

CASH BASED TRANSFER RESPONSE OPTIONS

NYARUGUSU REFUGEE CAMP, UNITED REPUBLIC OF TANZANIA

This Report builds on the findings from the Kasulu market assessment to outline the feasibility of conducting cash based transfer (CBT) interventions in the Nyarugusu Refugee Camp in Kasulu, Tanzania. Specifically the report outlines key areas a CBT intervention in the Refugee Camp would need to adopt in order to address constraints and bottlenecks limiting market functionality. Refer to the Nyarugusu Refugee Camp Market Assessment Report for more information on market analysis and trends.



*Cash Based
Transfer
Market
Assessment:
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Acronyms

CBT	Cash Based Transfer
C&V	Cash and Vouchers
CO	Country Office
CPI	Consumer Price Index
DRC	Democratic Republic of Congo
FAO	United Nations Food and Agriculture Organization
FCS	Food Consumption Score
GAM	Global Acute Malnutrition
GDP	Gross Domestic Product
Ha	Hectares
IMF	International Monetary Fund
Kg	Kilograms
KCal	Kilocalorie
Km	Kilometers
JAM	Joint Assessment Mission
Lt	Litres
M	Meters
MAM	Moderate Acute Malnutrition
MDG	Millennium Development Goal
Mha	Million Hectares
MT	Metric Tonne
NCM	Nyarugusu Common Market
NGO	Non-Governmental Organization
NVS	Nutritional Value Score
P4P	Purchase for Progress (WFP Project)
PDM	Post-Distribution Monitoring
PSN	People with Special Needs
RBJ	Regional Bureau Johannesburg
RUSF	Ready-to-Use Supplementary Food
SAM	Severe Acute Malnutrition
SC	Super Cereal
SC+	Super Cereal Plus
SMART	Standardized Monitoring and Assessment of Relief and Transitions
TZS	Tanzanian Shillings
US \$	United States Dollars
UN	United Nations
UNHCR	United Nations High Commissioner for Refugees
VAM	Vulnerability Analysis and Mapping Unit of WFP
WASH	Water Sanitation and Hygiene
WFP	United Nations World Food Programme
°C	Degrees Centigrade
Ω	Omega Value

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Executive Summary:

Following political instability in Burundi in 2015, the Nyarugusu Refugee Camp has more than doubled in number of refugees requiring accommodation, from around 60,000 people to 137,843 refugees (68,843 DRC nationals and 69,000 Burundians) in the space of a few months. Currently the refugees residing in the camp are receiving WFP general food distributions. However with the decision by the Tanzanian Government in late 2015 to allow the establishment of a formal common market near the refugee camp, food related cash based transfer (CBT) interventions have also become a reality.

In early 2016, WFP's Tanzania CO requested WFP RBJ to support the CO with a market assessment to determine the functionality of food market systems (for maize, pulses and cooking oil) in Kasulu District (Kigoma Region located in north-western Tanzania). The findings of the assessment are intended to inform the design and implementation of humanitarian assistance programmes in Nyarugusu Refugee Camp where WFP is considering changing its food assistance modality from in-kind to a CBT style modality.

In addition to assessing the Nyarugusu Refugee Camp's Common Market, the market assessment assessed 10 other markets in Kasulu, 3 markets in Kigoma and visited an oil refinery in Dar es Salaam. The market assessment employed both secondary and primary data sources. Primary data was collected using structured trader and key market informant questionnaires. On average 2 questionnaires were collected by trader type (wholesaler, medium trader and retailer) by market for a total of 83 questionnaires covering issues of volumes of food traded, trader's storage capacity, food source, food prices, key trade constraints affecting traders, security and the effects of seasonality on trade. In every market key informant interviews were also held with the market chief and/or the market's revenue collector.

Key stakeholders and peer humanitarian organizations such as UNHCR representatives (both in the Sub-Office in Kasulu as well as the Country Office (CO) in Dar es Salaam, Oxfam GB representative in Kasulu, WFP Sub-Office Representative, the Nyarugusu Camp Commandant from Tanzania's Ministry of Home Affairs and representatives from the Tanzania Chamber of Commerce, Industry and Agriculture (TCCIA) in Kigoma, were also met with. Eight focus group discussions with refugees (DRC and Burundian) were also conducted to better understand the refugees' intervention modality preference.

Section 1: Market Assessment Introduction and Methodology

1.1: Market Assessment Introduction

For more than 40 years, Tanzania has hosted refugees from neighbouring countries, notably Rwanda, Burundi and the DRC. Improved security conditions in Rwanda and Burundi in recent years has facilitated orderly return of the majority of these refugees and subsequent closure of Rwandese and Burundian camps and consolidation of Congolese camps in Tanzania. Until recently, there was only one camp remaining (Nyarugusu camp) hosting a population of around 70,000 refugees from DRC and a small caseload of Burundian refugees considered to still need international protection. Renewed insecurities in Burundi in the first half of 2015 triggered by election processes saw a massive influx of over 120,000 Burundian refugees into Tanzania and subsequent re-opening of two camps; Nduta and Mtendeli in Kibondo district.

Currently WFP Tanzania Country Office supports around 205,000 Congolese and Burundian refugees through a Protracted Relief and Recovery Operation (PRRO) entitled 'Food Assistance to Refugees in North-Western Tanzania' by providing food transfers that meet a minimum daily energy requirement of 2,100 kilocalories per person. Because of Government restrictions in refugees' movement outside the camp and engagement in economic activities, refugees have been mainly depending on WFP rations with limited capacity to diversify their consumption patterns.

Several initiatives have been taken to address the need for livelihood diversification in the camp, but most often faced Government restrictions. In a recent development, the Government of Tanzania is now supporting cash based transfer (CBT) initiatives and has re-opened the common market in Nyarugusu camp to facilitate refugees' access to local food. This has placed new impetus on the possibility of switching intervention modality from the traditional in-kind donation of food to CBT modalities.

WFP Country Office commissioned two assessments in Nyarugusu camp, one in November 2013¹ to explore the feasibility of implementing CBT in the camp by looking at the refugee households' preferences, market systems and networks and the district agricultural production capacity to meet the needs of the host community and refugees. The assessment concluded there was potential to implement CBT in Nyarugusu Camp based on the district agricultural production capacity, market performance and conduct.

The January 2015² assessment laid-out an implementation plan for a market-based operation in Nyarugusu Camp building on the 2013 assessment and highlighted prevailing local conditions that could facilitate or hinder a CBT intervention. The assessment reviewed different solutions available in the country to facilitate CBT aiming at proposing different transfer modalities based on the identified selection criteria and weight.

