RAPID ASSESSMENT FOR MARKET REPORT
WEST KENYA REGION AND INFORMAL SETTLEMENTS IN NAIROBI, KENYA.
GENERAL ELECTIONS AUGUST/SEPTEMBER 2017

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Report Date: 1st September, 2017
### Section 1: Shock and Needs analysis Summary

<table>
<thead>
<tr>
<th>Type of shock</th>
<th>Post Elections Conflict</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of Shock</td>
<td>August and September 2017</td>
</tr>
<tr>
<td>Date of RAM Assessment</td>
<td>28th–31st August 2017</td>
</tr>
<tr>
<td>Affected Areas assessed</td>
<td>Kibra, Mathare, Baba Dogo and Huruma informal settlements in Nairobi City.</td>
</tr>
<tr>
<td></td>
<td>Obunga, Bandani, Manyatta, Nyamasaria, Nyalenda, and Otonglo informal settlements in Kisumu City.</td>
</tr>
<tr>
<td></td>
<td>Siaya, Homa Bay and Migori Counties in West Kenya Region.</td>
</tr>
<tr>
<td>Total Pop in affected areas (projected 2015 KNBS)</td>
<td>Approximately 1,098,561 people of 226,719 households in Kisumu informal settlements and approximately 1,522,620 people of 380,655 households in Nairobi City informal settlements¹</td>
</tr>
<tr>
<td>Affected Population within affected area</td>
<td>Approximately 249,048 in Nairobi, 167,004 people in Kisumu, and 50,000 people in each of the remaining Counties of Siaya, Homa Bay and Migori.</td>
</tr>
<tr>
<td>Average Household Size (KNBS Census 2009)</td>
<td>5 people in the City and 6 people in rural towns</td>
</tr>
<tr>
<td>Location of affected population (in Homes)</td>
<td>In Nairobi: Gatwekera, Soweto and Kisumu Ndogo, Kariadudu, Kasabuni, Mathare area 4a, Mathare area 2, Utalii and Ngei 1 huruma, Dandora 4 Kawangware and Lucky summer.</td>
</tr>
<tr>
<td></td>
<td>In Kisumu: Obunga, Nyalenda; Nyamasaria; Manyatta and Otonglo</td>
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<td></td>
<td>In Siaya: Siaya town and Bondo town</td>
</tr>
<tr>
<td></td>
<td>In Homa Bay: Homa bay, Kendu bay, Oyugis and Mbita towns</td>
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<tr>
<td></td>
<td>In Migori: Migori, Awendo and Rongo towns.</td>
</tr>
<tr>
<td>Markets Assessed</td>
<td>In Nairobi: Eastleigh, Nyamakina, Kariobangi, Baba dogo, Huruma, Mathare north, Area 4a, Utalii, Gatwekera, Makina, Soweto, Cianda and Toi.</td>
</tr>
</tbody>
</table>

In Kisumu: Kibuye, Kondele and Bandani markets
Others: Siaya, Bondo, Kendu bay, Homa bay, Oyugis, Mbita, Rongo Awendo and Migori towns markets

| No. of Traders included in the assessment | In Nairobi County: 22 retailers and 11 wholesalers
In Kisumu County: 11 retailers and 8 wholesalers
In Siaya County: 10 retailers and 6 wholesalers
In Homa bay County: 10 retailers and 6 wholesalers
In Migori County: 10 retailers and 6 wholesalers |
| No. of Community group discussions and KII done during the assessment | 20 Group discussions (10 for males and 10 for females
12 Key informant interviews |

**Background**

Kenya has remained a relatively stable state for the better part of its post-independence history among most of its neighbours including Somalia and South Sudan. The country has however witnessed Violence related to General Elections since 1992. The promulgation of a new constitution in August 2010 established two levels of governments namely – National and County governments. While this was intended to reduce extreme political competition for power and resources at national level, this has resulted in other centres of power in the counties.

The Country carried its general elections in August 8th, 2017 whose presidential results were petitioned by the opposition party. As the country awaited the court ruling of the disputed 2017 General Elections, political tensions were on the rise both at the national and county levels. In the recent past, political unrest, destruction of property, human injuries and loss of lives related to the protest against the elections outcome were reported in Nairobi, Kisumu, Homa Bay and Migori counties in the country.

