

MULTI MODALITY PROGRAMMING CASH OR IN-KIND? WHY NOT BOTH?

EMERGENCY FOOD SECURITY AND VULNERABLE LIVELIHOODS (EFSVL)

Lake Chad Basin | North East Humanitarian Response



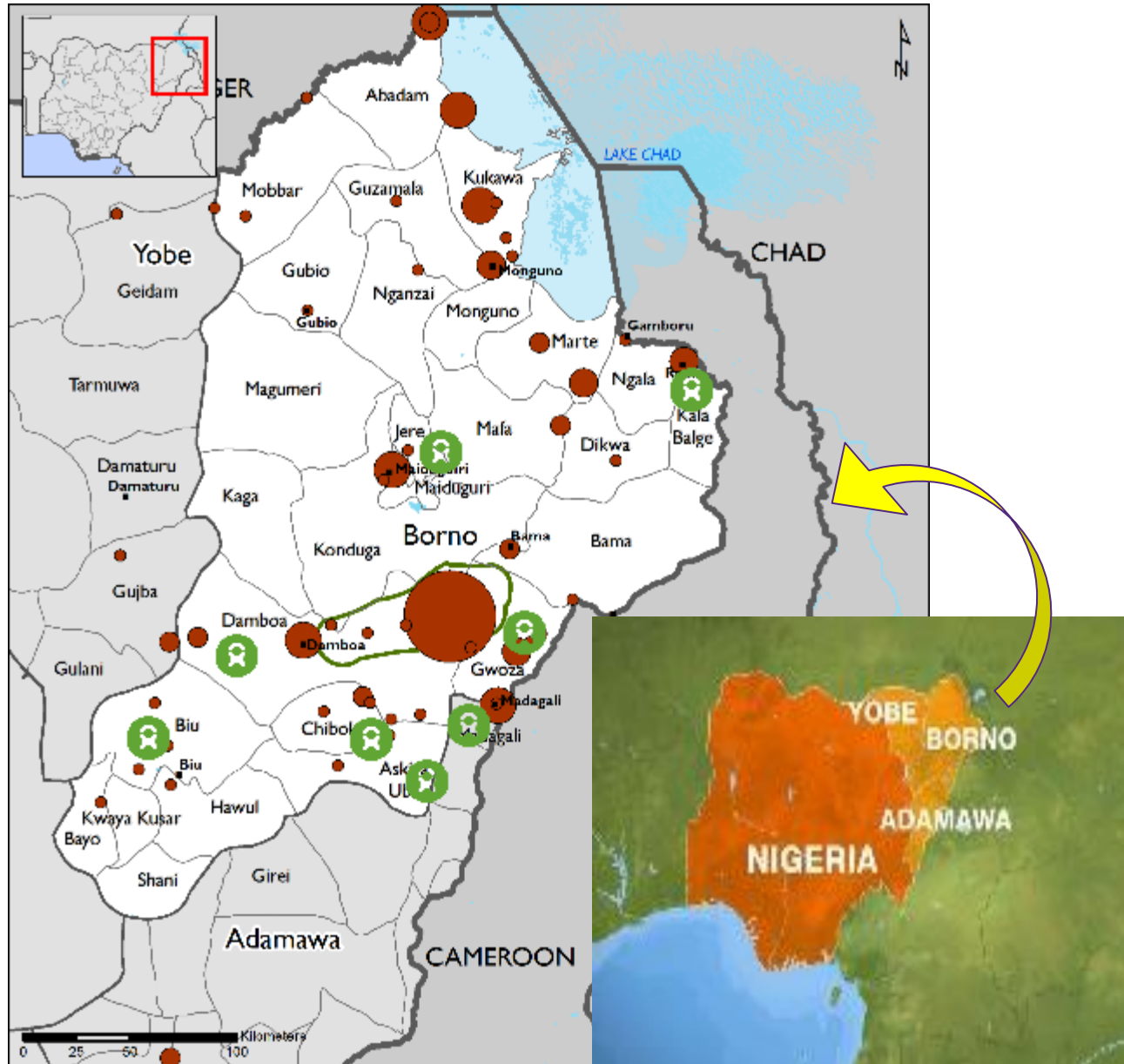
Food Security Sector Meeting

Ministry of Agriculture and Natural Resources

Maiduguri, Borno State, North East Nigeria | 05 June 2018



North East Nigeria Humanitarian Response – EFSVL Areas



Rationale

- Oxfam has been responding to the humanitarian crisis in NE since 2016
- Early response of 2016, Oxfam started in-kind modality (food assistance) in Adamawa and Borno States
- In 2017, Oxfam Global Humanitarian Team across North East Nigeria (*internal*) conducted a Preliminary Market Analysis of the market supply chain for essential food items and livelihoods inputs (Agriculture and Non-Agriculture)
- Plus, rapid CTP feasibility assessment (*internal*) was conducted to better understand the markets, men and women IDPs/Returnees need, and most feasible response option.
- The assessment aims to provide further details on how to best shift towards a cash/voucher system