Following the new influx of Burundian refugees (Since April 2015 onwards), the CO with support from WFP's Regional Bureau in Johannesburg (RBJ) found the need to undertake a further comprehensive assessment which would validate the findings of both the November 2013 and January 2015 assessments, update analysis incorporating the new immigration dynamics and consolidate findings to facilitate smooth piloting of a CBT intervention pilot of around 10,000 vulnerable beneficiaries in July 2016. The assessment went further to update regional agriculture production figures and food prices as well as to analyze and gain "actionable understanding" of

¹ Murray. M., (2014), 'Nyarugusu Cash & Voucher Feasibility Study' – United Nations World Food Programme

² Ernesto. G., (2015), 'Mission Report: C&V intervention for Tanzania's PRRO 200603' – United Nations World Food Programme

markets' supply chains in Kasulu district and Kigoma region as a whole. The current report is to inform transfer modality selection and delivery mechanism, supply chain/retailer strategy and operational risk reduction in light of the increased refugee case-load.

1.2: Market Assessment Methodology

The overall objective of the market assessment was to validate if a CBT intervention is possible in the Nyarugusu Refugee Camp market without leading to undesired side-effects. The main objective was broken down into the following sub-objectives:

Market structure	Identify the key actors and institutions as well as assessing the supply chain for cereals (maize and rice), tubers (cassava), pulses (sugar beans) and vegetable oil
Availability of food items	Analyse current and projected availability of cereals, tubers, pulses and cooking oil in local markets across Kasulu as well as import and export trade patterns
Market integration	Establish how well source and supply markets are linked
Market patterns	Analyse volumes stored and traded, price levels and trends, price setting behaviour, competition and seasonality
Capacity to meet consumer demand	Analyse the market's potential to respond to current and transfer-induced increases in consumer demand, e.g. through storage facilities, stocking levels, stock replenishment lead-time, etc.
Use of markets	Analyse physical and economic access of food insecure populations in the country to local markets, how they (the markets) respond to price variations of food and non-food commodities, distance of vulnerable populations from markets and their road access to their key markets, etc.
Overall market environment	Analyse the market's potential or capacity to respond to current and transfer-induced increases in consumer demand, e.g. through assessing the number of traders by operational capacity, storage facilities, stocking levels, stock replenishment lead-time, seasonality
Provide recommendations on:	Analyse the role and implication of government policies and regulations, road and transport infrastructure, the socio-political situation on trade patterns and volumes
	<ul style="list-style-type: none"> ▪ Feasibility of CBT intervention in the region/district/market ▪ What key bottlenecks / constraints are to be addressed for the CBT pilot to be implemented

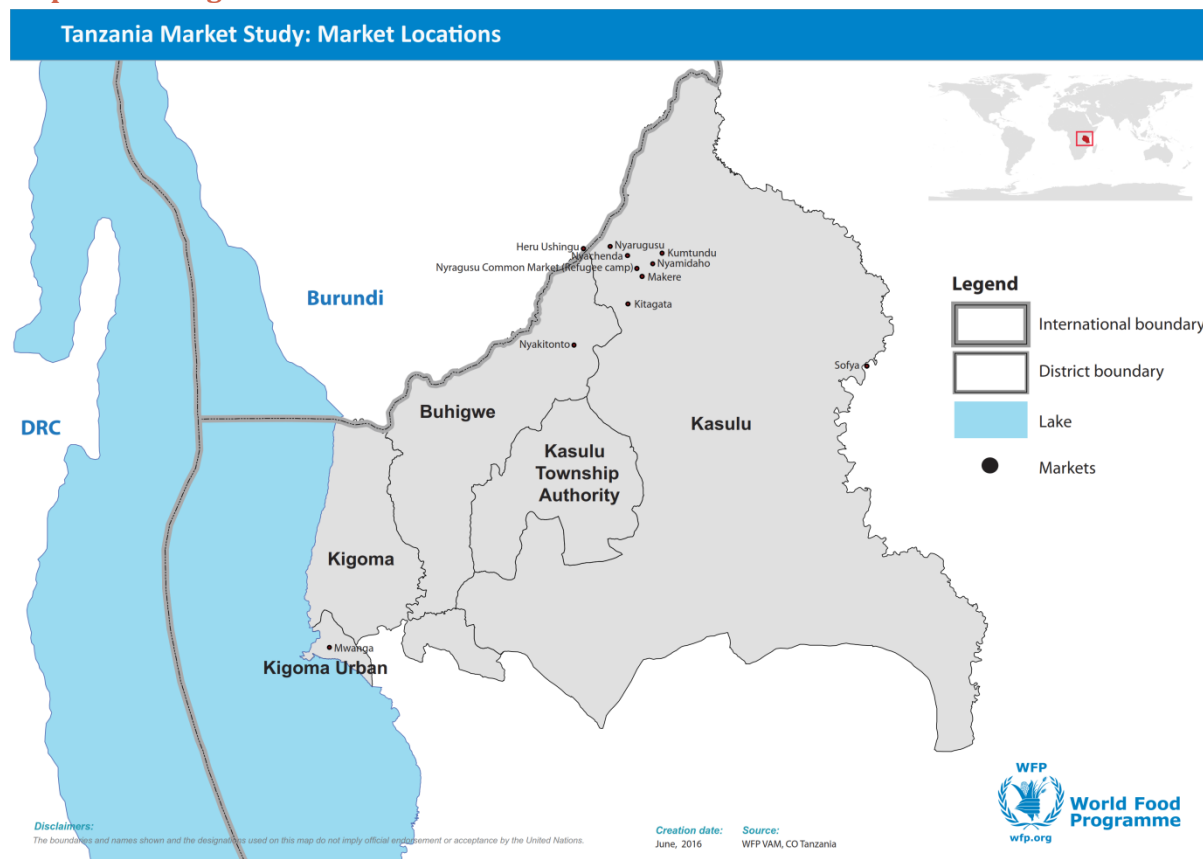
The market assessment employed both secondary and primary data sources to meet the above stated objectives. Primary data was collected using structured trader and key market informant questionnaires.

The key informant questionnaire was undertaken at market level with key market actors such as: the market chief and/or the market revenue collector. The key informant interviews were essential in identifying overall market trends and constraints. The key markets assessed were selected from discussions with Nyarugusu market traders on their main food sources throughout the year. While the trader questionnaire reviewed individual trader buying / selling trends.

