



Jamjang Non-Food Item (NFI) Market Assessment

Ajuong Thok and Pamir refugee camps, Jamjang, South Sudan

South Sudan Refugee Response

November 2018

Introduction

Context and objective

Since 2011, insecurity in the South Kordofan region of Sudan has driven large-scale displacement to Northern Unity State, South Sudan. 127,366 refugees currently reside in Northern Unity, of whom 75,680 live in the Jamjang camps: Ajuong Thok and Pamir.¹ 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 29 August to 7 September 2018, REACH employed a structured questionnaire to assess demand, interviewing 739 randomly sampled households in the Jamjang camps: 372 in Ajuong Thok and 367 in Pamir. The findings are representative at the camp level with a 95% confidence level and a 5% margin of error. The findings were triangulated with 3

focus group discussions (FGDs) with refugees from 22 - 29 October 2018: one all-male and one all-female in Pamir, and one all-female in Ajuong Thok.

To assess supply, from 12 September to 5 October REACH conducted 19 semi-structured key informant (KI) interviews with traders: 8 in Ajuong Thok, 4 in Pamir, 6 in Jamjang Town and 1 in Yida informal settlement. To inform questionnaire design, 3 FGDs were held with trader representatives: 1 in Ajuong Thok and 2 in Pamir.

Key findings

- The capacity of markets to meet demand in Ajuong Thok and Pamir is limited by high transportation costs and informal payments on the main supply route from Juba. Moreover, the poor road conditions substantially limit supply during the rainy season. Pamir market is further constrained by the cost of

transporting goods from Ajuong Thok to Pamir.

- However, the market in Ajuong Thok has demonstrated a gradual increase in capacity since its establishment in 2013. This suggests increased demand would eventually lead to increased supply, but over several months or even years, depending on the size of the increase. Sudden, large increases in cash could lead to inflation.
- If refugees were given cash in place of in-kind NFI distributions, it is likely most of this cash would be spent on food.
- Access to markets was generally high in the Jamjang camps, but residents of Pamir faced slightly more security barriers than Ajuong Thok. However, high and volatile prices restricted households' ability to purchase NFIs at the markets in both camps.

Supply routes

The main supply route for NFIs to markets in and around Jamjang was the **Juba road route**. A wide range of goods, including soap and mosquito nets are transported by truck via Wau and Mayom, sometimes passing through Bentiu. Travelling long distances through South Sudan, goods on this route are reportedly subject to high levels of informal payments as several checkpoints on the way demand money for passage. The informal nature of these checkpoints means that it is often difficult for traders to predict the costs.

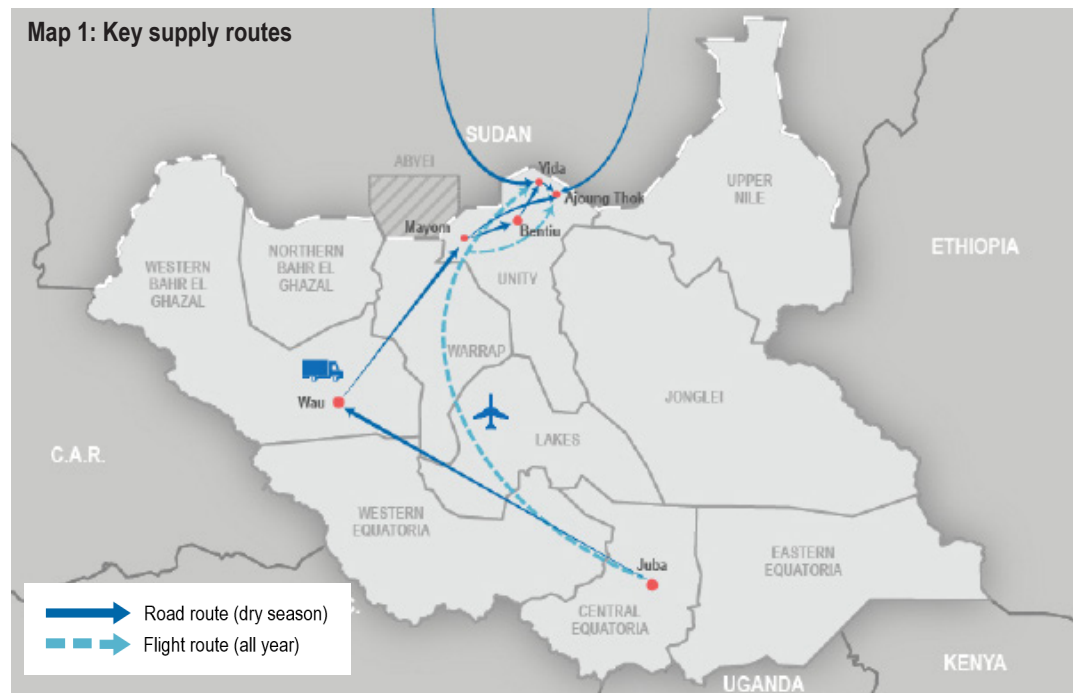
Moreover, during the rainy season, many of the roads become impassable with mud and standing water. With the volume of goods on this route substantially reduced, traders reported that most retailers cannot source NFIs by road during the wet season.