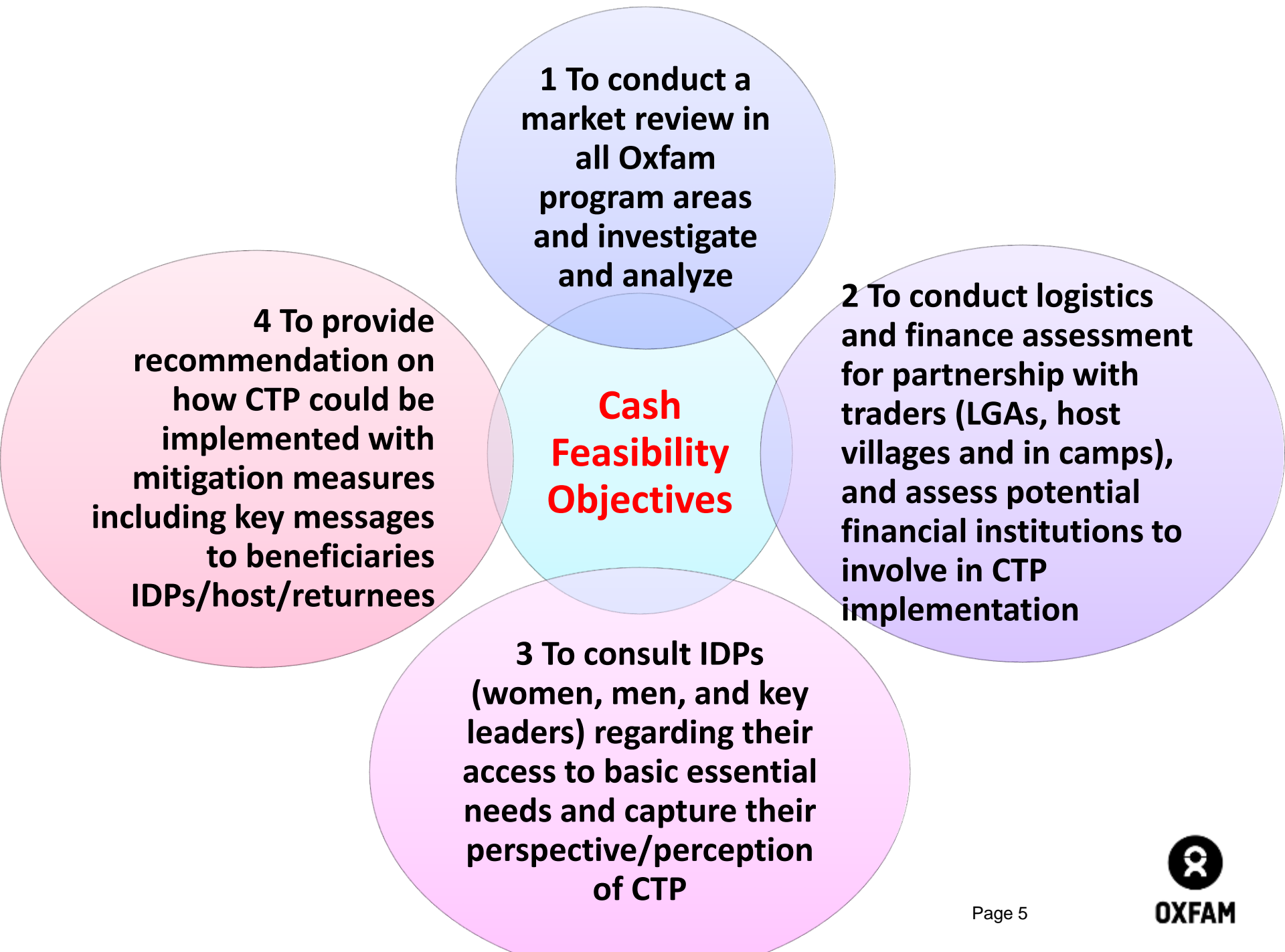


assessment

cash feasibility



OXFAM



Key findings

preliminary market analysis



OXFAM

MARKET SYSTEM MAP OF EFSVL PROGRAM AREAS

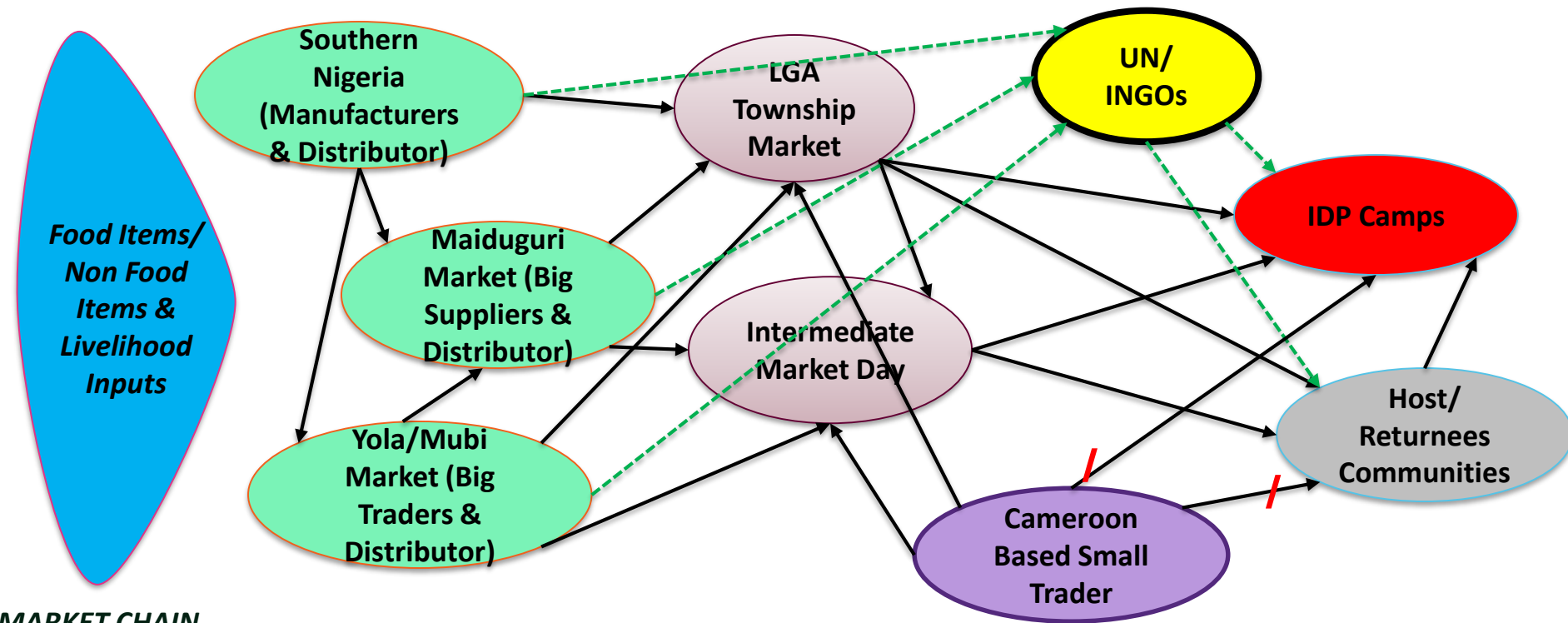
Post Displacements
(IDP Camps) !

Check points /

LGA Small retailers/vendors
linked to big/medium
suppliers and traders

Local Government
Authorities

MARKET ENVIRONMENT



Transport /

Storage /
Warehouse

Financial
Service
Providers

Credit Line X

Mobile Network /
communication

! - Critical Disruption
X - Major Disruption
/ - Partial Disruption

INFRASTRUCTURES, INPUTS & SERVICES

Food Security & Livelihoods

Food availability

are not sold in the camps and host communities. Intermediate market vendors don't think it will make good business due to existing food aid. Other items (food and non-food) is available in the during market days.

Food access

IDPs access to food is mainly from relief distribution.