From 23 to 28 April 2016 a team of 7 WFP Staff: 1 Regional Market Analyst from RBJ, 1 WFP Tanzania VAM (Vulnerability Analysis and Mapping Unit) Officer, 1 WFP Tanzania Logistics Officer, 1 WFP Tanzania Procurement Officer, 2 WFP Kigoma Sub-Office Officers and 2 WFP Kasulu Sub-Office Officers, undertook a market study in Kasulu.

The market assessment team visited 14 different markets assessing local capacity and trade routes to and from Kasulu. On average 2 questionnaires were collected by trader type (wholesaler, medium trader and retailer) across the different markets for a total of 83 questionnaires collected covering aspects of volumes of food traded, trader's storage capacity, food source, food prices, key trade constraints affecting traders, security and the repercussions of seasonality on trade. In every market key informant interviews were also held with the market chief and/or the market's revenue collector. The market assessment also built on secondary data from previous market and food security assessments in the region³.

Map 1: Kasulu geo-locations of assessed markets



Source: Tanzania Market Assessment

Section 2: Refugees' food security and implications on the most appropriate intervention modality

Since the influx of Burundian refugees in April 2015, no SMART nutrition survey has been conducted in the region. Therefore, food security information is limited to pre-influx nutrition assessments of DRC refugees. A SMART nutrition survey covering both DRC and Burundian refugees is of uttermost priority and should be conducted prior to commencing the CBT intervention.

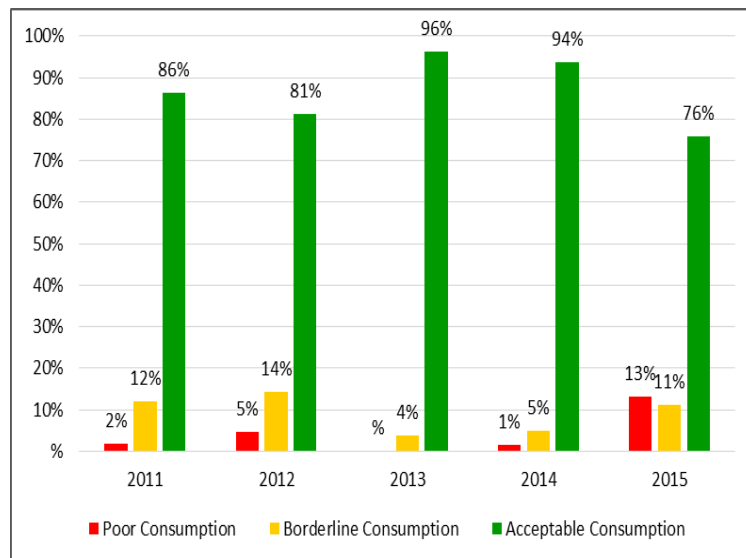
2.1: Congolese Refugee Food Security

WFP has been consistently providing a GFD food ration that meets the minimum requirement of 2,100 kcal per person per day. Although the Super Cereal (SC) ration was temporarily reduced in

³ Nyarugusu nutrition survey 2012; Nyarugusu CHS Reports 2013 and 2014; Nyarugusu Sens Nutrition Survey Report 2014; UNHCR/WFP 2013 and 2015 JAM; and WFP market assessments (2013 and 2014)

March, June, July, October, November and December of 2015 due to pipeline breaks, maize meal rations were increased during these periods to maintain the minimum daily calorific requirements.

Figure 1: Food Consumption Trends over time for Nyarugusu Camp - Tanzania



The most recent PDM conducted in October 2015 indicated a decrease in the proportion of households with acceptable food consumption from 94% in 2014 to 75.8% in 2015, and an increase in the proportion of households with poor food consumption scores from 1.5% in 2014 to 13.1% in 2015 (Figure 1). The Dietary Diversity Score (DDS) also decreased from 4.60 in 2014 to 4.10 in 2015, although it is still indicating medium diet diversity. The major contributing factor to such deviation was seasonality.

Source: VAM/M&E Tanzania

In May 2015, an influx of Burundian refugees arrived in Tanzania necessitating a three months Immediate Response Emergency Operation (IR-EMOP) to meet the immediate emergency food requirements of the incoming refugees, before the remainder of the new arrivals were absorbed into the ongoing PRRO. The influx of Burundian refugees created new dynamics and challenges in Nyarugusu Camp where the Congolese and Burundian populations lived on the same available resources, including land and firewood. WFP quickly adopted mobile dry ration distribution to arriving refugees to adapt to the increasing refugee influx.

Nutrition screening statistics gathered since the influx of the Burundian refugees revealed increasing rates of acute malnutrition. Results from the rapid MUAC screening done by MSF in July 2015 indicated 1% SAM and 5.5% GAM levels⁴. Arriving Burundian refugees were coming from areas with high stunting rates and micronutrient deficiencies and were therefore nutritionally vulnerable.

Following the increasing acute malnutrition rates, treatment of MAM for children aged 6-59 years was introduced in the camp in July 2015 where beneficiaries were provided with a daily ration of 200grams of SC+.

For prevention of stunting, WFP provides take-home rations of SC with sugar and vegetable oil to pregnant and lactating women, and SC+ for children age 6 to 23 months, to ensure children get the right nutrition during the first 1,000 days. An additional SC+ ration is provided to children aged 24 to 59 months to maintain their nutritional status and prevent micronutrient deficiencies.

The most recent full nutrition survey report (in 2014) indicates an improved nutrition status compared to the 2012 survey round. The Global Acute Malnutrition (GAM) among children aged 6-59 months went down from 2.6% to 1.4%, which is within the acceptable levels as per World Health Organization (WHO) thresholds. Although a reduction was noted in the stunting levels (from 48% in 2010 and 46.2% in 2012, to 40.7% in 2014), the rates are still above the global target of less than

⁴ MSF OCV Report 2015

30% (**Table 1**). The current level of severe stunting stands at 14%, which is lower compared 17.1% observed in the 2012 Nutrition Survey.

Table 1: Nutrition Rates⁵ for Congolese Refugee Children 6-59 Months

Degree of Malnutrition	SMART Survey Data September 2010	SMART Survey Data October 2012	SENS Survey Data December 2014
Global Acute Malnutrition (GAM)	1.20%	2.60%	1.40%
Moderate Acute Malnutrition (MAM)	0.40%	1.70%	1.40%
Severe Acute Malnutrition (SAM)	0.80%	0.90%	0.00%

Source: VAM Tanzania

The Coping Strategies Index (CSI) of the Congolese refugees in Nyarugusu camp decreased from a mean of 10.5 in 2014 to 6.1 in 2015, indicating lower stress among households in 2015 compared to 2014. The five most commonly employed coping strategies reported by households included borrowing food or money from friends and relatives (22%), reducing the number of meals eaten per day (19%), purchasing food on credit (17%), exchanging labour for food (work for food) (15%) and limiting portion sizes at meal times (13%).

