

Joint Cash Feasibility Assessment

Damboa, Damboa LGA, Borno State, February 2018



REACH Informing more effective humanitarian action

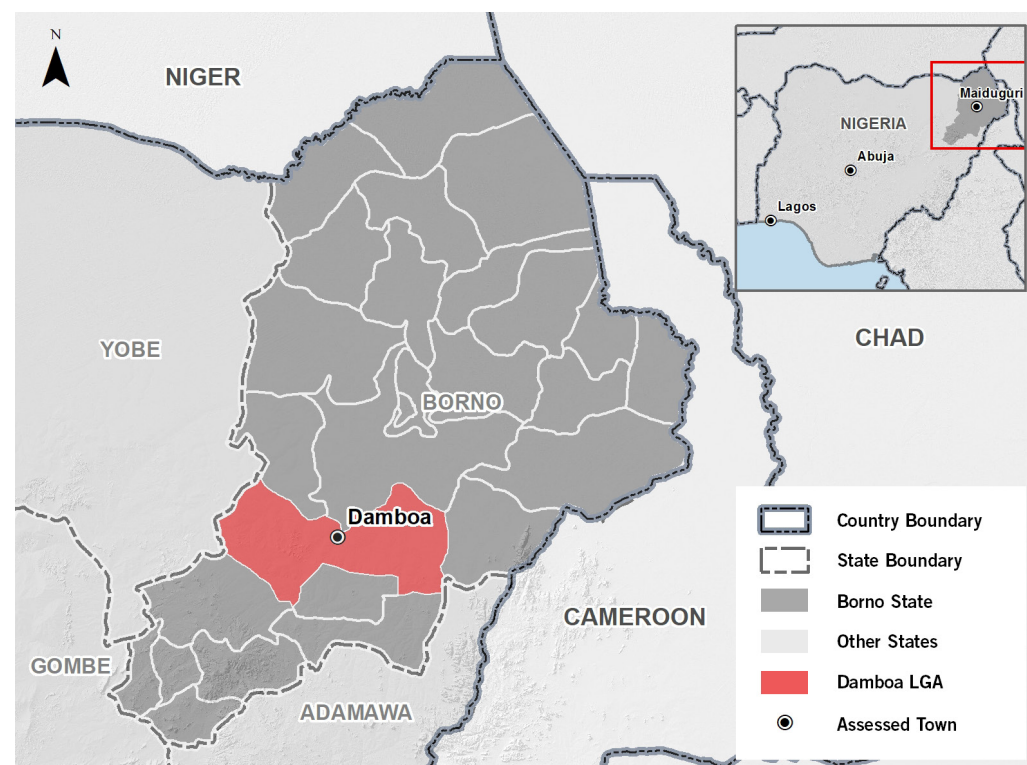
INTRODUCTION

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 Damboa, data was collected by Oxfam.

For Damboa, 225 household interviews were conducted (118 with IDPs and 107 with non-IDP populations), along with 10 Bulama (traditional community leader) interviews and 4 consumer focus group discussions (FGDs). In addition, 36 interviews and 1 FGD were conducted with vendors selling the assessed items in Damboa, and 1 semi-structured interview was conducted with heads of traders (an informally-designated spokesperson for market vendors).

Findings from household interviews have a confidence level of 95% and a margin of error of 7% when

Map 1: Location of Damboa in Borno State



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 Damboa 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

- Households most commonly expressed no preference between in-kind and cash-based aid. Of those reporting a preference, slightly more households preferred in-kind than cash-based aid for assessed types of items. The main reasons for preferring in-kind aid were concerns about the quality of items at markets, currency and price fluctuations, and price gouging after cash distributions. The freedom to choose preferred items was the main reported reason for preferring cash-based aid.
- Substantial proportions of households each reported relying on markets and humanitarian aid as their main source of items, with markets used slightly more commonly for food, firewood, and shelter repair materials, but humanitarian aid a more common source of hygiene and household NFIs.
- While many households reported security barriers to market access, FGDs showed that these reflected general concerns about the security situation rather than frequent occurrences that prevented market access or required modification of consumer behaviour. However, many households also reported that distance and a lack of transportation also hindered market access.
- Vendors sourced items mainly from Maiduguri, either directly or via local wholesalers, although supplies also reportedly came from other locations such as Bui, Gombe, and Kano. Due to the security situation, vehicles travelling to and from Damboa could only do so in a military-escorted convoy, which reportedly caused challenges in restocking, particularly when the departure of the convoy was delayed. Security incidents in which armed groups had stolen goods from commercial vehicles were reported to have occurred in the past.
- Interviewed vendors generally had mixed responses to the question of whether they could permanently double supply to respond to an increase in demand. Some FGD participants said it would be easier to increase supply of items sourced locally, such as maize and beans. The main reported challenges to increasing supply were a lack of initial cash flow to scale up and the challenges in transporting goods into Damboa due to security risks and movement restrictions.

