Gwoza, Gwoza LGA, Borno State, February 2018



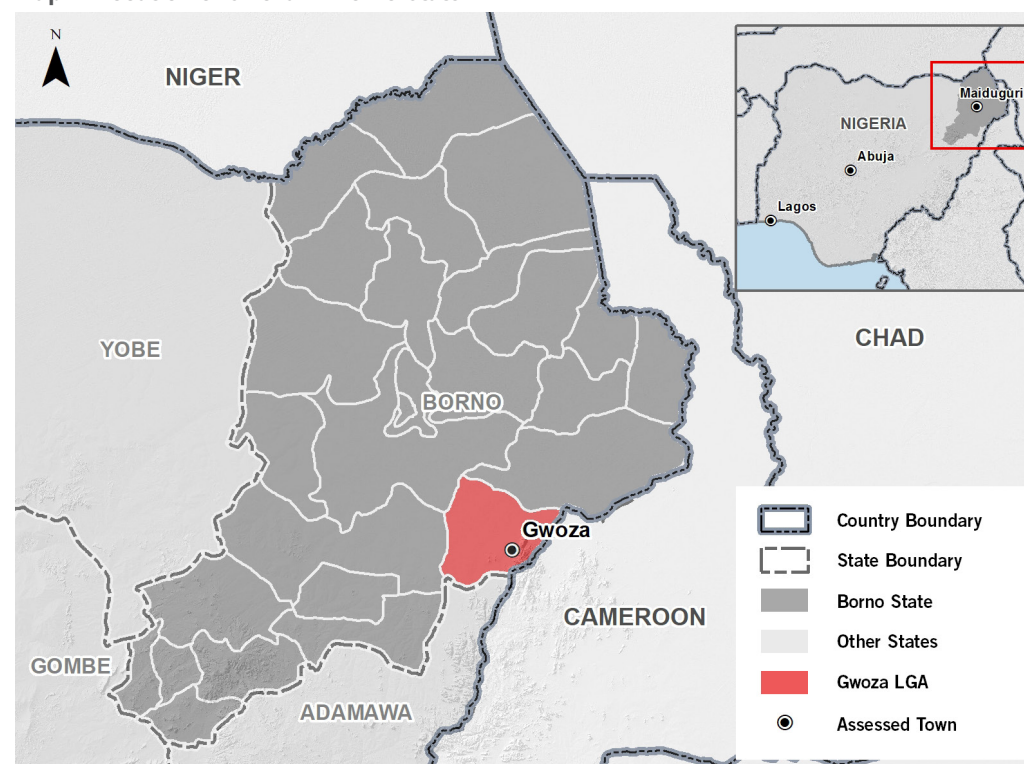
REACH Informing more effective humanitarian action

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 Gwoza, data was collected by Plan International.

For Gwoza, 211 household interviews were conducted (107 with IDPs and 104 with non-IDP populations), along with 15 Bulama (traditional community leader) interviews and 4 consumer focus group discussions (FGDs). In addition, 60 interviews and 3 FGDs were conducted with vendors selling the assessed items in Gwoza, and 1 semi-structured interview was conducted with a head of traders (an informally-designated spokesperson for market vendors).

Map 1: Location of Gwoza in Borno State



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

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

Key findings and recommendations for Gwoza 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

- Of the households not reporting no preference between cash-based and in-kind aid, the majority stated that they preferred in-kind aid, most commonly due to concerns about household members misusing cash, although a sizable minority preferred cash-based assistance. However, FGD participants also stated that they were concerned about the consistency of market supply due to security concerns and movement restrictions along vendor supply routes. Households preferring cash-based aid most commonly cited reasons related to freedom of choice and flexibility.
- 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 many gathered firewood from nearby bush areas.
- The majority of vendors reported being supplied from Maiduguri or Mubi, either directly or via local wholesalers. Vendors usually travelled to either location with hired vehicles to bring back the goods, although some reported that suppliers delivered goods to them. However, vendors and commercial vehicles were not permitted to travel to and from Gwoza other than with a military-escorted convoy, which reportedly impeded their ability to restock in time to consistently meet consumer demand in Gwoza. 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 2-2.5 times the current supply, primarily due to difficulties in transporting goods and accessing sufficient capital.
- Very few households reported being able to buy items from vendors on credit. Vendors were generally able to access credit through their suppliers, although they stated that they were only willing to provide credit to customers whom they trusted.