In order to design the most appropriate response to assist those who were affected during the conflict that erupted during the announcement of election results at both levels of Government and those who might be affected, staffs and volunteers of the KRCS had to assess the needs of the shock-affected people and local markets to decide how these needs are best addressed. Conflict can severely limit the functioning of market systems and marketplaces and, consequently, have a strong negative impact on people’s capacity to access commodities that are essential for their lives and livelihoods. Since markets play a central role in the lives and livelihoods of people, they should be taken into account when assessing the needs of a shock-affected population and evaluating how they are best addressed. Market information would allow Kenya Red Cross teams to determine the best-suited modality of response to assist the conflict affected population considering the state of the relevant markets.
The following therefore were the objectives for the market assessments:

1. Assess the impact of the conflicts on critical markets in the most affected Counties.
2. Establish the key commodities and their trends in prices
3. Establish preferred modality and preferred mechanism of intervention from the shock affected communities.

Section 2: Market flow Map of key commodities to shock affected population

1. Maize, Beans and Rice in Nairobi

The main administrative divisions of Nairobi’s total geographic 696 Kms are Central, Dagoreti, Embakasi, Kasarani, Kibera, Makadara, Pumwani, and Westland’s. The county has a population of 3,138, 295 million as of 2009 census. The RAM team selected to focus on 4 out of these 8 sub counties i.e. Kibra, Kasarani, Pumwani and central sub counties. Within these sub counties, 8 informal residences were targeted and 6 connected markets to these residences were assessed as depicted in tables 1 and 2 below; the targeting was based on the incidents volumes and intensity to the elections day. Three other affected informal residential areas (Kawangware, Dandora and Lucky summer) could not be assessed owing to time and human resource capacities.

2. Maize, Omena and Cooking oil in West Kenya

Kisumu is a port city in Western Kenya. Kisumu is the third largest city in Kenya with a population of 1,098,561 (protected KNBS census 2015). It is the headquarters of Kisumu County. It is a vast county covering a surface area of 2,085.9 square kilometers. It has 7 sub-counties (Kisumu West, Kisumu Central, Kisumu East, Seme, Muhoroni, Nyando and Nyakach).

Siaya is a town in Siaya County of Kenya. It is the headquarters of Siaya County. It is located 74 Kilometers Northwest of Kisumu with a population of 842304 people (M- 398652 and F- 443652) according to KNBS 2012. It covers the areas of 2,496.10 square kilometers.

Homa Bay County lies between latitude 0° 15’ South and 0° 52‘ South, and between longitudes 34° East and 35° East. The county covers an area of 4,267.1 Km² inclusive of the water surface which on its own covers an area of 1,227 km². The county is located in South Western Kenya along Lake Victoria where it boarders Kisumu and Siaya counties to the North, Kisii and Nyamira counties to the East, Migori County to the South and Lake Victoria and the Republic of Uganda to the West.

Migori County is one of the forty seven counties in Kenya. It is situated in the south-western part of Kenya. It borders Homa Bay County to the north, Kisii and Narok Counties to the east and the
Republic of Tanzania to the south. It also borders Lake Victoria borders to the west. The county is located between latitude 0° 24′ South and 0° 40′ South and Longitude 34° East and 34° 50′ East and covers an area of 2,596.5km² including approximately 478km² of water surface.

Maize meal and small fish locally known as “omena” forms the main dish for the local community in West Kenya Region. Maize is produced locally in very small quantities by the peasant farmers, therefore the communities in this part of Kenya rely majorly on maize from neighbouring towns like Kitale, and imports from Uganda through Busia and Tanzania through Sirare. The community is known for fishing and therefore get the omena delicacy from Lake Victoria.

3.0. MARKET MAPS AND TRADER ANALYSIS.

A total of 63 traders were engaged for interviews as follows: 22 retailers and 11 wholesalers in Nairobi; 11 retailers and 8 wholesalers in Kisumu; 10 retailers and 6 wholesalers each in Siaya, Homa bay and Migori respectively. The traders interviewed were purposefully selected based on their proximity to the communities affected by the conflict guided by local community volunteers. Further information was provided by 20 key informants interviewed to offer a clearer picture of both the main market systems.
Figure 1: Market Flow map of Maize, Maize flour, beans and Rice to affected populations in Nairobi’s Mathare, Baba dogo and Kibra.