Livelihood options is very limited (i.e. casual labour), that income is uncertain. It's not easy to get job outside the camps, they may need to do cross corridor (radius/zone) to access (*not safe*) to farm land.



Market

Markets within State territory play important role for the IDPs and Host Communities.

Traders/Suppliers will have to deal with check points (permit/convoy), the bigger traders' capacity the stronger their bargaining power at check points.

Relationship between small retailers in the camps and traders in LGA/Intermediate market has already existed.

Understanding market and CTP

Market is
with capacity
but need
some
support.

Transition
period from
in-kind food
distribution
to CTP will be
required

Further
assessment
(feasibility)
for CTP
escalation to
other
modalities
will be
required.

Partners Capacity – CTP and Feasibility

Investment for partners' capacity in market and CTP will be required. The investment should cover both programme and business support team

Awareness raising – influencing for the importance of vulnerability analysis will be required (partners, host, returnees, IDPs).

Understanding the market development approach would be better to adopt new modality approach for market/ local economy (direct/indirect impact).

The 3 Strands: CTP Feasibility Assessment

Gap ('people') Analysis

- Understanding the situation, priority needs of the targeted population

Market Analysis

- Understanding market system in terms of constraints and capabilities to play a role in intervention

Response Analysis

- Exploring different options and opportunities for Oxfam & potential FSP. It looks at each option's respective feasibility, benefit, risks before leading to recommendations of action.



Strand - 1

gaps ('people') analysis



OXFAM

Livelihood Options



- Livelihood opportunities for IDPs are very limited within the camps and immediate surrounding areas.
- Limited farming activities due to unsafe access outside of corridor areas.
- Men and women engaged in small business/petty trade as income sources and other skills related livelihoods.