Table 2: WFP Tanzania Refugee General Food Ration 2016

Commodity	Ration (grams)
Maize Meal	380
Split Peas	120
Fortified Cooking Oil	20
SC	50
Iodized Salt	5

Source: WFP Tanzania

2.2: Implications of Congolese Refugees' food security trends on Nyarugusu intervention modality

During the October 2015 PDM one-third (33%) of the refugees in Nyarugusu camp confirmed to have sold part of their food ration to meet other needs. This is a slight decrease compared to 38% recorded during the 2014 CHS. Of this one-third, about 70% sold their food to meet their needs for other food items, 41% sold food because they did not have other source of money, while 36.5% sold the food because they considered the food not appropriate. About 21% sold part or all of their food ration to meet the needs for non-food items. A high percentage of refugees who sold their food to meet other food needs indicated that the food WFP is distributing did not meet refugees' preferences or their traditional culinary habits.

From the CHS reports, SC was very much likely to be consumed, whereby according to 2014 CHS report, 96.4% of the interviewed households consumed 100% of the SC they received. The 2014 CHS also found out that consumption of SC+ distributed under nutrition programmes actually goes

⁵ The prevalence of anaemia among children age 6-59 months is 33% and 21.9% among women of reproductive age. Further analysis showed a higher prevalence of anaemia among children age 6-23 months at 44.8% compared to 26.7% among children age 24-59 months.

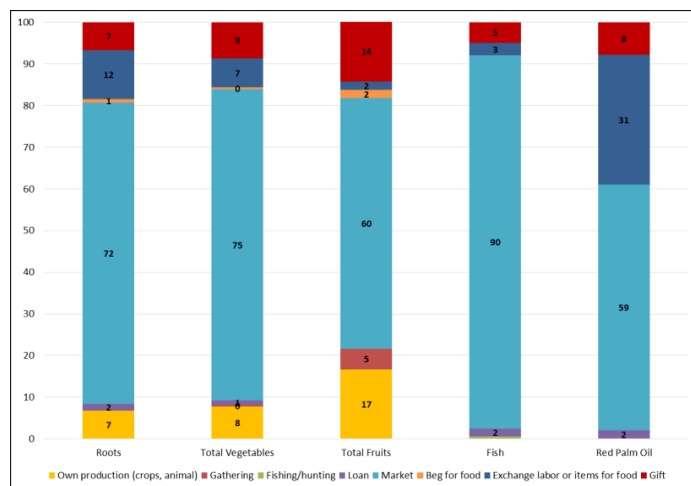
beyond the intended beneficiaries as 46.5% of the households shared SC+ with other household members. This calls for continued community awareness on the use of SC+ to ensure the intended objective of reducing stunting is achieved. Moreover the high consumption rate of SC and SC+ highlights the high requirement level and acceptance by refugees of these commodities, indicating that these fortified foods should continue to be provided by WFP. An issue further confirmed by direct interviews with both Congolese and Burundian refugees as well as with the Camp Commandant (Tanzanian Government Official overlooking operations at Nyarugusu Refugee Camp).

Notwithstanding provision of WFP’s GFD, diet diversity remains an issue needing addressing. The rapid Joint Assessment Mission (JAM) conducted in September 2015 indicated lack of livelihood activity, meal variety and frequency as major constraints affecting refugees’ dietary diversity. The CBT feasibility study completed in January 2014 and the follow-up study conducted in 2015, indicated the potential for a CBT intervention in the Camp and WFP is currently working on a CBT implementation plan, following a successful market and supply chain assessment.

During the September 2015 JAM, refugee women reported that they have limited access to complementary food items such as fish, meat and green vegetables as they lack purchasing power. This limits their dietary diversity, making it difficult for them to eat or provide for their children as advised by health personnel.

A CBT programme would give households freedom to choose the foods they wish to purchase for their personal consumption. During focus group discussions with different refugee groups, the refugees noted that the WFP provided food was monotonous and the quantity was not enough to support their food needs. All groups expressed their preference for cash over in-kind, as they are already purchasing food from the market.

Figure 2: Nyarugusu refugee source of household foods consumed as % of total type of food – October 2015



Data from the 2015 PDM indicates that a high proportion of interviewed refugee households (79%) purchased local food of their preference from the market to complement their food ration (Figure 2). While 72% of the refugees purchased sardines (dagaa), 71% purchased maize meal, 65% purchased vegetables, 58% purchased salt, 46% purchased cassava flour and 41% purchased palm oil. On monthly basis, households spent an average of TZS 38,720 on purchasing food. The PDM also found out that the 28-day food ration lasted an average of 19 days, which could be an explanation on why many refugees purchased maize

Source: PDM Report – October 2015

meal. A large percentage of refugees purchasing maize meal from the market indicates that refugees required more maize meal to meet their household food requirements. Data from the 2015 PDM further indicates that food purchase contributes 28% to the refugee diet, while 62% of the food consumed by the refugees came from food aid. A cash based intervention would enable the refugees to customize their diet, linking it to food of their preference/choice.

Congolese refugees prefer fish and vegetables, thus explaining why a majority (72% and 65% respectively) bought the two items from the local market. In addition, some refugees prefer cassava, potatoes and local palm oil, as it was confirmed during the focus group discussion with different refugee groups. Some refugees consumed vegetables and sweet potatoes from their own production. An in-depth PDM is recommended to be undertaken to highlight the proportion of refugees by food preference. This would greatly aide the CBT Unit in calculating the Omega Value and in composing the refugees' likely food basket.

Local Food Habits Recommendations:

- Because some refugees are already engaged in small scale food production, support should be given to promote household production of food, especially vegetables and nutritious orange sweet potatoes.
- Support fish production through the available water pond in the camp to enhance fish production and consumption.
- Design and implement CBT operation, in order to provide diversity in the refugees' diet
- Super cereal and super cereal + can continue to be provided in-kind, considering they are likely to be consumed (not sold) by the beneficiaries and that alternatives are not found on local the markets.
- Conduct in-depth PDM to highlight proportion of refugee food preference by food type.