Key:
- Main markets
- Affected population
- Imports into Eastleigh
- Farm produce of Maize, beans, rice into Nyama Kima & Adamas Arcade/ Toi Market
Figure 2: Market Flow map of Maize to affected populations in West Kenya.
**Maize Commodity map in West Kenya Region (After conflict)**

The market environment: institutions, rules, norms & trends

- Dry Weather
- Inflation/Price increase
- Foreign Exchange rate
- Seasonality
- Bribery & Corruption
- Government policies
- National Cereals and Produce Board (NCPB)

The market chain: market actors & their linkages

- Farmer Cooperatives
- Cartels
- Wholesalers in Kisumu
- Retailers in Kisumu
- Retailers in Migori
- Retailers in Homa bay
- Wholesalers in Busia and Sirare borders
- Middle men/Transporters
- Farmers in Kitale
- County Government (NCPB)
- Imports from Busia and Sirare borders

Key infrastructure, inputs and market-support

- NCPB Warehousing
- Communications
- Transporters and Road condition
- Fuel prices
- Farmers Cooperatives
- Insurance
- Credit services (Banks, SACCOs)
- Vehicle Spare parts

Population affected by conflict in Kisumu, Siaya, Homa bay and Migori

Partial disruption
Complete disruption

Key:
P = Price per Kg
N = Number of actors
V = Volume traded

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The market environment:

- Farmers in Kitale
  - P = 45/kg

- Middle men/Transporters
  - P = 50/kg

- Wholesalers in Kisumu
  - N =?
  - V =?
  - P = 55/kg

- Retailers in Migori
  - N =?
  - V =?
  - P = 60/kg

- Retailers in Homa bay
  - N =?
  - V =?
  - P = 90/kg

- Posho mills
  - N =?
  - V =?
  - P = 100/kg

The market chain:

- Farmers in Kitale
  - N =?
  - V =?
  - P = 45/kg

- Middle men/Transporters
  - N =?
  - V =?
  - P = 50/kg

- Wholesalers in Busia and Sirare borders
  - N =?
  - V =?
  - P = 80/kg

- Retailers in Homa bay
  - N = 8
  - V =?
  - P = 90/kg

Key infrastructure, inputs and market support:

- NCPB Warehousing
- Communications
- Transporters and Road condition
- Fuel prices
- Farmers Cooperatives
- Insurance
- Credit services (Banks, SACCOs)
- Vehicle Spare parts

---

Population affected by conflict in Kisumu, Siaya, Homa bay and Migori

Partial disruption
Complete disruption

Key:
P = Price per Kg
N = Number of actors
V = Volume traded

---

The market environment:

- Farmers in Kitale
  - N =?
  - V =?
  - P = 45/kg

- Middle men/Transporters
  - N =?
  - V =?
  - P = 50/kg

- Wholesalers in Kisumu
  - N =?
  - V =?
  - P = 55/kg

- Retailers in Migori
  - N =?
  - V =?
  - P = 60/kg

- Retailers in Homa bay
  - N = 8
  - V =?
  - P = 90/kg

- Posho mills
  - N =?
  - V =?
  - P = 100/kg

The market chain:

- Farmers in Kitale
  - N =?
  - V =?
  - P = 45/kg

- Middle men/Transporters
  - N =?
  - V =?
  - P = 50/kg

- Wholesalers in Busia and Sirare borders
  - N =?
  - V =?
  - P = 80/kg

- Retailers in Homa bay
  - N = 8
  - V =?
  - P = 90/kg

Key infrastructure, inputs and market support:

- NCPB Warehousing
- Communications
- Transporters and Road condition
- Fuel prices
- Farmers Cooperatives
- Insurance
- Credit services (Banks, SACCOs)
- Vehicle Spare parts

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Population affected by conflict in Kisumu, Siaya, Homa bay and Migori

Partial disruption
Complete disruption

Key:
P = Price per Kg
N = Number of actors
V = Volume traded

---

The market environment:

- Farmers in Kitale
  - N =?
  - V =?
  - P = 45/kg

- Middle men/Transporters
  - N =?
  - V =?
  - P = 50/kg

- Wholesalers in Kisumu
  - N =?
  - V =?
  - P = 55/kg

- Retailers in Migori
  - N =?
  - V =?
  - P = 60/kg

- Retailers in Homa bay
  - N = 8
  - V =?
  - P = 90/kg

- Posho mills
  - N =?
  - V =?
  - P = 100/kg

The market chain:

- Farmers in Kitale
  - N =?
  - V =?
  - P = 45/kg

- Middle men/Transporters
  - N =?
  - V =?
  - P = 50/kg

- Wholesalers in Busia and Sirare borders
  - N =?
  - V =?
  - P = 80/kg

- Retailers in Homa bay
  - N = 8
  - V =?
  - P = 90/kg

Key infrastructure, inputs and market support:

- NCPB Warehousing
- Communications
- Transporters and Road condition
- Fuel prices
- Farmers Cooperatives
- Insurance
- Credit services (Banks, SACCOs)
- Vehicle Spare parts