Smaller trade flows also come in from **Sudan from Liri**

and **Bongki**. However, the current ban in Sudan on exporting to South Sudan has restricted trade along these routes. In the future it is possible one or more trade crossing points may open on the Sudan border, possibly increasing volumes on these routes.

The **Juba flight route** is less seasonally affected by the weather and appears to be increasingly used by traders in Ajuong Thok market as commercial flights from Juba to Ajuong Thok recently opened. Previously, traders would access goods from these routes via wholesalers in Yida market. However, the high costs of cargo mean this route is mostly used to transport more high-profit NFIs, such as bicycle parts and mosquito nets and less for cheap bulky items such as soap.

Map 1: Key supply routes



¹ South Sudan Refugee Statistics, UNHCR, as of 31 July 2018



Soap Supply Chain Actors

The following section discusses the soap supply chain as an example NFI

Market of origin

As discussed in the supply routes section, soap mostly reaches Yida and Ajuong Thok markets by road from Juba during the dry season. Another source of soap in the refugee camp markets is humanitarian assistance. In Pamir market, traders reported this to be the main source of soap in the camp markets.

Wholesalers and large retailers

Wholesalers and large retailers (who sell to both traders and customers) in Yida and Ajuong Thok sell to traders both in their own market, Pamir and Jamjang.

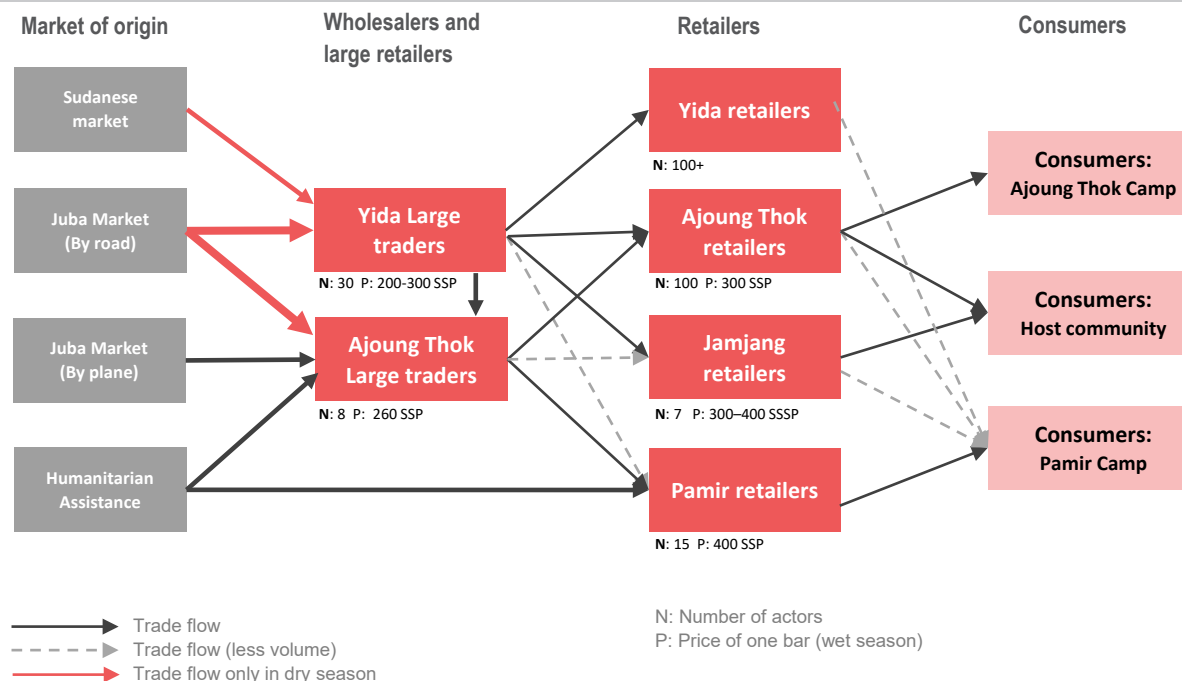
Retailers

The retailers are the final sellers of the soap. In Yida and Ajuong Thok they are more diverse, with traders from the refugee community, the host community, and other parts of Sudan, such as Darfur. However, in Pamir, the traders are predominantly from the refugee community.