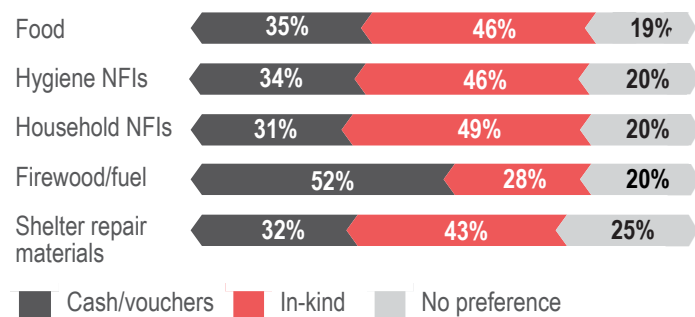
¹ Hygiene NFIs include items such as soap and laundry powder. Household NFIs include items such as bedding materials, mosquito nets, and cooking utensils. Shelter repair materials include items such as plastic sheeting, nails/screws, and wooden poles.

RECOMMENDATIONS²

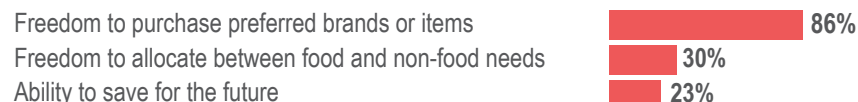
- Given the currently high reliance on in-kind aid and the difficulties vendors face in bringing goods into Gwoza, the market may not be able to handle the increase in demand caused by a large and rapid shift towards unrestricted cash assistance.
- However, cash-based assistance through restricted vouchers may be more feasible, especially if humanitarian actors assist their verified vendors in overcoming some of the reported challenges in transporting goods to Gwoza. 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 Gwoza. The majority of households reported gathering their own firewood from nearby areas, and the volatile security situation in areas surrounding Gwoza 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*

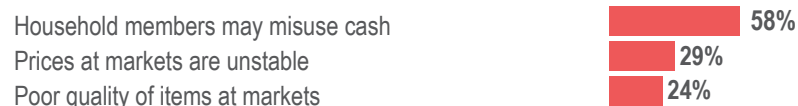
Reported preference of cash/vouchers or in-kind aid:



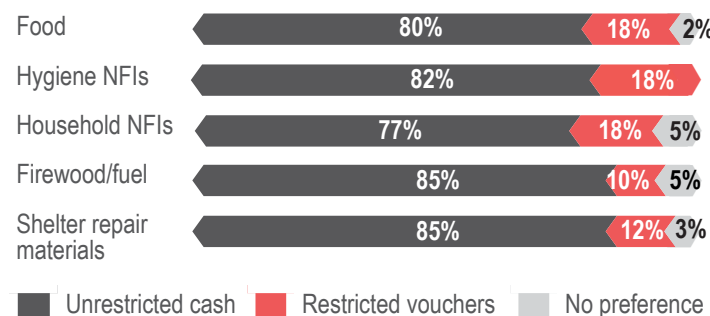
Of those preferring cash/vouchers, top reported reasons:



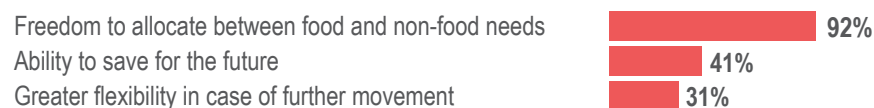
Of those preferring in-kind aid, top reported reasons:



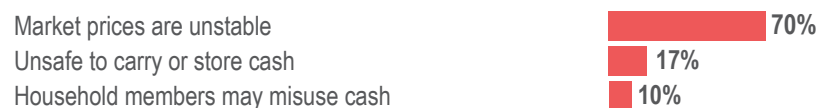
Of those preferring cash/vouchers, reported preferences between unrestricted cash and restricted vouchers:



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.