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Population affected by conflict in Kisumu, Siaya, Homa bay and Migori

Partial disruption
Complete disruption

Key:
P = Price per Kg
N = Number of actors
V = Volume traded
Omena Commodity map in West Kenya Region (After conflict)

The market environment:
- institutions, rules, norms & trends
- Government policies on fishing
- Inflation/Price increase
- Foreign Exchange rate
- Bribery & Corruption
- Seasonality
- Competition

The market chain:
- market actors & their linkages
- Middle men/Transporters
- Retailers in Kisumu
  - N= >10
  - V= ?
- Retailers in Migori
  - N= 5
  - V= ?
- Retailers in Homa bay
  - N= 8
  - V= ?

Imports from Uganda and Tanzania
- V= ?
- V= ?

Local Fishermen
- N= ?
- V= ?

Storage and preservation
- Communications
- Transporters and Road condition
- Fuel prices

Key infrastructure, inputs and market-support
- Fisheries Cooperatives Union
- Credit services (Banks, SACCOs)

Population affected by conflict in Kisumu, Siaya, Homa bay and Migori

Key:
- P = Price per Kg
- N= Number of actors
- V- Volume traded
Omena Commodity map in West Kenya Region (Before conflict)

The market environment:
institutions, rules,
norms & trends

- Government policies on fishing
- Inflation/Price increase
- Foreign Exchange rate
- Bribery & Corruption
- Seasonality
- Competition

The market chain:
market actors & their linkages

- Imports from Uganda and Tanzania
  - P = 45/kg
  - V = ?
  - V = ?

- Local Fishermen
  - N = ?
  - V = ?
  - P = 60/kg

- Middle men/Transporters
  - N = ?
  - V = ?
  - P = 60/kg
  - P = 55/kg

- Retailers in Migori
  - N = 5
  - V = ?
  - P = 140/kg

- Retailers in Homa bay
  - N = 8
  - V = ?
  - P = 150/kg
  - P = 140/kg

- Retailers in Kisumu
  - N > 10
  - V = ?
  - P = 160/kg

Key infrastructure, inputs
and market-support

- Storage and preservation
- Communications
- Transporters and Road condition
- Fuel prices

- Fisheries Cooperatives Union
- Credit services (Banks, SACCOs)

Key:
P = Price per Kg
N = Number of actors
V = Volume traded

Population affected by conflict in Kisumu, Siaya, Homa bay and Migori
Fig 3 Market System Map for Kibra Informal settlement

Key

- Seriously disrupted
- Partially disrupted

Market environment

Land and property rights
Security
Consumer trends
Quality Standards

Market Chain

Eastliegh
Nyama Kima
Kawangware

Produce from Farmers

Supporting Infrastructure

Transport
Stock and storage
Tele-communication
Informal credit

Wholesalers
Lindi Retailers
Lindi Consumers
Gatwekera Retailers
Gatwekera Consumers
Kiandaa Retailers
Kiandaa Consumers
Soweto Retailers
Soweto Consumers

Othaya(Adams Arcade)
Toys Market
Makina Market

Consumers

Nyama Kima
Eastliegh
Kawangware
Othaya(Adams Arcade)
Toys Market
Makina Market

Consumers

Lindi
Kiandaa
Gatwekera
Soweto
Kawangware
Fig 4 Market System Map for Baba Dogo Informal settlement

Market environment

Eastleigh

Market Chain

Manufacturer s in Industrial Area

Kariobangi Wholesaler

Kariadudu Market

Baba Doga Consumers

Supporting Infrastructure

Transport

Stock and storage

Tele-communication

Key

Seriously disrupted

Partially disrupted
a) **Impact of the shock on physical access to the markets.**

Verifiable observations on the physical access by affected populations as well as the traders to markets indicate major disruptions caused by:

- Illegal road barricades by demonstrators blocked access to the local markets and also cut off integration between these markets and neighbouring and supply markets. This blocked the flow of supplies of the key commodities to the markets.
- The demonstrators also looted, burnt down and destroyed businesses that tried to open up shops for business during the conflict, as a result most if not all shops closed down for fear of being targeted by the rioting youths.
- Many traders kept low stocks and were not willing to add more stocks to reduce the risks to loss from arson and also due to the fact that the roads that would allow for supply of more stocks were blocked by those in demonstration.
- Both public service and private vehicles including motorcyclists were not allowed to pass through the main roads linking major towns in the affected areas.
- The above factors caused temporary shortage of key commodities in the local markets with subsequent increase in prices to almost double unit cost in few areas where some commodities could be sold in the early morning hours before demonstrations begin.
- Closure of business premises occasioned by either heightened or lack of security by traders which reduces options for the consumers while simultaneously cutting down trade volumes and income for the traders. Owing to the integrated nature of markets, the negative domino effects are relayed to the other shared markets.
- The tensions and security operations within the neighborhoods restricted movements and reduced the purchasing power of the affected communities who rely on daily wage labor and odd jobs.