Section 3: Omega Value

The Omega Value⁶ assesses the nutrient cost effectiveness of various humanitarian response choices (in-kind, cash, vouchers and hybrid) by comparing the nutritional value and cost implications of different bundles of food baskets to achieve the nutrition and dietary objectives of the programme. It is a standard WFP tool used to help identify the most appropriate intervention modality. Once food prices are collected and monitored from Nyarugusu Refugee Camp WFP Tanzania CO is to calculate the Omega Value to inform and guide CBT project implementation.

Omega and Alpha Values:

- WFP Tanzania CO to calculate and monitor Nyarugusu Camp's Omega Value on a monthly basis.

Section 4: Market Assessment Findings

4.1: Food Availability

Tanzania's provisional Food Balance Sheet (report not yet released) for the 2015-16 harvest showed that the country will meet its food requirements by 123% (food self-sufficiency ratio – SSR). The summary released by the Government shows that a total of 43 districts out of nearly 140 will have pockets of food insecurity and hence an assessment is planned by the Government for September 2016 to assess the impact. In short the country will have marginal surplus in the 2016-17 marketing year mostly for non-cereal commodities but also some key cereals such as maize and rice.

⁶ WFP 2015b, Omega Value.

Kasulu is one of Tanzania’s reported food surplus district. Farmers produce enough to meet their food requirements and have excess supply for trade. Due to favourable rains, production in 2015-16 has been good for a multitude of commodities (mainly maize, and rice) however, beans, which require drier climate conditions, suffered compared to other years. Farmers in Kasulu were also able to farm more hectares as they were permitted access to Kagerankanda (a nature reserve and highly fertile soil known to provide up to 3 harvests per year) due to 2015 having been a Presidential election year for Tanzania.

By official decree refugees’ movement in Tanzania is largely limited to their refugee camp. Movement outside the camp is restricted to only those refugees with an approved exit pass which usually tends to only be valid for a single day. Such restrictions limit refugees’ access to food which prior to the establishment of NCM was solely linked to WFP’s food distributions. With NCM acting as an active, functional market, refugees now have access to varied foods improving their household’s diets. However, refugees’ access to food remains constrained to the available food on the local market and at the price the market dictates. As **Section 4** of the **Market Assessment Report** explores food availability in NCM is limited due to the poor storage and infrastructural facilities in NCM, high influence of WFP food and the increased risk of NCM selling poorer quality food at a higher price due to the refugees’ restriction to visit other markets to compare prices and quality of food.

Tables 3 and **4** display NCM’s storage requirements if the market were to support the entire refugee population residing in the camp or for the 10,000 refugee target group for the CBT pilot respectively. NCM has no adequate storage capacity due to its infrastructural constraints (leaking roof, no storage facilities and no market drainage system). Nevertheless, even with it being stretched with these constraints, NCM trades around 70 tonnes per week or 280 tonnes per month. NCM’s trade volume would be adequate to cover the food requirements for the target group (39.4 tonnes per week or 172.5 tonnes per month) on its own. However when adding the market’s normal trade requirements to the target group food requirements (109.4 tonnes or 452.5 tonnes) it is clear that NCM is not able to meet the CBT required food needs without any extra improved infrastructural capacity taking place at the market.

Table 3: Overall Nyarugusu Refugee Camp Food Requirement

Nyarugusu Population		137,843	
Ration size (MT)		All/Day (MT)	All/30 Days (MT)
Maize	0.00038	52.4	1,571.4
Pulses	0.00012	16.5	496.2
Oil	0.00002	2.8	82.7
Salt	0.000005	0.7	20.7
CSB	0.00005	6.9	206.8
Total	2,377.8 MT/Month		

Source: Tanzania Market Assessment

Table 4: Target Group (10,000) Nyarugusu Refugee Camp Food Requirement

Nyarugusu Targeted Population		10,000	
Ration Size (MT)		Target/Day (MT)	Target/30 Days (MT)
Maize	0.00038	3.8	114.0
Pulses	0.00012	1.2	36.0
Oil	0.00002	0.2	6.0
Salt	0.000005	0.1	1.5
CSB	0.00005	0.5	15.0
Total	172.5 MT/Month		

Source: Tanzania Market Assessment

Below are a set of recommendations for CBT regarding food availability:

Food Availability Recommendations:

- Improve NCM infrastructure (specifically repair market roof, build adequate storage capacity and improve drainage system).
- Once the storage facility is built, train refugees (market council) on WFP standard warehouse management and storage procedures.
- Discuss with Tanzanian authorities to allow refugees more freedom to visit other markets in the district.
- Inform NCM traders at least one month in advance before implementing a CBT intervention to ensure enough food is stored before the refugees receive the cash transfer.
- Set-up a CBT Working Group for Nyarugusu including representatives from key stakeholders (WFP, UNHCR, Camp Commandant, refugee representative, market council/traders representative and NGOs such as Oxfam GB, IRC and Good Neighbours).
- Immediately commence NCM food price monitoring on a weekly basis.
- Allow the informal market in Nyarugusu refugee camp to operate as a formal market to provide more options for the refugees and provide them with access to a closer market.

4.2: Food Access: Food Prices

When compared to world cereal prices, the price of white maize in southern Africa, specifically in South Africa, has recently been increasing contrary to the international cereal price trend. The two consecutive drought years experienced in the region (2014-15 and 2015-16), which were made worse by one of the worst El Niño weather events in 35 years, in addition to 2015 being recorded as the hottest year on record for South Africa, have significantly reduced cereal stocks and crop production levels in the region, where an important part of the world's white maize grain is grown. Global stock of white maize grain has reduced as a result pushing-up white maize prices across southern Africa.

Together with Zambia, Tanzania has been one of the few maize surplus producing countries in southern Africa during a period of maize production deficit. This has meant that demand for Tanzanian maize has increased hereby also pushing-up maize prices accordingly. The SAFEX price of white maize in July 2016 was on average 100 per cent above its five year average for the time of year. This has had a fall-on effect on the nominal retail price of maize grain across southern Africa and Tanzania is not an exception. Food prices in Tanzania began to increase sharply as of June 2015 when the regional shortfall from the 2014-15 harvest became clear and demand for Tanzania's excess maize grain stocks started to pick-up (see **Section 5.1** and **5.2** of the **Market Assessment Report**). As a result the Tanzania national average nominal maize grain price per MT rose to 35 per cent above its five year average level in January/February 2016. Maize prices in Tanzania fell during the post-harvest period but have been increasing again since July 2016, two to three months earlier than usual. In July 2016 Tanzania's national wholesale white maize price stood at 32 per cent above its five year average level (up from 22 per cent in June 2016) and will likely continue to increase until March 2017 as the lean season takes hold in the region.

