

# Joint Cash Feasibility Assessment

Kukareta and Dikumari, Damaturu LGA, Yobe State, February 2018



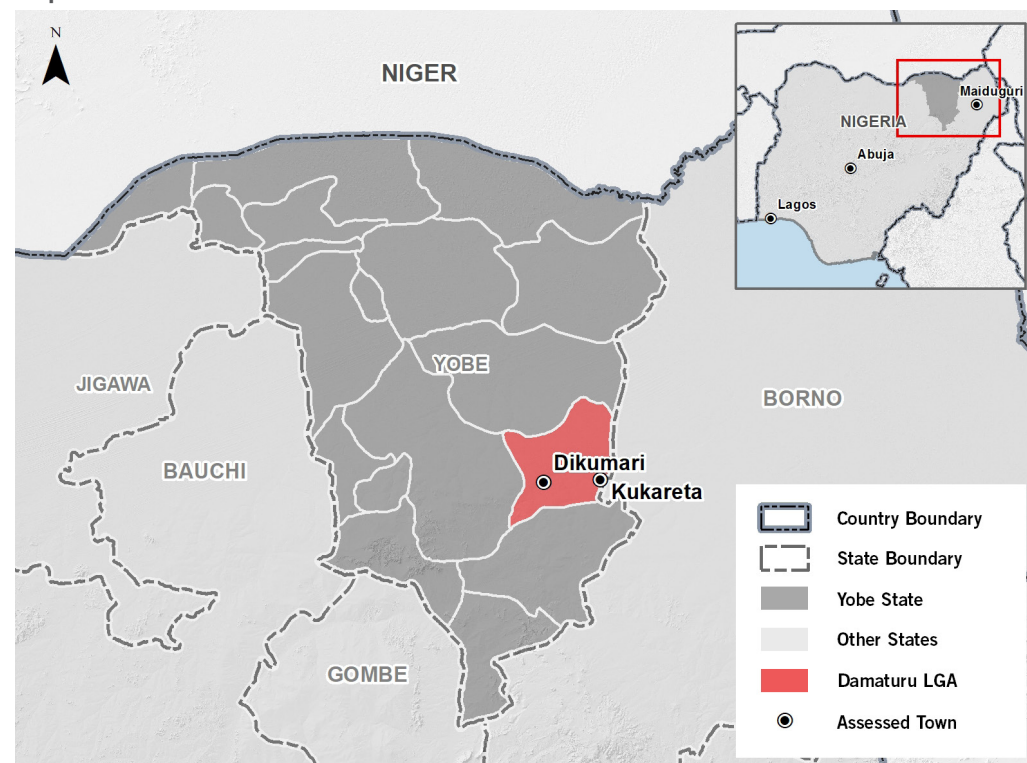
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## INTRODUCTION

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 Kukareta and Dikumari, data was collected by IRC and SCI.

For Kukareta and Dikumari, 220 household interviews were conducted (116 with IDPs and 104 with non-IDP populations), along with 6 Bulama (traditional community leader) interviews and 4 consumer focus group discussions (FGDs). In addition, 36 interviews and 2 FGDs were conducted with vendors selling the assessed items in these villages, and 2 semi-structured interviews were conducted with heads of traders (an informally-designated spokesperson for market vendors).

Map 1: Location of Kukareta and Dikumari in Yobe 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 Kukareta and Dikumari 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

- The majority of households in Kukareta and Dikumari reported a preference for cash-based over in-kind aid, most commonly due to the freedom of choice and flexibility of cash-based assistance. Of those preferring cash-based aid, only a slight majority preferred unrestricted cash, for similar reasons. The most common reasons for preferring in-kind aid, or for preferring vouchers over unrestricted cash, were concerns about cash being diverted towards non-essential expenditures and the instability of market prices.
- Markets in the assessed towns were reported as the main source of items, other than firewood, which was most commonly gathered from nearby bush areas, and shelter repair items. However, substantial minorities of households reported relying on humanitarian aid as their main sources of food and, to a lesser extent, hygiene and household NFIs.
- Vendors most commonly restocked from Damaturu, although some items were also sourced from Potiskum, Maiduguri, and Kano. The main challenges to restocking were the high number of checkpoints in the area, at which vendors reported frequent delays and required payments, and insufficient numbers of professional transporters. Some vendors also reported cash flow challenges. However, despite these challenges, most vendors estimated that they could increase the supply of items. Other indicators, such as vendor access to credit and proximity to the state capital of Damaturu also suggest that this may be possible.
- While household interviewees did not report access to sources of credit other than borrowing from relatives and friends, FGD participants reported that other sources of cash and credit were present in the assessed villages, including local cash agents, traditional savings groups, and mobile money transfers.
- The vast majority of households and vendors in both assessed villages did not report security or other barriers to market access. While some vendors mentioned that security had been a problem in the past, vendors now paid a small monthly fee to local groups to help secure the market.