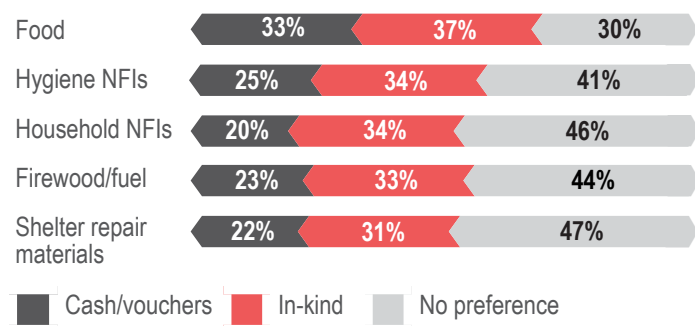
¹Hygiene NFIs include items such as soap and laundry powder. Household NFIs include items such as bedding materials, mosquito nets, and cooking utensils. Shelter repair materials include items such as plastic sheeting, nails/screws, and wooden poles.

RECOMMENDATIONS²

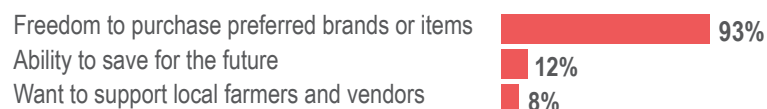
- Findings suggest that an immediate increase in unrestricted cash assistance may not be feasible, as many households still rely on humanitarian aid, particularly for food. In addition, market supply may not be able to respond to a large and sudden increase in demand due to a lack of vendor capital and challenges in the transportation of goods to Damboa.
- However, cash assistance may be feasible in Damboa if implemented gradually, as many households already use markets, and supply linkages and market infrastructure in the town appear to be relatively well developed. Gradual implementation could be done in a number of ways, including the use of restricted cash-based modalities as an intermediate step or the provision of cash for some needs and in-kind aid for others. Measures to support markets, in particular to help vendors overcome restocking challenges, would be useful for actors seeking to prepare the market for a gradual transition towards cash.
- As some households expressed concerns about price gouging by vendors, such as the sudden raising of prices following the distribution of cash-based assistance, it would be worthwhile for actors implementing cash-based modalities to frequently monitor prices and to liaise with market actors in case of continued difficulties with price gouging.

HOUSEHOLD ASSISTANCE MODALITY PREFERENCES*

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



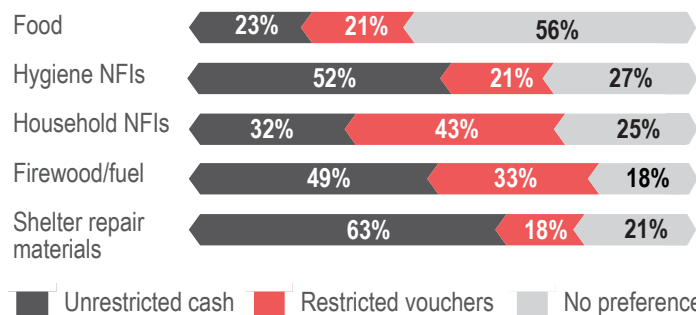
Of those preferring cash/vouchers, top reported reasons:



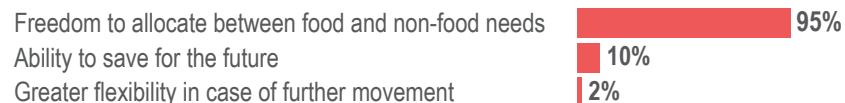
Of those preferring in-kind aid, top reported reasons:



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:



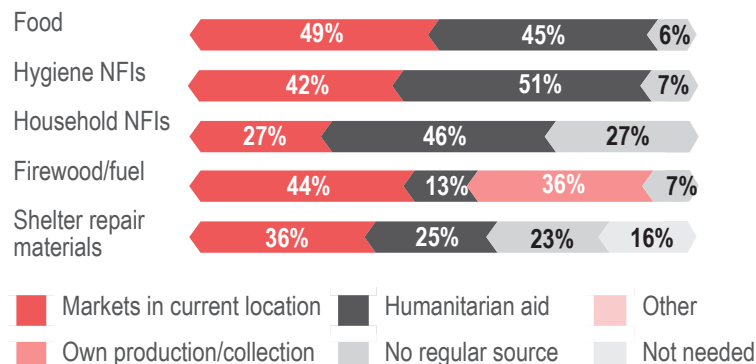
As with household interviewees, FGD participants also expressed mixed preferences, with participants speaking in favour of unrestricted cash, vouchers, and in-kind aid. Some preferred in-kind aid due to concerns about increases in market prices after cash distributions, while others said they preferred vouchers because they could only be spent on essential item categories. In addition, some camp residents disfavoured cash-based aid because they felt unsafe storing cash in their shelters.

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.

HOUSEHOLD ACCESS TO ITEMS*

Primary method of accessing items:



Most needed food items:



Most needed hygiene NFIs:



Most needed household NFIs:

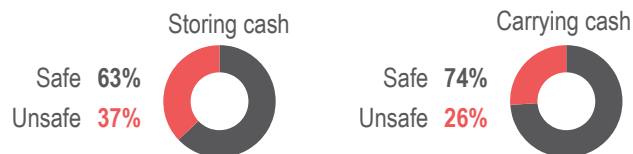


Most needed shelter repair materials:



HOUSEHOLD ACCESS TO CASH AND CREDIT*

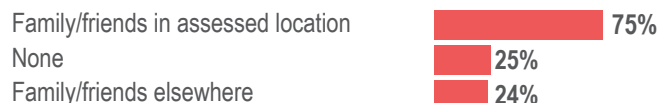
Reported perception of safety of storing or carrying cash:



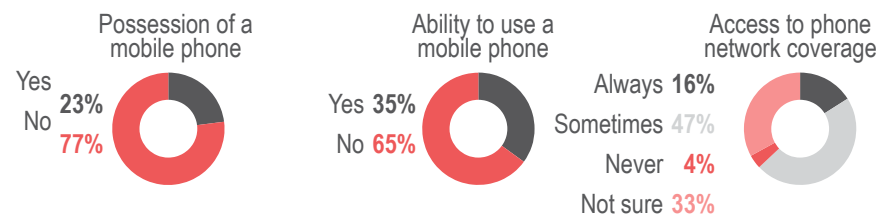
Percentage of households able to buy items on credit:



Reported household sources of credit other than vendors:



Mobile phones:

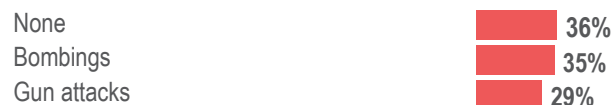


Some FGD participants stated that they are able to borrow from relatives living in Damboa or in larger towns, but did not report any other source of credit. When short on cash, some participants said that they sold firewood or engaged in other short-term or minor livelihoods activities for money.

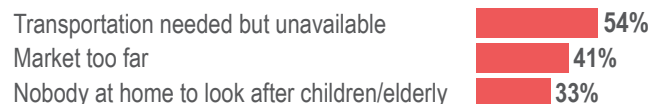
The majority of both household interviewees and FGD participants reported not having access or being able to use a mobile phone. Most expressed concerns over the town's poor cellular network coverage.

HOUSEHOLD ACCESS TO MARKETS*

Reported security risks at markets:



Reported non-security barriers to accessing items at markets:



FGD participants generally did not mention market access barriers, other than curfew rules that some participants reported to be restrictive.