Food Prices Recommendations:

- Monitoring of retail food prices to commence immediately in NCM and key markets in Kasulu in order to construct a reliable and accurate food price baseline for the NCM and the region as well as for the inclusion into the Omega Tool to calculate the Omega Value.
- Weighing of food is essential when recording food prices due to the wide variety of different sized containers used by retail traders in markets in Kasulu.
- Collect food prices of all commodities the refugees will be purchasing from the market not just the standard WFP basket items.

4.3: Market access to beneficiaries

In general physical market access in Kasulu tends to be problematic with markets connected through difficult roads. As a result a majority of households in Kasulu live close-by to markets. Market access in Nyarugusu though, is a bit more complicated. Refugees do have access to NCM as well as a secondary informal market in the refugee camp which on average is around 30 minutes' walking distance from the refugees' homesteads. Refugees also have access to the food distribution centre also located around 30 minutes' walking distance from their homesteads. However, refugees' movement is nonetheless limited with access to markets outside Nyarugusu refugee camp restricted, hereby limiting access to a wider and possibly cheaper source of food. **Section 6.3** in the **Market Assessment Report** identifies that commodities such as maize grain and beans are cheaper in NCM than on average across markets in Kasulu, other food commodities such as rice and cassava flour are more expensive in NCM. Furthermore, some food commodities such as cassava dry, maize meal and cooking oil are not found in NCM while available on local markets in Kasulu. For maize meal and cooking oil this is probably down to WFP's provision of these items through its food distribution, while the lack of cassava dry on NCM is likely related to the lack of milling facilities in the camp.

Market Access Recommendations:

- Allow the informal market in Nyarugusu Refugee Camp to operate as a formal market. This will provide a close-by market for those refugees who live on the northern part of the Camp and have to walk at least 30 minutes to reach NCM. People with special needs (PSNs) would find movement to NCM difficult.
- Discuss with the Tanzania authorities on the possibility to allow the refugees to exit the camp to access other markets hereby improving competition and therefore easing the pressure on NCM to be the sole provider of diversified food at an affordable cost.

Section 5: Focus Group Discussions and Camp meetings

5.1: Market access to beneficiaries

The market assessment also met with refugees to understand their food security priorities and to also hear their opinion on CBT. The focus group discussions were held with 8 groups (men/women groups from both DRC and Burundian refugees and men/women PSN groups for both DRC and Burundian refugees). Below are a set of bullet points which came out from the focus group discussions:

- WFP food provided is monotonous and the quantity is not enough to support their (the refugees’) food needs. When you sieve the maize, a lot of coarse particles are removed (all groups).
- They are already purchasing from the market (all groups).
- Preference for cash over food in-kind (all groups) and hard cash over e-money (Burundian PSN: Oxfam’s experience left some people without cash – loss of sim cards). Also 60% of refugees without mobile phones (Burundian refugees). While preference of e-money over hard cash as it reduces security risks (DRC refugees).
- SC+ to continue to be provided as it is very healthy for the kids and the product or its equivalent cannot be found in Kasulu markets (all groups).
- Market infrastructure is in poor state (all groups).
- Market prone to flooding (all groups).
- Market is far (all groups).
- Type of food supplied on the market is limited (all groups).
- A lot of theft at markets such as money and mobile phones stolen (Burundian PSN).
- Preference: maize meal, cassava (fresh/dry/flour), sweet potato, beans, palm oil, tomatoes, cassava leaves, onions, meat, fish, milk, fruits, sugar, banana (plantain) (all groups).
- Security to be increased in the camps when there is a shift to cash.

Key Recommendations from Focus Group Discussions:

- Provide a more diversified food basket than is currently provided.
- Provide more food (volume) as the current amount does not last long enough.
- Continue providing fortified foods (SC and fortified oil) which cannot be found on the local market and are much appreciated for their nutritious properties.
- Improve market infrastructure and security at the market
- Distribute phones if mobile money is chosen as delivery mechanism
- Incorporate both Burundian and Congolese refugees in CBT interventions in Nyarugusu Refugee Camp to avoid escalating possible conflicts and tensions between the groups.

5.4: Key messages from Key Stakeholder/Peer Meetings

The Market Assessment Team also met with stakeholders and peer humanitarian organizations to get feedback from their interventions as well as to better understand their perspective on CBT in Nyarugusu. The Market Assessment Team specifically met with: UNHCR representatives (both in the Sub-Office in Kasulu as well as the Country Office in Dar es Salaam), Oxfam GB representative in Kasulu, WFP Sub-Office Representative, the Nyarugusu Camp Commandant from Tanzania’s Ministry of Home Affairs and representatives from the Trade Chamber of Commerce Industrialization and Agriculture (TCCIA) in Kigoma. Following are key points which came out from the Key Stakeholder / Peer meetings:

Oxfam GB:

- Oxfam GB implemented a CBT transfer pilot intervention in 2015/16 in Nyarugusu Refugee Camp. This pilot met a few ‘hiccups’ which ultimately forced the NGO to alter its intervention modality and finally interrupted the intervention all together. The main hiccups related to:
 - The CBT took place too soon after the refugees arrived at the camp and while many refugees were still being re-located to other camps.
 - Initially cash-in-hand was distributed to the selected Burundian refugees but due to the physical attack on a CBT supported refugee (female) by people she owed money to,

Oxfam GB had to take precautionary action and shifted its intervention to an e-money CBT modality. However, due to sim card and mobile phone issues (explained in the bullet points below) Oxfam GB switched back to cash-in-hand transfers. In total the intervention lasted for 6 months with transfers taking place every 2 months.

- Sim cards require ID cards which led to big delays in provision of the sim cards.
 - Sim card activation had a time limit of 7 days. If a sim card was not activated within those 7 days, the sim card contracts would be closed. A number of refugees were affected by closure of sim card accounts before they could even use them.
 - Not enough mobile phones were provided for all supported refugees to own a mobile phone. This meant, sim cards got lost, sim passwords were forgotten and household access to mobile phones was limited.
 - UNHCR refugee list does not list refugees by age which made it difficult to select people for the CBT intervention
- These implementation issues should be learnt from prior to WFP starting its CBT intervention in the camp. Oxfam GB is to release a lessons learnt report which would be useful to build and learn from.

UNHCR:

- Important for all Agencies present in the Refugee Camp to speak with one voice.

