Advocacy Note: Change of Transfer Values for Food Assistance
Second Edition; Updated 02 March 2021

1. Background

Since the rapid increase of COVID-19 cases in Nigeria in March 2020, this has had significant effects on the economy and food access (especially for the vulnerable households) respectively. According to FEWSNET August 2020, Macroeconomic conditions deteriorated sharply, following the drop in international oil demand, which led to a decline in revenue; the subsequent depreciation of the NGN pushed up staple food prices. As a result of higher food prices, in combination with reduced access to income given movement restrictions, poor households faced increased difficulty in accessing food.

As of January 2021, Nigeria's food inflation (national) climbed to 20.57 percent year-on-year, which is the highest level since July of 2008. The upward trend is mainly linked to pandemic disruptions and dollar shortages as well as lingering restrictions on imports of certain food items despite the reopening of the country's borders. At the same time, the incessant attacks on farmers and farmlands have prevented farmers from operating at optimal capacity which causes some shortages of goods (National Bureau of Statistics, Nigeria, January 2021)

Insecurity and conflict continued to disrupt market activities in the northeast, undermining livelihoods and eroding purchasing power. Food prices in the northeast remained much higher than in the rest of the country (WFP, December 2020).

Ultimately, this has led to an increase in cost of the Minimum Expenditure Basket (MEB) for food, reducing the food access by the already vulnerable households supported by the various government and non-government partners. In Maiduguri for instance, the Save The Children monthly monitoring indicated that the cost of MEB has increased by about 61% between March 2020 and January 2021 (Pre and Post COVID).

The Food Security Sector guidance indicates that partners can change the Transfer Values if the transfer value has changed by +/-15 as compared to the prevailing market MEB calculation, as indicated by the various price monitoring in the local markets. In August 2020, partners had noticed changes in the MEB which were +15% above the respective transfer values, which were
necessary and enough to trigger change in the transfer value which led to the first edition of Advocacy Note (September, 2020) for Increase in transfer Values.

As at March 2021, prices have continued to increased and in Gubio Local Government Area specifically, the MEB has exceeded the September 2020 Advocacy Note Values by over 15% for the past at least 3 months of biweekly market monitoring by the partner (Catholic Relief Services, January 2021) hence requiring an upward increment of the Transfer Value (for Gubio) to ensure that food insecure households can continue meeting the necessary food requirements.

2. Recommendation

Based on the above, the Food Security Sector Food Assistance Taskforce through monitoring of prices recommended to maintain the September 2020 transfer values of respective partners in Maiduguri Metropolitan Council (MMC) at 5,310 Naira and 3,717 Naira as the 100% and 70% per capita (per person) value. This is based on the current MEB from market prices collected in mid-February 2021 which indicates that despite an increase in food prices, the MEB has not yet reached or exceeded the 15% recommended threshold as compared to the September 2020 transfer values.

For LGAs around Maiduguri and the deep field LGAs where food assistance is provided through Cash Voucher Assistance (CVA), where the market price monitoring indicates that the Per Capita (Per Person) values are lower than MMC above, the transfer values in those respective LGAs will be brought up to the same level as MMC above (5,310 Naira and 3,717 Naira as the 100% and 70% per capita value). This is because it is expected that MMC is the main supply market for majority of the LGAs in Borno State. Therefore, areas where prices would be lower than MMC is most likely not real market prices, but as a result of sale of humanitarian assistance at lower prices in those LGAs, hence making those prices artificial hence lower.

For areas where partners monitor and notice a higher MEB than MMC, then the higher MEB in those LGAs will be reviewed and maintained at that value higher than MMC to ensure access to food by the vulnerable households. Only Gubio LGA is in this category so far. On this note, since the Gubio LGA MEB values are higher than MMC (as at March 2021), the Per Capita (Per Person) Values for Gubio will be increased to MEB (100%) at 6,860 Naira and Transfer Value (70%) at 4,802 Naira

Partners are encouraged to ensure sensitization with all beneficiaries about the increase in Transfer Value, but also inform them that in event that the MEB reduces as indicated by the continuous market monitoring, the Transfer Values will be reduced accordingly.

Partners providing assistance through Cash Voucher Assistance (CVA) will include 2,000 Naira per month in addition to the food basket.

Please see References and FSS Taskforce membership below
References

2. WFP Yobe and Borno Market Monitoring (December, 2020)
5. Catholic Relief Services Monthly Market Price Monitoring (March 2021)