Consumers

According to traders and the demand survey, the vast majority of refugees buy soap in their own camp markets. In Pamir, a minority travel to Ajuong Thok, Jamjang or Yida for better prices.

Soap Supply Chain Map



Supply: Challenges and Opportunities

Given the dependence on road transport a major constraint on supply is the **poor road conditions during the rainy season**. Traders reported that in order to meet demand, they would need to store goods over the wet season. However, this entails the risk of reduced profit or even financial loss due to the fluctuating dollar rate.

When the roads are functioning, **informal payments at checkpoints** significantly reduce profits, as discussed in the supply routes section. In addition, traders reported **informal payments at the market** as a secondary challenge, with ad hoc payments being levied in addition to regular taxation.

Finally, traders reported **limited access to credit**, with some traders depending on supplementary income generating activities such as livestock keeping to raise capital. For female traders, such activities were less accessible making credit even more difficult to obtain.

The challenges to supply were greatest in Pamir, where traders face additional informal payments and transport costs on the road from Ajuong Thok and Yida. Traders reported losing up to half their profit to informal payments en route. Moreover, the additional transport costs to Pamir appear to limit the volume of NFIs traders bring in one time. Finally, **crime appears to be a major challenge in Pamir**. While traders in

Ajuong Thok reported security had improved due to increased police presence, in Pamir, traders reported that they could not store goods in the market overnight, only keeping in stock that which they could carry home each night. The lack of residences west of the formal market reportedly leaves stores vulnerable to robbery.

Despite these challenges, **the market capacity in Ajuong Thok has gradually increased**, having expanded to over 100 retailers since the camp opened in 2013, and starting to receive commercial flights.

To increase supply, traders recommended regulation of taxes by local authorities, in and on the road to

markets. For support from humanitarians, traders recommended financial support or the provision of affordable credit. Traders in Pamir further recommended the construction of shelters west of the market and provision of transport to Ajuong Thok and Yida for traders.

Overall, the findings suggest that the markets in Jamjang would struggle to absorb sudden large increases in demand, which could result in inflation. This is particularly true during the wet season and for Pamir camp. However, the slow but steady scale-up of Ajuong Thok market suggests supply chains can gradually expand to meet steady increases in demand.



Demand summary

Physical access to markets was generally high in the Jamjang camps, reported by 96%¹ of households in Ajuong Thok, and 92% in Pamir. **However, access barriers were more restricted in Pamir**, where 23% of households reported that the market is too far, as opposed to 11% in Ajuong Thok. This is likely because households in Pamir often travel to Ajuong Thok or Yida market, particularly for more expensive NFIs which are often not available in Pamir. While 92% of households in Pamir who bought soap reported buying it exclusively in Pamir, only 15% of households who purchased mosquito nets reported visiting Pamir exclusively to buy these items. Reflective of these issues, 33% of households in Pamir reported at least one physical access barrier, as opposed to 15% in Ajuong Thok.

Compared to the generally high physical access, **households reportedly face several barriers to purchasing items**. Only 17% of households in Ajuong Thok, and 13% in Pamir reported facing no barriers to purchasing the NFIs they need. Items are reportedly either too expensive (reported by 82% of households in Ajuong Thok and 83% in Pamir), or in some cases not available at all (25% and 27% respectively). The shortages in supply correspond with traders' reports of high transport and informal payment costs along the supply routes.

A further access issue is security in the markets, particularly security for women. In Ajuong Thok, 17% of households reported that a member had experienced a security incident in the past year. In Pamir, the percentage was 22% and the most common incidents

were more violent in nature, such as violent theft at the market (12%) and sexual violence on the way to the market (7%). While FGDs with adult female refugees did not reveal high protection concerns, a multi-agency safety audit suggests some of the protection concerns may go underreported. **Sexual violence, particularly in the informal markets is reportedly an issue in both camps**. Women from both camps in the safety audit reported sexual harassment by traders, with young girls hired to do casual labour at greatest risk². Moreover, in Pamir the need to travel on the road to Ajuong Thok increases protection risks such as harassment en route.

Attitudes to cash differed between the two camps according to market access. In Ajuong Thok, where the physical access barriers were lower, preference for cash fluctuated according to the item in question. Most popular for cash were clothes, with 40% of households who had received clothing distributions in the past six months reporting they would have preferred cash. This may be due to specific individual requirements of clothing. On the other hand, no households reported preferring cash for blankets or sanitary items. In Pamir, however, refugees reported a more cautious attitude to cash, with no households reporting preferring cash for items they had received, with the exception of 1% for seeds for planting.