b) **Coping mechanisms by the affected communities**

A few households of approximately 20 percent of the affected households fortunately had foreseen the possibility of post-election violence and as such had bought some food stocks like maize, rice, *omena* to support their household members during the violence time. They said this was drawn from the past experience of the 2007/08 election related violence that rocked the Country. The food stocks were however not enough to take the households through a fortnight and another about 80 percent had not purchased and prepositioned any food items.

The small scale markets in the rural interior with two or three small traders were operating as usual however their stock capacities were too low and they risked running out of stock since the supply markets were not functioning. The situation did not get worse due to the change in political situation involving the petition in the High Court of Kenya.

c) **Changes in the types, quality and quantities demanded by traders and households.**

Some key commodities specifically yellow beans, Maize flour and cooking maize faced quality and quantity issues as preferred by the consumers. Yellow beans were hard to come by. Some key commodities
specifically Maize floor (2kg packet), Maize and beans (rose coco and Nyayo) faced quantity and quality differences as preferred by the consumers. In case of Maize, the government intervention that saw introduction of imported maize from Mexico, traders explained that compared to the indigenous maize produced in Kenyan markets, this particular maize was very hard and proved challenging to cook and to grind. The maize floor prices had risen in the early months of the year owing to the drought experienced in 2016 resulting to government sponsored floor that reduced the prices drastically to up to Ksh. 45 per Kg. This situation is however likely to be affected and inflation on maize floor experienced in the coming days as the government intervention comes to an end. Nevertheless, there has been a drop in maize prices which would affect the maize floor prices as market stabilizes. The supply of the beans in the market was adversely affected by the drought situation leading to high demand than the supply available in the market hence high prices.

**Market Prices Analysis**

*Fig 5: Retail Market prices analysis graph for maize.*

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Trends in price of Maize across markets in Nairobi

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<table>
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<th>MARKETS ASSESSED</th>
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</tbody>
</table>
Fig 6: Retail Market prices analysis graph for maize flour.

Trends in price of Maize Flour across markets

Fig 7: Retail market prices analysis graph for Beans

Trends in price of Beans across markets
**Fig 8:** Retail market prices analysis graph for Rice.

![Graph showing trends in price of Rice across markets](image)

**Fig 9:** Secondary wholesale market prices analysis for different commodities.

![Graph showing trends in prices of different commodities](image)
Preference on Delivery Mechanism and Modality

During the FGD’s conducted, it came out clearly that almost all the people in the affected areas and hotspots had phones. Further, there are plenty of Mpesa agents in operation. In cases where there was no agents close by, they could be found within thirty minutes’ walk at most, in the neighboring communities within the informal settlement of Nairobi but not in the other areas.

Assessments showed that the banks were open and operating under the armed security of the police officers and anti-riots police however the community members kept away from the banks in fear of police brutality on any one seen along the streets. The MPESA agents, the most common, widely used and preferred cash transfer mechanisms were not spared either. The agents closed their outlets in fear of looting and destruction of property. This would make it difficult for cash to be transferred through these mechanisms.
4.0. CONCLUSIONS.

i) The analysis of the informal settlements of Nairobi

Most traders in the Markets are operating

Key commodities are available in most of the markets

Traders are able to access key commodities using their own resources if required to

Traders have the capacity to increase supply of key commodities with increase in demand

Little likelihood of increase in price of key commodities as a consequence of the context

CTP Potential

- Recommend Cash transfer as a preferred mode of intervention;
- Continue to monitor prices closely;
- Preferred delivery mechanism is mobile money through Mpesa;
- In regards to Baba Dogo, consider multiple grant to meet needs of the those whose livelihoods were totally disrupted.
ii) The analysis of the markets in West Kenya

Few traders in the Markets are operating

Key commodities are available in few markets

Traders are able to access key commodities using their own resources if required to

Traders have the capacity to increase supply of key commodities with increase in demand

High likelihood of increase in price of key commodities as a consequence of the conflict

CTP Potential
- Cash transfer may not be the best response option since the markets are affected.
- Mobile money through Mpesa may be possible in targeting those displaced in their rural homes;
- Food distributions would be the best option in the conflict stricken areas.