Items most commonly reported by households as unavailable:



Items that households most commonly report being able to afford:



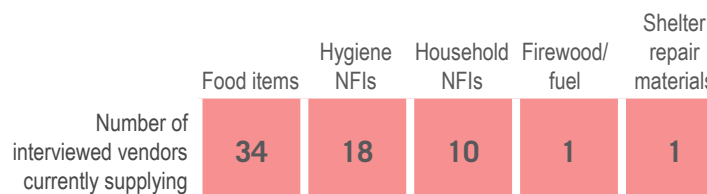
FGD participants mentioned that during the rainy season from June to September, food prices surge and firewood becomes difficult to obtain. In addition, some also reported that prices tended to increase after the provision of cash assistance by NGOs.

VENDORS AND MARKETS: OVERVIEW**

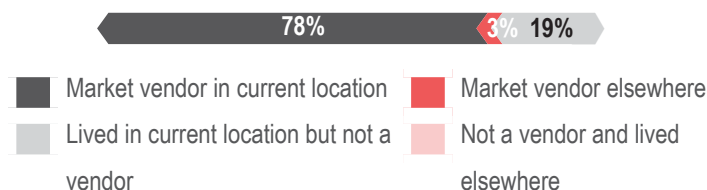
The majority of assessed vendors reported that they had been vendors in Damboa before the conflict as well, though FGD participants mentioned that the number of vendors was lower compared to pre-conflict figures. Participants also said that everyone occupying a space in the market paid a fee to local authorities, though it was suggested that those occupying buildings paid more than those in makeshift structures.

While no major security and non-security challenge was reported in household interviews, FGD participants mentioned fear of road attacks along the Biu-Damboa-Maiduguri route, with some participants saying that their goods had been taken away from them by AOGs. Other challenges included no fence along the market perimeter and fees paid to the military escorting suppliers and their goods.

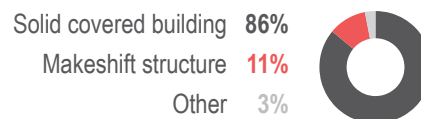
Heads of traders said that the main market day in Damboa was Monday, although the market was reported to be open every day of the week. However, on Mondays, additional vendors travelled from other locations to sell their goods in Damboa.



Pre-conflict location and occupation of current vendors:



Observed type of shop or stall in the markets:

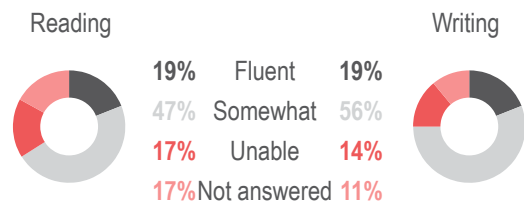


**All data shown in the graphs in this section comes from individual vendor interviews.

With **14 m²** of storage area on average, the reported main location of storage space:



Reported vendor literacy rates:

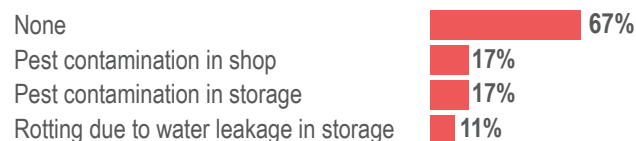


CHALLENGES TO OPERATING IN THE MARKET**

Reported security challenges to conducting business:

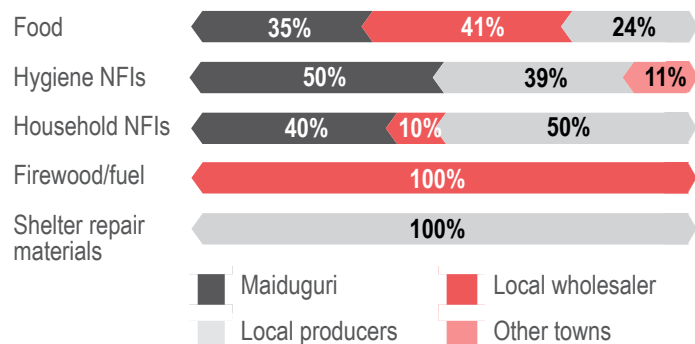


Reported non-security challenges to conducting business:

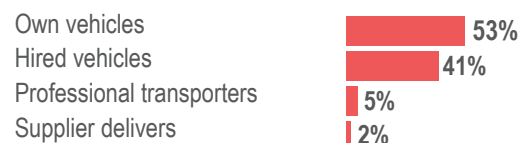


SUPPLY AND TRANSPORTATION OF GOODS TO VENDORS**

Main supply sources for vendors:



Methods of transportation of goods from suppliers to vendors:



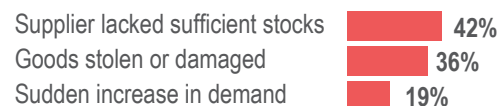
Challenges in the transportation of goods from suppliers to vendors:



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:

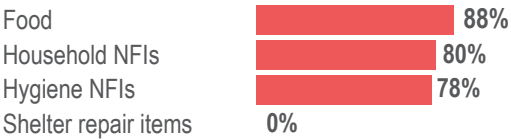


FGD participants mentioned that traders got most of their goods from Maiduguri, although some were supplied from other locations such as Biu, Kano, and Gombe, and firewood and some food items were sourced locally from villages around Damboa. Some smaller vendors also reportedly accessed goods from these locations via local wholesalers. Participants said that vendors generally chose their suppliers based on referrals from other vendors in the market, although some travelled to supply locations and chose suppliers based on the prices they were offering.

According to participants, while some vendors used their own or hired vehicles to restock, others hired professional transporters based in the supply location to bring goods back to them in Damboa. Vehicles used included large trucks, pickup trucks, and cars. However, due to security concerns, authorities required that all commercial vehicles travelling in and out of Damboa could only do so as part of a military-escorted convoy. Participants reported that this sometimes created challenges in restocking, especially when the departure of convoys was delayed. In addition, some participants mentioned past security incidents in which armed groups had attacked commercial trucks and stolen goods.

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:

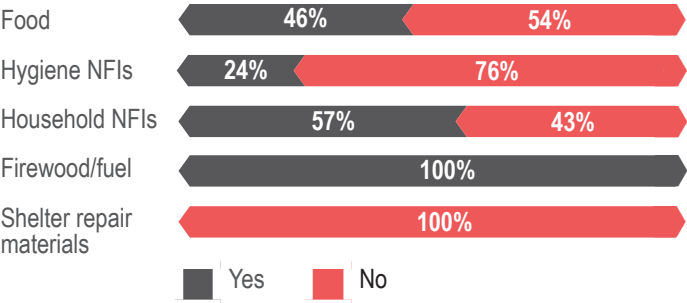


FGD vendor participants reported to be able to buy on credit, though some mentioned that credit had to be repaid within two weeks. Participants reported no access to financial services but said they could rely on family and friends to grant them credit.

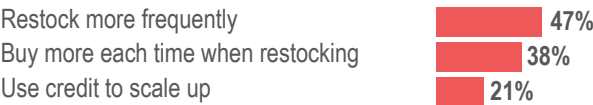
Some participants reported the presence of a traders' association, although others stated that the association had been defunct since the start of the conflict. Its purpose was reportedly to help members going through financial difficulties, serve as a mediator when commercial disputes between vendors arose, and discuss issues relating to the overall growth and development of vendors and the market.

VENDOR ABILITY TO INCREASE SUPPLY OF ASSESSED ITEMS**

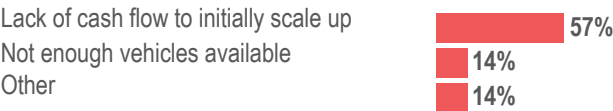
Percentage of vendors reportedly able to permanently double supply of items:



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:



Vendor FGD participants reported to be able to permanently double the supply of all assessed types of items, depending on initial credit. Vendors would increase their supply by increasing the frequency of restocking and by looking for additional suppliers. Participants said that it would be easier to increase supply of food items like maize, flour, sugar and beans as these are sourced locally. The main barriers to increasing supply in order to meet increasing demand would be lack of funds and the transportation challenges caused by the security situation along roads out of Damboa.