

Feasibility of Multi-purpose Cash Transfers in N'Guigmi

Summary*



Study on the District of N'Guigmi, Diffa Region, Niger

This assessment was conducted by World Vision's Emergency Program in the Lake Chad Basin. The objective was to: **1) Do a comprehensive needs assessment of the affected populations in the area, 2) Specify the amount of the minimum expenditure basket 3) Evaluate the market capacity and feasibility of multi-purpose Cash interventions.** The evaluation was conducted in **7 sites, 6 out of them** in the District of N'Guigmi have little to no experience thus far with the use of Multi-Purpose Cash Transfers (MPC).

The assessment confirmed the basic food and Non Food Items needs of displaced vulnerable populations in N'Guigmi and calculated the minimum expenditure basket **(50,523 CFA)**. The market analysis has shown **weak signals** on i) The ability of markets to absorb increased demand, and ii) the lack of integration of these markets with other markets in the region of Diffa. **Special attention** is recommended if organizations wish to invest in **large-scale MPC** in N'Guigmi, and thorough risk assessments are recommended to avoid potential negative impacts.

I. CONTEXT AND JUSTIFICATION

Diffa region is about 156.906 km² in size and consists mainly of agro-pastoral lands. In 2012, its population was estimated at 591,821 with 83% living in rural areas. People's main source of income comes from the local agriculture (rain water and irrigation), pastoral production and fishing. In the past decade, the region has faced quasi-structural crises of cereal production and various shocks linked to climate change and pests, including locusts and grain-eating birds.

Several Boko Haram attacks, since February 6th, 2015, in the towns Boss and Diffa, have caused a massive displacement of populations, and resulted in inaccessibility of locals to their agro-sylvo-pastoral and fishing production areas, households impoverishment, the disruption of children education, disintegration of local value chain, trade routes and market supplies.

Diffa region, is particularly heterogeneous regarding production systems and living conditions of the population. This heterogeneity is important to understand the agro-economic systems and the different impacts that different crises have had on the production systems. To understand the negative impact of the crisis on the local production and subsistence economy, we must take into account several aspects, such as the different security levels in various localities (localities attacked versus localities near the areas attacks), areas of high displacement of population and the impact of the displaced in the host population resources, the different impacts of the crisis according to different areas, or means of subsistence and communities, etc. In conclusion, any program or humanitarian intervention has to take into account the multi-dimensional impacts of the crisis in Diffa.

This assessment focuses on N'guigmi district, because it is one of the most affected by crisis in region. In fact, a recent vulnerable population assistance plan has placed N'guigmi district at the top of the list in the Diffa region in terms of food insecurity with 308,033 people affected. The assessments and analyses that have been carried out since the onset of the crisis have mainly focused on the districts / communes in the South, South -East and West of Diffa region. Several factors make this study a much needed and timely contribution for the humanitarian community in N'Guigmi: 1) the lifting of access restrictions combined with the high vulnerability of the population located in the Northern part of Diffa, 2) the increased presence of humanitarian actors supporting these populations even in very remote areas, and 3) the revision and evaluation of market-based assistance



Meeting with a group IDPs in N'Gagala Peul site (N'Guigmi)

modalities to support affected populations. This is why World Vision Lake Chad Basin (LCB) emergency response team commissioned a multi-sector cash transfer feasibility assessment, in order to find out if the implementation of a cash transfer program is feasible and advisable in N'Guigmi district.

World Vision LCB response in the Lake Chad region has chosen to specifically assess multi-purpose cash transfers in order to understand the most essential needs of vulnerable populations, but also the impact that humanitarian interventions could have on local markets. The multi-sector and multi-dimensional nature of multi-purpose transfers will allow to understand all aspects and impacts of monetary interventions on the population in N'guigmi and thus be useful to propose programmatic options to mitigate the main risks.

This assessment is largely based on the Operational Guidelines and Toolkit for multi-purpose Cash,¹ be it regarding the multi-sector needs and market assessment or the evaluation of other feasibility criteria.¹

¹<http://www.cashlearning.org/downloads/erc-mpg-toolkit-fr-web.pdf>

II. THE ANALYSIS

The department of N'Guigmi was one of the most affected by the recent crisis. High vulnerability and poverty rates are affecting the IDPs, returnees and refugee population in the area, with the whole region of Diffa currently hosting around 242,541 displaced (DREC / Diffa, March 2017). N'guigmi district has 44,040 returnees, refugees and IDPs who have fled insecurity caused by the Boko Haram attacks that have been raging since 2009 in North- Eastern Nigeria particularly in the Borno and Yobe States since 2009 .