Strand - 2

market analysis



OXFAM

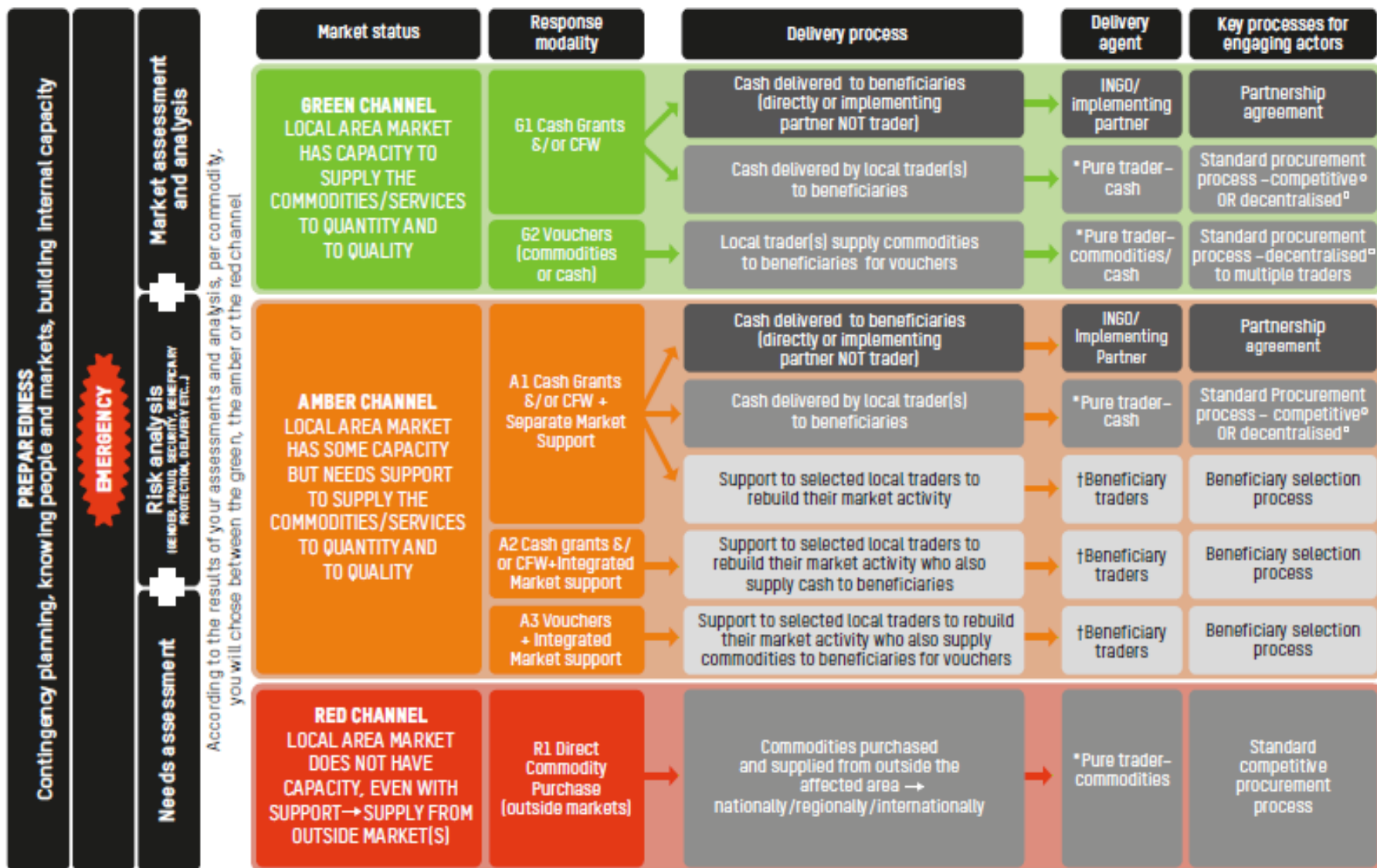
Key Findings

- The local market is functional but the capacity is varying among the retailers/vendors/traders.
- In all LGAs basic food items are being sold by the town supplier and small level retailers on varied quantity.
- Common food items sold by retailers in host communities.
- During rainy season, face challenges to access market with price increase during off-season.
- Women IDPs are the main customers/buyers in all areas (Oxfam EFSVL)



Working with Markets and Cash: Standard Operating Procedures

Selecting response modality, delivery agents and processes for Cash transfer programming to design market aware and centred projects, that support markets where that can be an aid to economic recovery and strengthening that support markets where that can be an aid to economic recovery and strengthening



^a Pure Traders are those acting only as suppliers of either goods or services to the Agency, but who are not also beneficiaries to the Agency intervention.

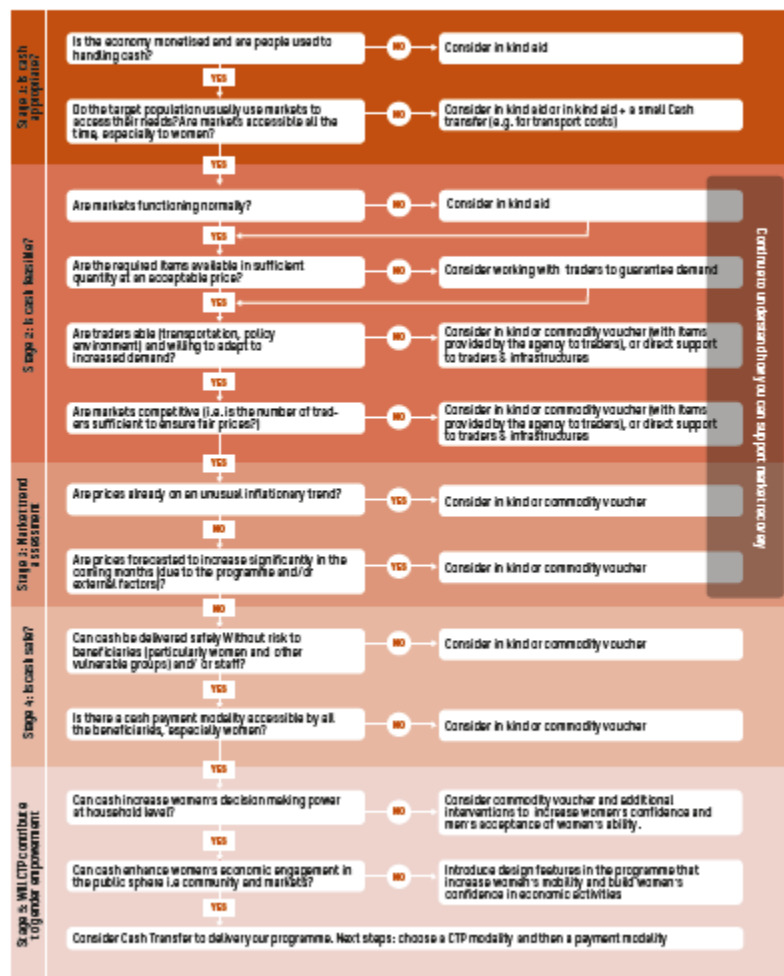
^b Beneficiary Traders are small and medium local traders that are identified as also impacted by the humanitarian crisis and whose recovery can strengthen market functioning and increase the availability of basic goods and services for the target group.