If given cash, however, most households who received NFI distributions reported **they would spend the largest share of the money on food**. In Pamir the percentage reporting they would buy food was as high as 87%, and in Ajuong Thok it was

69%. This is corroborated by the reported spending patterns for cash given to refugee households to pay for milling grains during the general food distribution (GFD). Almost all households in Pamir (97%) and 80% in Ajuong Thok reported spending this cash on purchasing more food, opting to grind or boil the grains themselves according to FGD participants.

In most households, **women reportedly were involved in the decision of what to buy**. In Ajuong Thok 81% of households reported that spending decisions were either made jointly or by women. In Pamir the percentage was 73%. This is partly due to the prevalence of female-headed households in the camps, with the 2018 MSNA finding that 64% of households in Ajuong Thok, and 81% in Pamir had female heads. In FGDs women in both camps reported that disputes over spending are unusual. However women in Ajuong Thok suggested vouchers to ensure funds are not misspent, which suggests some tensions over spending decisions may exist.

The communities' preference for market improvements reflected the challenges they had highlighted. In Pamir, where slightly higher protection concerns were raised, **increased security**, either from the community watch or police was the most popular improvement (25% of households), whereas in Ajuong Thok, where physical access barriers were reportedly lower, mitigating purchasing barriers appeared to be the top priority. Respondents most frequently chose **regular meetings between traders and the community** as the most important improvement they would like to see.

Survey Methodology

Number of respondents: 739

Number of FGDs with women: 2

Number of FGDs with men: 1

REACH used systematic random sampling to identify participants, using the block system in both camps to randomly select households (assuming one household per plot) for interview.

Enumerators were given a full days training on the questionnaire, and the tool was piloted for one day to identify any coding errors or questions prone to misinterpretation.

Data was cleaned every 2-3 days to catch errors and enumerator movements according to GPS points analysed to ensure the sampling plan was being followed. During the data collection, field coordinators debriefed with enumerators each day to compare findings and record any additional feedback from respondents not captured in the survey.

By interviewing 739 participants, we met the target confidence level of 95% and margin of error of 5% at the camp level.

¹ All percentages in this factsheet are rounded to the nearest whole number

² UNHCR, IRC, LWF, Ajuong Thok and Pamir Safety Audit, June 2018



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Ajuong Thok: physical access to markets

Percentage of households with access to a market:



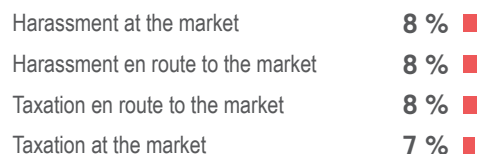
Four most common barriers to physically accessing markets, by percentage of households:*



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

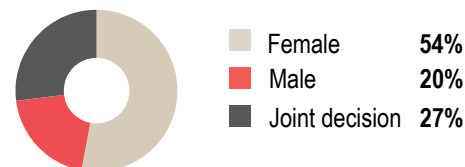


Four most common protection incidents, by percentage of households who visit a market:*



Ajuong Thok: purchasing NFIs

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

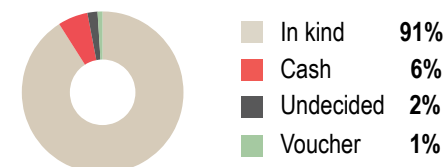


5 most common barriers to purchasing NFIs in the markets, by percentage of households:*



Ajuong Thok: assistance preferences

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



Five most common perceived disadvantages to cash:*



Pamir: physical access to markets

Percentage of households with access to a market:



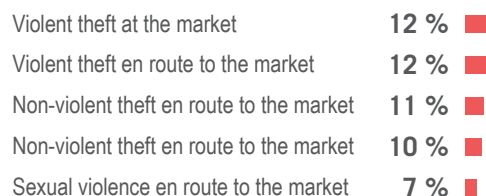
Five most common barriers to physically accessing markets, by percentage of households:*



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

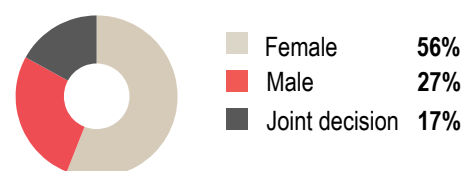


Five most common protection incidents, by percentage of households who visit a market:*



Pamir: purchasing NFIs

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

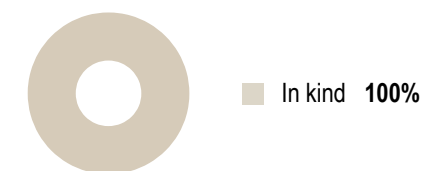


5 most common barriers to purchasing NFIs in the markets, by percentage of households:*



Pamir: 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