WFP SO:

- There have been increasing calls from both Congolese and Burundian refugees in Nyarugusu Camp for cash transfers to take place as there is increasing frustration by the part of the refugees as they believe the process is taking too long.
- Need to support both Burundians and DRC refugees alike with CBT. Separating assistance will likely cause problems in the camp. For example at one point, Burundian refugees in Nyarugusu camp confronted their leaders based on rumors that Burundians will not be part of the cash transfers, to understand why this was the case.
- Consider the extra vulnerability that will be placed on PSNs if WFP is to target them first for the CBT intervention pilot. PSNs are already the most vulnerable group in the Refugee Camp and also tend live further away from NCM than other refugees.

Camp Commandant:

- CBT to be a phased approach to observe how the situation is changing with use of CBT and allow for modifications (if needed) along the way.
- Distribution of SC and SC+ to be continued for the commodities' caloric benefit which is unmatched on the market by locally available commodities.
- Do not distribute lump sums of e-money but rather small amounts at a time to reduce allure of theft and make handling cash more manageable for the household.
- WFP to contact/contract large vendors to sell at the communal market (NCM).
- Planning for CBT should be considered in conjunction with solving problems related to firewood availability, because firewood is a requisite to cooking of the food.
- Law enforcement to be strengthened with CBT.

TCCIA:

- Traders in Kasulu require skills and capacity development to be able to produce more and market their commodities better. A request for WFP to provide farmers in the region with improved farming skills so that Kasulu and Kigoma's grown foods can be of high standard and be once again selected for WFP's P4P projects.

Section 6: Market Infrastructure

6.1: Market Constraints

Even though Kasulu is a trade production surplus area, trade in food goods does encounter problems. General barriers preventing trade in Kasulu were: limited trader's capital (affecting 45 per cent of traders), transport issues (mentioned 24 per cent of times and related to poor roads and high transport costs) shortage of supply (mentioned 11 per cent of times) and high competition from both within and outside the district (mentioned by 8 per cent of interviewed traders). When looking specifically at general barriers to trade for NCM traders, they mentioned similar constraints with similar proportions. These were: limited trader's capital (affecting 50 per cent of traders), transport issues (mentioned 19 per cent of times and related to poor roads and high transport costs) shortage of supply (mentioned 8 per cent of times). In addition 15 per cent of traders (all from NCM) also mentioned exit restrictions were affecting their trade.

When questioned further to give their **top single constraint** preventing them from increasing their trade business, traders in Kasulu mentioned the following: 73 per cent of traders mentioned limited capital as a top constraint, while 8 per cent of traders mentioned low demand and transport issues, with 6 per cent mentioning shortage of supply, 3 per cent (all being traders in Nyarugusu refugee camp) mentioning their inability to exit the Nyarugusu refugee camp and 1 per cent mentioned insecurity as a top constraint. The main single top constraint was lack of trader capital which was reported 56 per cent of times as the most important constraint affecting a trader's business in Kasulu. Again similarly to other traders in Kasulu, trader in NCM mentioned their top most important constraint affecting trade to be limited trader capital (64 per cent of traders). Over a quarter of traders (27 per cent) in NCM mentioned that their restrictions limiting movement from the camp were the single most important constraint limiting their business. Furthermore, just under 10 per cent of traders in NCM mentioned that transport was an issues affecting their trade levels. At 45.5% traders lack of own capital was mentioned as the single most important constraint by traders in NCM to improving their trade.

Market Constraints Recommendations:

- Improve NCM infrastructure (specifically repair market roof, build adequate storage capacity and improve drainage system).
- Once the storage facility is built, train refugees (market council) on WFP standard warehouse management and storage procedures.
- Discuss with Tanzanian authorities to allow refugees more freedom to visit other markets in the district.

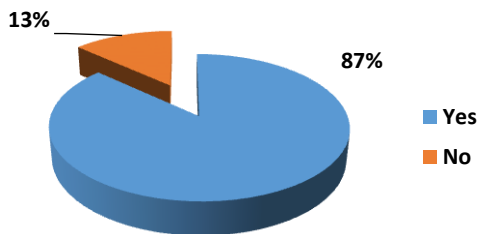
6.2: Telecommunications and Bank Accounts held by Traders

Kasulu and The Nyarugusu Refugee Camp are served mainly by two mobile phone networks: Tigo and Vodacom. E-transfers via mobile phone by traders in Kasulu is high and even higher among traders in NCM as **Figures 3** and **4** show. Both Vodacom and Tigo cover the Nyarugusu Refugee Camp with a high number of local agents (78 and 50 respectively) who are also refugees. Vodacom's agents however can hold a higher cash provision limit than Tigo agents (upto US \$2,500 and US \$250 respectively) Vodacom agents also have a higher actual cash holding amount of US \$1,500 (the remaining US \$1,000 is provided in credit), Tigo agents in comparison can hold a maximum of US \$250 at any given time. Furthermore, if the Vodacom agent requires more cash they will need to ask authorization to exit the camp to get more cash in Vodacom's shop in Kasulu Town. This can take up to 2 days. Both network companies mentioned the need to have a 'super-agent' who would orbit the camp and could provide the normal agents with the required cash when needed. This would be a

quicker solution than waiting for the local agents to get permission to leave the camp and travel to their local shop.

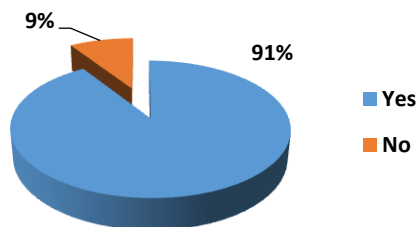
A CBT intervention in the region would therefore have to ensure the phone network companies improve reliability and coverage of their network as well as their service-delivery.

Figure 3: Per cent of all respondents in Kasulu using mobile money



Source: Tanzania Market Assessment

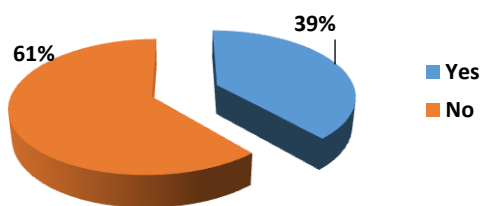
Figure 4: Per cent of respondents in NCM using mobile money



Source: Tanzania Market Assessment

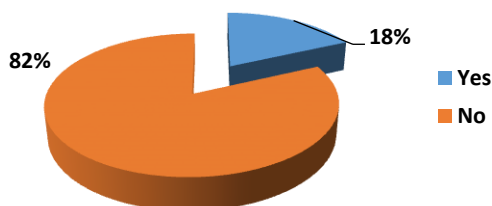
Using a banking system is not a feasible option for CBT in Kasulu as most traders do not own a bank account (Figures 5 and 6).