^c Competitive Procurement is the process by which multiple suppliers of goods / services compete for business by submitting competitive bids or quotations. Business is usually awarded to the supplier whose bid meets the chosen criteria for that process and demonstrates value for money.

^d Decentralised Procurement: low value procurement volumes are split into smaller processes which may or may not be competitive, depending on the circumstances. This procurement strategy is chosen when we want smaller volume suppliers to be able to bid for our business, and not just bigger suppliers and is part of a market strategy to stimulate the local area market around an affected area.

Working with markets and cash:

Standard operating procedures. Cash Transfer Programme modality decision tree



CTP Decision Tree

For all 6 camps, the study team applied the decision tree and did 5 stages analysis as follow :

1. Is cash appropriate ?
2. Is cash feasible ?
3. Market trend assessment ?
4. Is cash safe ?
5. Will CTP contribute to gender empowerment ?

Summary of Market Status

Locations	<i>Green Channel</i>	<i>Red Channel</i>	Amber Channel
Madagali Michika	<ul style="list-style-type: none"> Food items (rice, maize, beans, oils, ground nuts, sugar, salt, onions) 		
Chibok	<ul style="list-style-type: none"> Food items (rice, maize, beans, oils, ground nuts, sugar, salt, onions) Agriculture inputs (seeds, fertilizer, farm tools and labor cost) 		<ul style="list-style-type: none"> Vegetable seeds CFW tools
Damboa	<ul style="list-style-type: none"> Food items (rice, maize, beans, oils, ground nuts, sugar, salt, onions) Agriculture inputs (seeds, fertilizer, farm tools and labor cost) 	<ul style="list-style-type: none"> Equipment (sewing machine, diesel engine for millers) 	<ul style="list-style-type: none"> Vegetable seeds CFW tools

Summary of Market Status

<i>Locations</i>	<i>Green Channel</i>	<i>Red Channel</i>	<i>Amber Channel</i>
Gwoza and Pulka	<ul style="list-style-type: none"> • Food items (rice, maize, beans, oils, ground nuts, sugar, salt, onions) • Agriculture inputs (seeds, labor cost, farm tools) 		<ul style="list-style-type: none"> • Vegetable seeds • CFW and farm tools
Rann and Biu	<ul style="list-style-type: none"> • Food items (condiments) • Agriculture inputs (seeds and labor cost) 		
Biu	<ul style="list-style-type: none"> • Food items (rice, maize, beans, oils, ground nuts, sugar, salt, onions) 		

Strand - 3

response analysis



OXFAM

Market Traders Perception on CTP

Retailers in host communities

- They are confident to respond to increase demand of staple and non-staple food items and some livelihood inputs
- Need at least 15-30-45 days to re-stock for sufficient storage capacity for stock.

Traders in intermediate markets & Big Traders

- They have no experiences with cash/voucher scheme before
- However, they confirm their capacity to provide supplies to the retailers in camp/host communities
- Exception for big traders in market who confirmed they are with ability to deliver material to host and IDP camps

IDPs/Host Communities Perception on CTP

In the beginning of interview, the team asked IDPs questions on **existing cash management at household level**. The feedback received is:

- Not all assessment areas confirmed that both **women and men shared access and control over the cash at household level**
- Majority of women respondent has **no issue to handle money at household level**

There are several **concerns in relation to CTP**, such as:

- Cash would be **diverted to meet other basic needs**
- Cash provided will **not be enough to purchase same quantity food**, due to price fluctuation
- Women share their concern of **potential family dispute on access and control over cash with men**

Current Cash Delivery Practices

- Partner to Financial Service Provider (FSP), Michika Micro Finance Bank with framework agreement for 6 LGAs using cash voucher system
- Cash in envelopes for Rann, Gwoza and Pulka town



Response Recommendations:

Green Channel (Cash Based Transfer)