Most of the IDPs sites are located alongside the main national road linking N'guigmi to Diffa and the south and

assessment was about determining in a participatory way, the main criteria of vulnerability, the high priority in terms of needs, the composition of the minimum food and non-food basket in order to be able to calculate the "Minimum expenditure basket". The assessment does a multi-sectoral analysis of markets, for each need (goods and services) identified as a priority by the vulnerable households. In addition, a mapping of all the determinants and conditions of supply of goods and services was identified, plus their production/imports areas for consumption. For more details on the vulnerability and market assessment, please see the full report: 'Faisabilité des Transferts Monétaires à Usages Multiples'.



Interview with the head of village of Maiboutou (N'Guigmi)

south- east parts Diffa region. The geographic location of the IDPs and the humanitarian response show that most of the humanitarian interventions were particularly concentrated in the southern and south- Eastern part of the communes of Maine Soroa, Shetimari, Diffa and Qeskerou and less in the communes of Bosso and N'guigmi.

The multi-purpose cash transfer approach entails two main areas of analysis: vulnerability needs analysis and multi-sector market analysis.

The needs analysis done in this study is a basic needs analysis of the internal displaced, returnees and refugees, which constitute the most vulnerable population. The

III. RECOMMENDATIONS AND CONCLUSIONS

Priority needs of vulnerable population in N'Guigmi and the minimum expenditure basket

- The priority needs of the displaced vulnerable population in N'Guigmi are mainly related to basic needs such as food and non-food items (energy, shelter, health, education and NFI).
- The minimum expenditure basket calculated at **CFA 50 523(\$80.00)** reflects these basic needs and provides a basis for assessing the monetary requirements to be transferred to these populations under the Money Transfers Programs.
- The elements and settings used for the calculation of the minimum expenditure basket will allow to adjust (slightly upwards and downwards) according to the objectives/mandates and the means of humanitarian organizations or according to synergies of those organizations (multi-sector transfer/complementarity).

Multi-sector market analysis

- The different market analysis, especially in the market of N'Guigmi, show some **weak signals** on i) The ability of markets to absorb increased demand, and ii) the lack of integration of these markets with other markets in the region of Diffa.
- This confirms not only the low capacity of some markets but also their isolation in terms of location in relation to the supply sources and products.
- **Special attention** regarding potential negative impacts on markets is recommended for organizations that want to invest in **large-scale multi-purpose cash transfers** in N'Guigmi.
- The key items to be monitored will be the amount distributed through cash transfers (versus in-kind) and the number of assisted households (both of which constitute the aggregated demand).

Beneficiaries preference for transfers

- Beneficiaries have voiced that they prefer assistance modalities to be in-kind in all sectors, but requesting a small additional cash-top up for fresh food (milk and eggs) school supplies and cooking devices,
- This economic behavior reflects the highly vulnerability nature of the displaced households in N'Guigmi, a good experience and appreciation (both qualitative and quantitative) of the in-kind transfers already received by the humanitarian community, and the lack of confidence in the N'Guigmi market's capacity to cover their needs if they are provided with cash transfers.
- This feedback from the population reinforces the attention that should be given to the markets' reaction when dealing with an influx of Cash and serves as opportunity to organizations justifying MPC on a smaller scale.

Security, protection and transfer technology

- The past and current security context is highly volatile, the areas under consideration are heavily militarized and carrying cash with them can cause protection risks for beneficiaries. The context is thus not favorable to the direct distribution of cash (paper or coins) or organizing large-scale cash distributions in IDP sites.
- The use of technology like "**Mobile Money**", of which the feasibility has been tested by organizations in other communes of Diffa and whose terminal (mobile phone) is largely owned by vulnerable populations, seems to be the best solution to both reduce and thus address the insecurity risks of beneficiaries and organizations through the use of Mobile Vouchers.

Money transfer experiences and targeting

- Different money transfers modalities have already been tested in the larger region of Diffa,
- The main lessons learned focus on methods and targeting procedures (HEA), feedback and complaints mechanisms to be set up and their management, monitoring and evaluation methods of the MPC impacts to different stakeholders (market, traders, beneficiaries, non-beneficiaries, etc.), and so on. It is important to focus on the lessons learned and use the best practices and recommendations in the designing, implementation and monitoring of any multi-purpose cash intervention in N'Guigmi district.