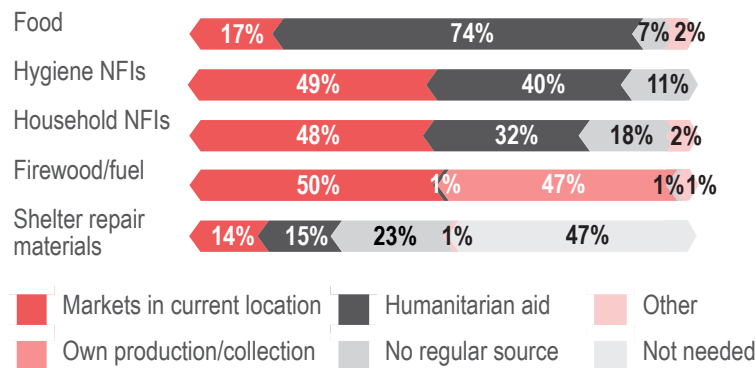
*All data shown in the graphs in this section comes from household interviews.

As was the case in household interviews, FGD participants also generally expressed a preference for in-kind aid over cash-based assistance. Participants reported that the reason for this preference was concern about the consistency of market supply, due to security concerns and movement restrictions along vendor supply routes into Gwoza. Other reasons for preferring in-kind aid included concerns over household members misusing cash, unavailability of items at markets and unstable prices.

Participants expressing a preference for cash over in-kind aid reported that NFIs were sometimes damaged or broken when delivered to them. Other reasons included the ability to test the quality of items before making a purchase and the desire to support local traders. Some participants also reported that in-kind aid sometimes supplied them with items they already had, while leaving out items that they needed more.

HOUSEHOLD ACCESS TO ITEMS*

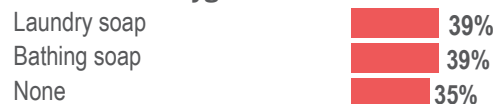
Primary method of accessing items in the past month:



Most needed food items:



Most needed hygiene NFIs:



Most needed household NFIs:

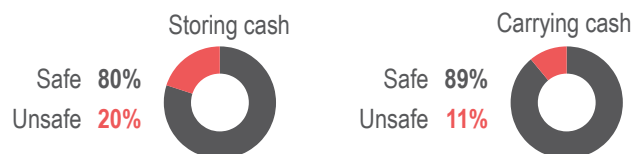


Most needed shelter repair materials:

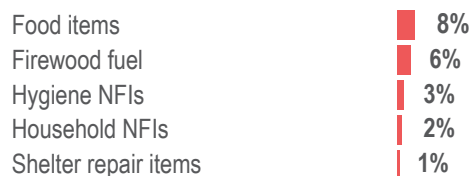


HOUSEHOLD ACCESS TO CASH AND CREDIT*

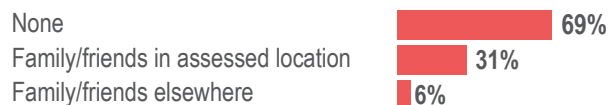
Reported perception of safety of storing or carrying cash:



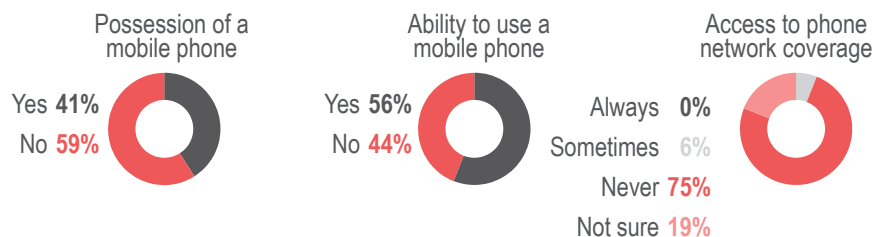
Percentage of households able to buy items on credit:



Reported household sources of credit other than vendors:



Mobile phones:



The lack of access to credit reported in household interviews was corroborated in FGDs, where participants reported having no access to credit from banks or other sources in the assessed location. FGD participants also confirmed that there was no network coverage in Gwoza.