Key Items	Reasoning
<ul style="list-style-type: none">• Food items (rice, maize, beans, oils, ground nuts, sugar, salt, onions)• Agriculture inputs (seeds, fertilizer, farm tools and labor cost)	<ul style="list-style-type: none">• Suppliers and retailers appear able to supply• Potential Storage capacity• Cash/vouchers will stimulate local markets and improve IDP purchasing flexibility• Cash/vouchers may improve IDP financial literacy, acceptance and purchasing power

Amber Channel (In-kind modality)

Key Items	Reasoning
<ul style="list-style-type: none">• Equipment (sewing machine, diesel engine for millers)• Vegetable seeds• CFW tools	<ul style="list-style-type: none">• Inadequate capacity of retailers and suppliers to meet increased demands• Severe access limitations mean stable supply and prices will be challenging

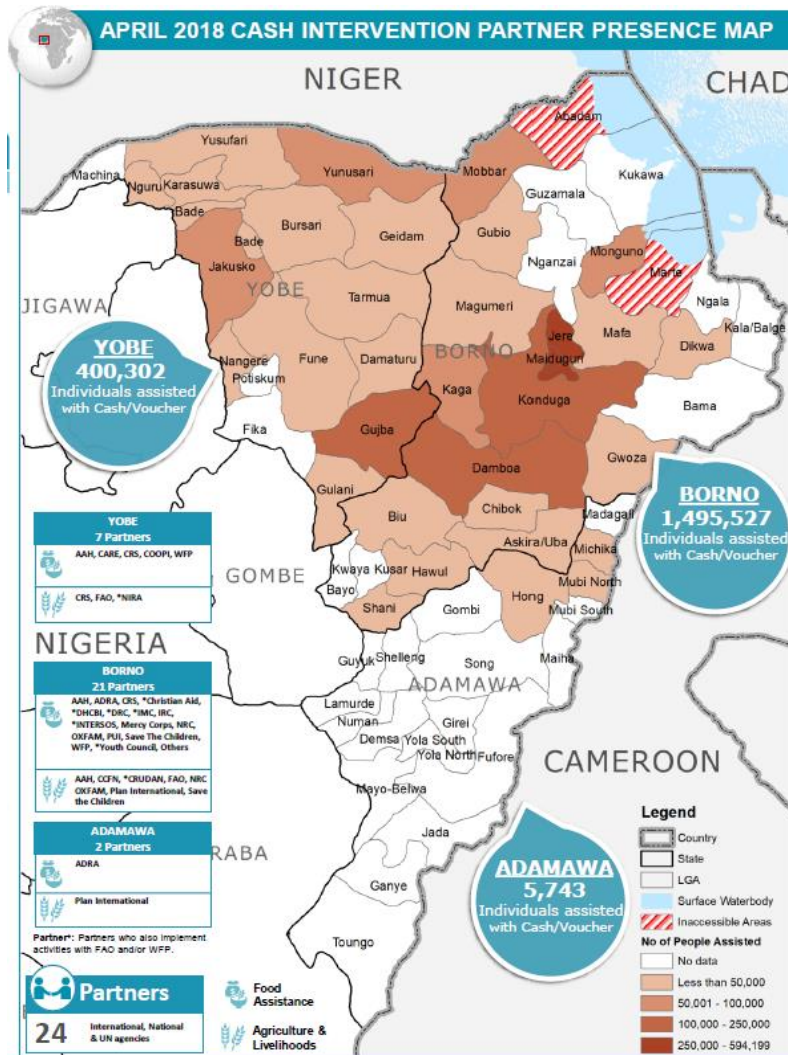
Cash Transfer Programming

Status of North East Nigeria



OXFAM

Nigeria Food Security Sector Cash Dashboard (April 2018)



Total assisted 3,675,597 individuals both in-kind and cash based modality

- 52% CBT



- ✓ 80% Food Assistance



- ✓ 30% Agriculture and Livelihoods



Future Recommendations

- Market support intervention – working with informal/small retailers at host and IDP camp level or intermediate market
- In depth food security and livelihood assessment to understand responsive options/modalities, and sharpen the analysis of specific beneficiaries targeting
- The minimum FSL basket items (MEB) should determine which items can be shift into cash based modality and continue in-kind using CTP feasibility assessment/study
- Market and CTP feasibility study/assessments for multi-sectoral approach (WASH, Protection, Food Security and Livelihoods) for MPG
- Demonstrate the value of evidence-based response analysis to building buy-in for response changes among beneficiaries, authorities, and donors, particularly in sensitive and protection challenged environments





Thank you for your attention!