Figure 5: Per cent of respondents in Kasulu with a bank account



Source: Tanzania Market Assessment

Figure 6: Per cent of respondents in NCM with a bank account



Source: Tanzania Market Assessment

Telecommunications Recommendations:

- Meetings with Tigo, Vodacom and Airtel in their country offices in Dar es Salaam is required to understand the feasibility of expanding network coverage in Kasulu and ensuring their network quality of coverage is optimal.
- Ensure Tigo, Vodacom and Airtel Agents have enough disposable cash at hand to change beneficiaries' e-money into cash. Discuss the possibility of using super agents with Airtel and Tigo.
- Assess the feasibility of conducting a CBT through mobile phones.

Section 7: Conclusions

In light of Kasulu's surplus agriculture production and functioning markets, this market assessment supports WFP's previous market assessments conducted in 2014 and 2015 in establishing that a food assistance CBT intervention supporting refugees residing in Nyarugusu Refugee Camp, is possible. However, due to the Refugee Camp's weak market infrastructure a number of steps need to be undertaken before a CBT intervention can commence.

Key steps to take to ensure a smooth CBT intervention:

- Improve NCM infrastructure (repair market roof, build market storage facility, and improve market's drainage system).
- Conduct in-depth PDM to highlight proportion of refugee food preference by food type.
- Engage with Tanzanian Authorities to explore the possibility for refugees to exit the refugee camp and access surrounding markets for their food needs.
- Start with a CBT pilot target group; monitor the impact on NCM trade volumes and food prices and depending on the observed impact upscale the CBT intervention to include a wider proportion of the refugee population in the Camp.
- Start sensitizing the refugees and traders in Kasulu on CBT at least one month prior to the start of the CBT intervention.
- Establish contracts with mobile phone service providers in the camp.
- Meet with Oxfam GB to benefit from their CBT lessons learnt in Nyarugusu Refugee Camp.
- Improve security monitoring of the camp to deter possible increases of acts of violence and theft.

Undertaking the above steps prior to commencing a CBT intervention will reduce the risk of inflation in the camp. It will also improve the quality of food provided hereby also improving the refugees' nutrition levels and it will also ensure refugees' food diversity intake improves.

As mentioned in the above points and supported by the Camp Commandant, it is important that the CBT intervention be a phased approach, starting with a small target group pilot and monitoring the intervention's impact in the camp. As the refugees, the authorities and the humanitarian agencies present in the camp, start understanding the CBT process and its impact/s better, a bigger target group can be selected given no negative repercussions from the CBT intervention were perceived.

Section 8: Recommendations

The Market Assessment Team has proposed a set of recommendations to be followed-up on by WFP's Tanzania CO. These recommendations aim to: 1) support CBT interventions during 2016-17; 2) improve market monitoring approaches; and 3) better prepare WFP Tanzania CO for future market assessments it may plan to undertake. The recommendations are divided into three sections: structural recommendations (project/programme specific recommendations), CBT operational recommendations (focused CBT actions) and market recommendations (Nyarugusu Common Market – NCM related).

Structural Recommendations:

- Close collaboration with WFP's Nutrition Unit is recommended to ensure that CBT interventions in Nyarugusu Refugee Camp are nutrition-sensitive. Their insight in recommending the most appropriate local food basket (type of food and quantities/rations) to complement WFP's in-kind food will be instrumental in ensuring reduction in refugee malnutrition rates.
- Discuss with Tanzanian authorities on the possibility of allowing refugees more freedom to visit other markets within the district.
- A SMART nutrition survey covering both DRC and Burundian refugees needs to be conducted.
- Set-up a CBT Working Group for Nyarugusu Refugee Camp, including representatives from key stakeholders (WFP, UNHCR, Camp Commandant, refugee representative, market council/traders representative, and NGOs such as Oxfam GB, IRC and Good Neighbours).
- Continue providing refugees with fortified foods (SC and fortified oil) which cannot be found on the local market and are much appreciated and required for their high nutrient properties.

CBT Operational Recommendations:

- Further CBT sector assessments (Supply Chain, Financial, ICT, and Security) to be undertaken, completing the CBT feasibility study in the refugee camp and district ahead of CBT implementation.
- Even though there do not seem to be any security issues, a complete UN security assessment is recommended.
- Meetings with Tigo, Vodacom and Airtel in their country offices in Dar es Salaam are required to understand the feasibility of expanding network coverage in Kasulu and ensuring their network quality of coverage is optimal.
- Ensure Tigo, Vodacom and Airtel Agents have enough disposable cash at hand to change beneficiaries' e-money into cash. Discuss the possibility of using super agents (agents allowed to hold high amounts of cash) with Airtel Vodacom and Tigo.
- Assess the feasibility of conducting a CBT through mobile phones.
- Protection assessment to be conducted, if not yet undertaken

Market Recommendations:

- Improve NCM's infrastructure (specifically repair the market roof, build adequate storage capacity and improve the market drainage system).
- Once the storage facility is built, train the refugee camp NCM's market council on WFP standard warehouse management and storage procedures.
- Complete the Omega Value for the CBT, not omitting consideration of the nutritional component.
- Allow the informal market in Nyarugusu refugee camp to operate as a formal market to provide more options for the refugees and provide them with access to a closer market. This is especially important for those refugees living on the opposite side of the refugee camp (opposite end of where NCM is located).

- Conduct in-depth PDMs to highlight the proportion of refugee food preference by food type.
- Monitoring of retail food prices to commence immediately in NCM and key markets in Kasulu in order to construct a reliable and accurate food price baseline for NCM and the region and also for inclusion into the Omega Value.
- Collect food prices of all commodities the refugees will be purchasing from the market, not just the standard WFP basket items.
- Weighing of food is essential when recording the prices due to the wide variety of different sized containers between markets and traders.
- Improve security at NCM to avoid cases of violence and theft.
- As some refugees are already engaged in small scale food production, support in building refugees' skills/capacity to improve their farming techniques, special attention should be provided to promote production of vegetables and nutritious orange sweet potatoes.
- Support fish production through the available water pond in the camp to enhance fish production and consumption.
- The Ministry of Agriculture to complete the 2015-16 national crop forecast assessment and release the report.

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