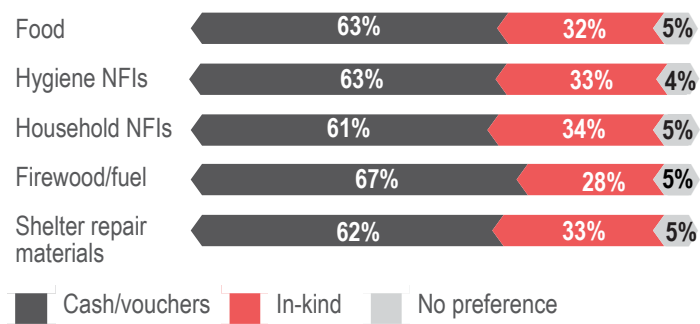
<sup>1</sup> Hygiene NFIs include items such as soap and laundry powder. Household NFIs include items such as bedding materials, mosquito nets, and cooking utensils. Shelter repair materials include items such as plastic sheeting, nails/screws, and wooden poles.

## RECOMMENDATIONS<sup>2</sup>

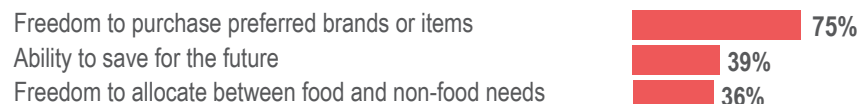
- Findings suggest that cash-based assistance is feasible in Kukareta and Dikumari. Households already use markets quite extensively, and the villages are close to the state capital of Damaturu, from which supplies are accessible.
- However, actors considering cash-based aid in these villages may need to do some preparatory work to facilitate a smoother transition to restricted or unrestricted cash-based modalities. Given that many vendors reported difficulties at checkpoints, it would be worthwhile for humanitarian actors implementing cash-based activities to conduct further assessments to determine the extent of these difficulties and, if needed, assist in advocating with authorities for easier commercial access. In addition, other measures such as linking vendors to savings groups and institutions providing credit, and supporting the development of greater transport links and storage capacity, would also help strengthen markets in preparation for a transition to cash.
- Findings suggest that financial services such as savings associations, credit from vendors, mobile money transfers, and banks may be accessible, although their usage appears to be low. Actors implementing cash-based programming could make use of this existing infrastructure as part of cash assistance delivery mechanisms or if seeking to increase the uptake of financial services. However, additional assessments to determine the robustness of this financial infrastructure would likely be necessary.
- Given that many respondents reported concerns about household members misusing cash, it would be valuable for actors to be aware of the impact of aid on household dynamics and of related protection concerns.
- Although the security situation is now reported to be stable, vendor reports of volatility in the area in the recent past suggest that actors providing assistance in the area should stay aware of the security situation, and with contingency planning to mitigate the risk of a future deterioration.

## HOUSEHOLD ASSISTANCE MODALITY PREFERENCES\*

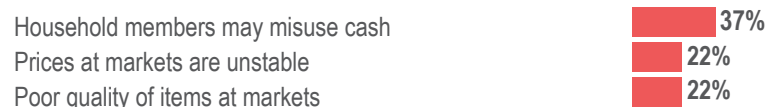
### Reported preference of cash/vouchers or in-kind aid:



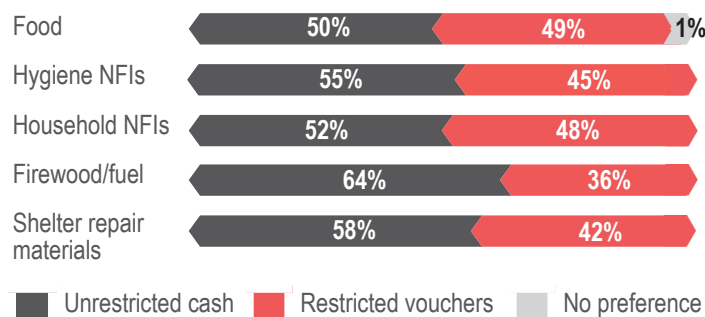
### Of those preferring cash/vouchers, top reported reasons:



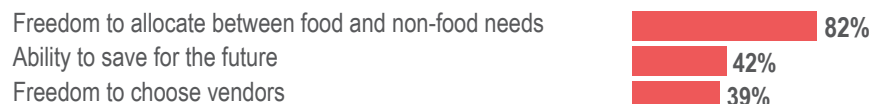
### Of those preferring in-kind aid, top reported reasons:



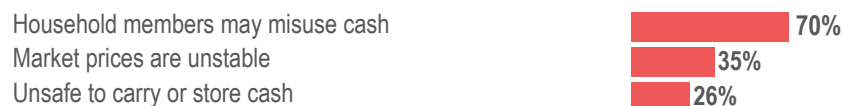
### Of those preferring cash/vouchers, reported preferences between unrestricted cash and restricted vouchers:



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



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



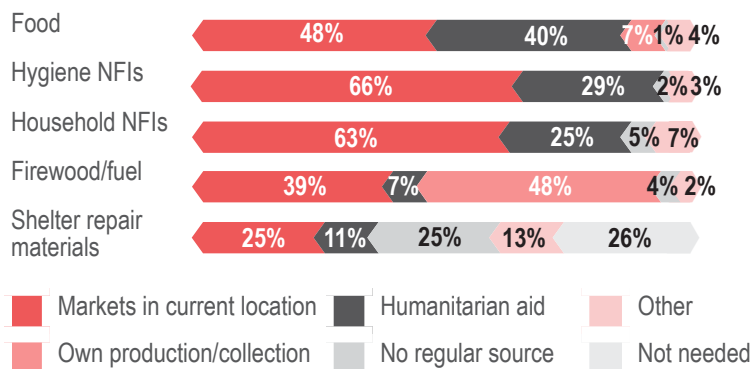
<sup>2</sup> Recommendations were developed jointly by CWG member organisations at a Joint Analysis Workshop. In addition to the location-specific recommendations listed below, more general recommendations for assessed areas can be found in the overview document for this assessment.

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

FGD participants expressed preferences for all three modalities. Those preferring in-kind aid cited the convenience of receiving items directly, the savings in terms of transport costs, and their belief that humanitarian organisations could source better quality items than those available at markets. Those stating a preference for vouchers said that they were easy to use, that they appreciated the certainty of having their own voucher cards, and that expenditures could not be diverted towards other purposes. Those favouring cash mostly liked its flexibility, including the ability to use it for other needs such as health and education as they arose.

## 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:

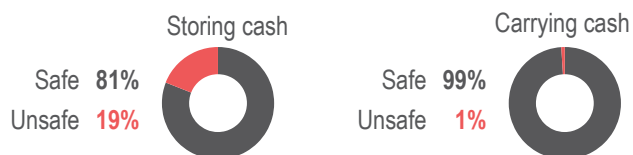


### Most needed shelter repair materials:



## HOUSEHOLD ACCESS TO CASH AND CREDIT\*

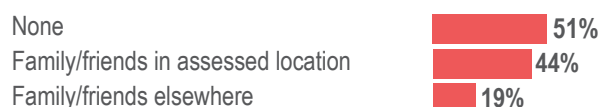
### Reported perception of safety of storing or carrying cash:



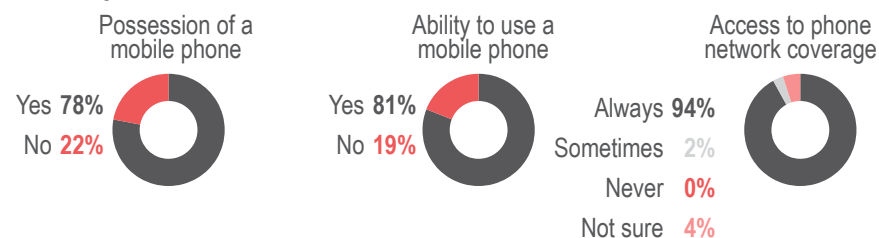
### Percentage of households able to buy items on credit:



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



### Mobile phones:



Most FGD participants reported to have access to credit through family and friends, particularly for credit for buying food items. Some participants mentioned access to credit through bank transfers, local cash agents, traditional savings associations and mobile money transfers.

While most male FGD participants said that they had previously made use of mobile money transfers, only a few female FGD participants reported having used the system. However, all FGD participants mentioned that there is network coverage in the town.

## HOUSEHOLD ACCESS TO MARKETS\*

### Reported security risks at markets:



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



Consistent with a majority of household interviews, most FGD participants in both male and female groups reported no security risks en route or at markets.

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



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

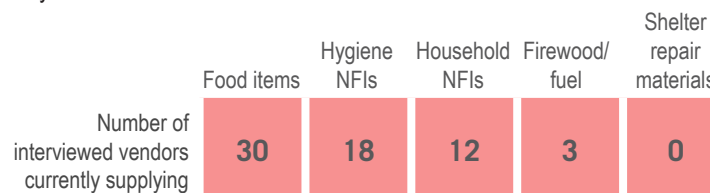


FGD participants reported that most assessed types of items are generally available in the market, with the exception of shelter repair items. Some FGD participants also mentioned that food items are generally more affordable than other types of items.

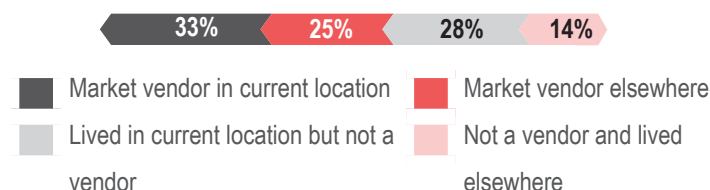
Fluctuations in fuel costs and seasonal weather variations were often cited as the reason behind instability in market prices.

## VENDORS AND MARKETS: OVERVIEW\*\*

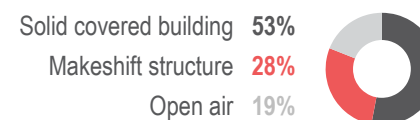
According to heads of traders, the number of traders has increased since 2009, as IDPs have moved from their nearby communities and set up shops in assessed villages. Heads of traders did not report any major security challenges at the moment, although they said that there had been instability in the recent past. They attributed the relative stability to the presence of the military and local civilian groups assisting with security. The main market day was reported to be Tuesday in Dikumari while there was no specific market day in Kukareta.



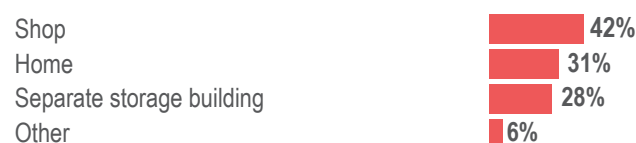
### Pre-conflict location and occupation of current vendors:



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

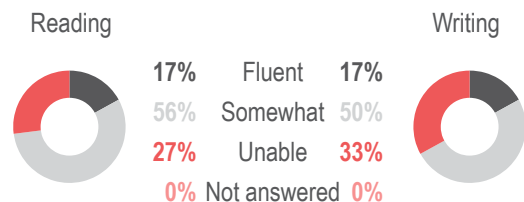


### With 17 m<sup>2</sup> of storage area on average, the reported main location of storage space:



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

## Reported vendor literacy rates:

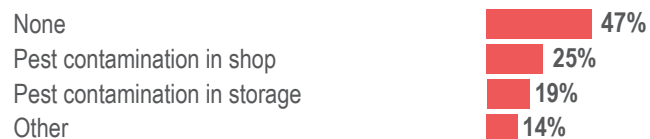


## CHALLENGES TO OPERATING IN THE MARKET\*\*

### Reported security challenges to conducting business:

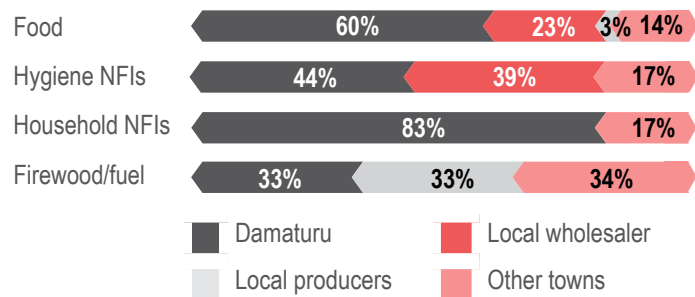


### Reported non-security challenges to conducting business:

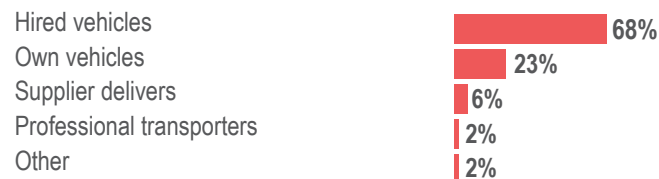


## SUPPLY AND TRANSPORTATION OF GOODS TO VENDORS\*\*

### Main supply sources for vendors:



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



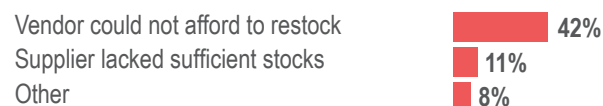
## Challenges in the transportation of goods from suppliers to vendors:



## 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:





Vendor FGD participants reported that vendors were mostly supplied from Damaturu town, with some also getting goods from Potiskum, Maiduguri, and occasionally Kano. Suppliers were reportedly chosen mostly based on perceived reliability and trustworthiness, as well as the prices at which they sold goods. Vendors usually travelled to their supply locations and then hired vehicles such as taxis and three-wheelers to bring back goods, although larger cars were more commonly used when restocking from further off places like Maiduguri and Kano.

The main transportation challenge reported by FGD participants was the high number of checkpoints along roads in the area. Participants reported facing delays and being required to make payments at checkpoints. The lack of professional transporters travelling to these villages was also cited by participants as a difficulty.

### 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:

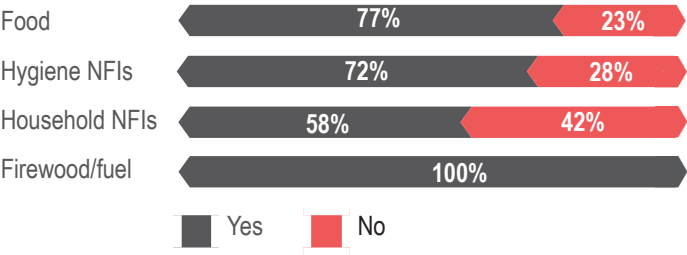


Most vendors reported that they were able to access credit from suppliers. Other additional sources of credit and financial services included informal savings associations. Vendor FGD participants reported that they did sell items on credit in order to keep customers.

Vendor FGD participants and heads of traders reported that there was a traders' association in Dikumari, helping to set commodity prices, mediate commercial disputes between vendors and supporting members in need of financial help. Participants in Kukareta stated that there was no functioning traders' association in the village.

### VENDOR ABILITY TO INCREASE SUPPLY OF ASSESSED ITEMS\*\*

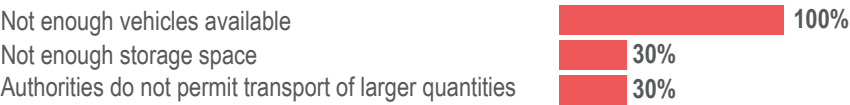
Percentage of vendors reportedly able to permanently double supply of items:



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:



Consistent with vendor interviews, vendor FGD participants reported to be able to permanently increase supply of goods, particularly of food items. Main barriers to increasing supply in order to meet increasing demand included low cash flows, challenges at checkpoints when restocking, lack of access to storage facilities, and fear of attacks en-route or at markets.