HOUSEHOLD ACCESS TO MARKETS*

Reported security risks at markets:



Reported non-security barriers to accessing items at markets:



The general lack of market access barriers was confirmed by FGD participants, who mentioned that they faced no security risks en route to or at the market.

Items most commonly reported by households as unavailable:



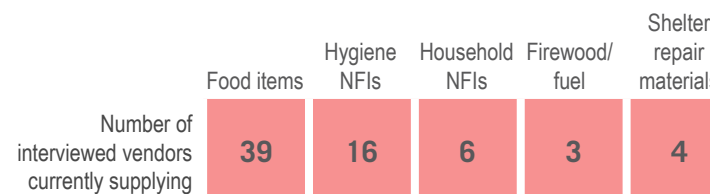
Items that households most commonly report being able to afford:



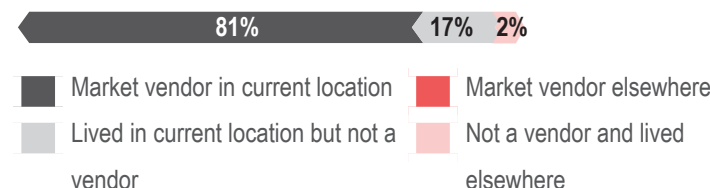
FGD participants reported frequent fluctuations in market prices, attributable to security challenges and long distances.

VENDORS AND MARKETS: OVERVIEW**

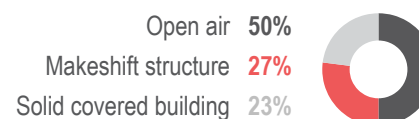
According to heads of traders in Gwoza town, the main market in the town was still operating in its pre-conflict location and had not been directly affected by the conflict. The main market days in Gwoza were Sunday and Wednesday, with some vendors visiting other nearby communities to sell goods on other days of the week. Vendor FGD participants with shops in solid buildings reported having to pay rent, and some participants also mentioned paying a small amount once a week to guards watching over the market. Participants also stated that they did not generally face security challenges to conducting business, corroborating the individual vendor interview data.



Pre-conflict location and occupation of current vendors:



Observed type of shop or stall in the markets:

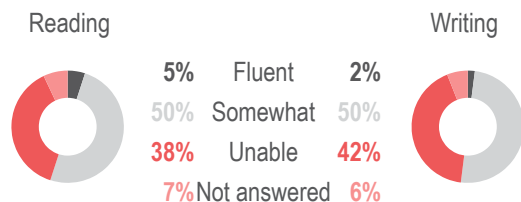


With 17 m² of storage area on average, the reported main location of storage space:



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

Reported vendor literacy rates:

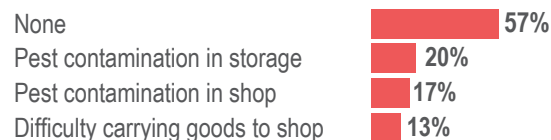


CHALLENGES TO OPERATING IN THE MARKET**

Reported security challenges to conducting business:

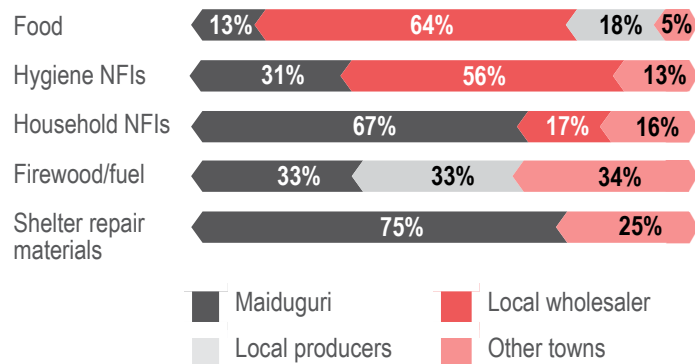


Reported non-security challenges to conducting business:



SUPPLY AND TRANSPORTATION OF GOODS TO VENDORS**

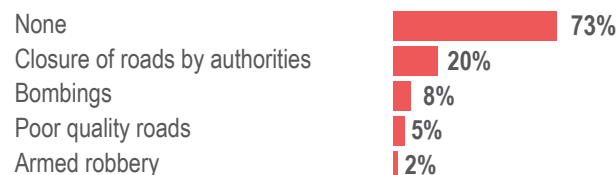
Main supply sources for vendors:



Methods of transportation of goods from suppliers to vendors:



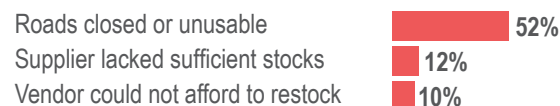
Challenges in the transportation of goods from suppliers to vendors:



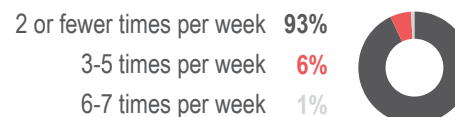
Of vendors selling each assessed item category, most commonly reported shortages in the past month:



For vendors reporting shortages, most common reasons:



Reported restocking frequency:



Vendors reported that agricultural produce and hygiene NFIs came from local wholesalers, which was corroborated during FGDs. These wholesalers were reported to source these goods primarily from Maiduguri and Mubi in Adamawa State, mostly using hired or self-owned vehicles. Vendors reported having a wide number of suppliers, choosing them based on the quality and the price of the goods they provide.

During vendor FGDs, participants reported road closures and having to wait for a military escorts as the main challenges to transporting goods into Gwoza. Participants also stated that these challenges in accessing and using roads into and out of Gwoza sometimes caused shortages in the market, as vendors were not always able to bring in goods in time to meet demand.

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:

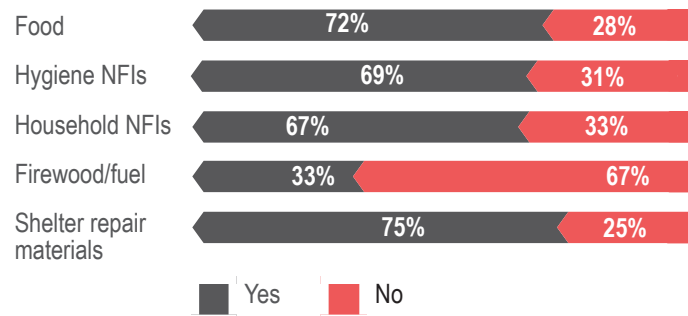


The vast majority of assessed vendors reported that they did sell items on credit, but only to trusted customers. Participants also stated that they generally only sold on credit to customers that they trusted to be reliable in repaying them.

Vendor FGD participants and heads of traders reported that there was a traders' association in the market, helping to settle issues, liaising with military agents and providing security at the market. Vendors also mentioned that commercial disputes were usually resolved or mediated through the association.

VENDOR ABILITY TO INCREASE SUPPLY OF ASSESSED ITEMS**

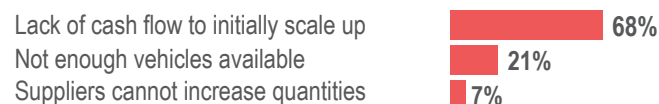
Percentage of vendors reportedly able to permanently double supply of items:



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:



Vendor FGD participants estimated that vendors in Gwoza permanently increase the supply of all items between 2-2.5 times, depending on road conditions and movement restrictions. Participants reported insufficient access to vehicles, road closures and movement restrictions, and insufficiency of cash for initially scaling up as the main barriers to the expansion of market supply beyond the estimated amount.