



CASH FEASIBILITY SNAPSHOT REPORT

SITE ASSESSMENT (ROUND 34) AND VILLAGE ASSESSMENT SURVEY (ROUND 17)
ETHIOPIA, AUGUST - SEPTEMBER 2023

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I. INTRODUCTION

Between August and September 2023, the International Organization for Migration (IOM), through its Displacement Tracking Matrix (DTM) methodology, deployed the Site Assessment (SA) Round 34 and Village Assessment Survey (VAS) Round 17 tools to assess the mobility, needs and vulnerabilities of Internally Displaced Persons (IDPs) and returning IDPs across Ethiopia.

One group discussion with key informants was held in each location to assess the mobility, needs and vulnerabilities of the target population (IDPs for SA and returning IDPs for VAS). Each group discussion is comprised of representatives from the target group and includes men, women, elderly and youth. The information is verified through direct observation, triangulation, and key informant interviews. A report with a detailed explanation of the tools' methodologies and key regional findings related to mobility can be accessed [here](#). This

snapshot report will present key findings on needs and vulnerabilities, in particular those related to Cash and Voucher (CVA) assistance.

The new Central Ethiopia and South Ethiopia regions are included in this round of data collection. Due to conflict in Amhara, the region was largely uncovered this round. There were also accessibility issues in Kemashi zone of Benishangul Gumz region and parts of Somali, Tigray and Oromia regions due to insecurity. Hence, the IDP and returning IDP figures should likely be higher. The figure for returning IDPs is particularly affected by the limited coverage during this round in Amhara region. In the previous round of data collection (consolidated data from November 2022 – June 2023), the highest number of returning IDPs estimated nationwide was in Amhara region (1,422,074 individuals, 43.91% of the national returning IDP caseload).

2. CASH AND VOUCHER ASSISTANCE (CVA) IN ETHIOPIA

The Ethiopia Cash Working Group (ECWG) is a coordination platform led by dedicated technical professionals committed to enhancing the quality of Cash and Voucher Assistance (CVA) in Ethiopia. This group plays a pivotal role by offering both technical and strategic support for CVA. As an inter-agency and inter-sectoral platform, it promotes collaboration and coordination among diverse organizations and sectors. The focus spans a wide range of areas, encompassing sectors, clusters, social-protection mechanisms, and development and resilience-based responses. The ECWG operates guided by essential principles and pillars that ensure alignment with the broader goal of efficient and effective cash assistance in Ethiopia:

- **Area-based Approaches to Coordination:** *Prioritizing tailored coordination strategies for specific regions to enhance the impact of assistance.*
- **Inclusive and Participatory Approaches:** *Promoting inclusivity and participation, taking into account the voices and needs of vulnerable populations in program design.*
- **Evidence-based Planning and Implementation:** *Emphasizing evidence-based practices, utilizing data and research to inform decision-making and program design.*

The overarching objective of the ECWG is to facilitate efficient and effective planning, implementation, and delivery of CVA throughout Ethiopia. This mission aligns with the strategic and programmatic direction outlined by the Inter-Cluster Coordination Group (ICCG), the Humanitarian Country Team (HCT), and the Government of Ethiopia (GoE). Through collaborative efforts and adherence to these principles, the ECWG plays a pivotal role in improving the lives of those in need through cash assistance programs in Ethiopia. Resources can be accessed [here](#).

Collaboration with DTM is integral to all three pillars, and encompasses area-based, inclusive and participatory, and evidence-based approaches. In conjunction with the ECWG, the DTM team has reviewed and incorporated indicators related to cash feasibility within the SA and VAS assessments.

This collaboration allows for the mapping of communities' preferences towards cash or in-kind assistance and the identification of factors preventing access to financial service providers. The key findings from these assessments are presented in this snapshot report, highlighting the importance of this collaboration in enhancing CVA effectiveness.

3. GLOSSARY OF KEY TERMS

ACCOUNTABILITY TO AFFECTED POPULATIONS (AAP)

Is an active commitment by humanitarian actors to use power responsibly by taking account of, giving account to and being held to account by the people they seek to assist.

CASH AND VOUCHER ASSISTANCE (CVA)

Refers to the direct provision of cash transfers and/or vouchers for goods or services to individuals, households, or group/community recipients. In the context of humanitarian response, CVA excludes payments to governments or other state actors, remittances, service provider stipends, microfinance and other forms of savings and loans. The terms ‘cash’ or ‘cash assistance’ should be used when referring specifically to cash transfers only (i.e., avoid using ‘cash’ or ‘cash assistance’ when referring to cash and vouchers collectively). CVA has several synonyms (e.g., Cash Based Interventions, Cash Based Assistance, and Cash Transfer Programming), but Cash and Voucher Assistance (CVA) is the recommended term.

FINANCIAL SERVICE PROVIDER (FSP)

Is an entity that provides financial services, which may include digital payment services. Depending on the context, FSPs may include e-voucher companies, financial institutions (such as banks and microfinance institutions) or mobile network operators (MNOs). FSPs also includes many entities (such as investment funds, insurance companies, accountancy firms) beyond those that offer cash transfers or voucher services, hence within CVA literature FSP generally refers to those providing transfer services. In the context of CVA, entities that would typically be categorized as payment service providers (PSPs) tend to be included under the FSP umbrella. PSPs are third party entities that help merchants to accept a range of payment methods by connecting them to the broader financial infrastructure. They work with acquiring banks (payment processors) to securely manage transactions from start to finish.

MARKET

Refers to any formal or informal system or group of market actors (not necessarily a physical space) in which buyers and sellers exchange goods, labour, currency, or services for cash or other goods. The word ‘market’ can simply mean the place in which goods or services are exchanged. Markets are sometimes defined by forces of supply and demand rather than geographical location, e.g., ‘imported cereals make up 40 per cent of the market’.

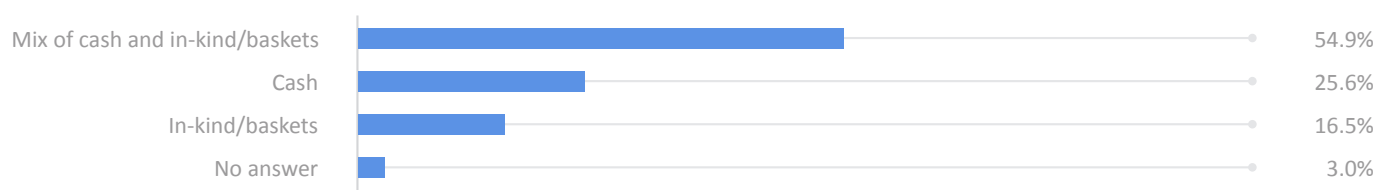
MARKET BASED PROGRAMMING (MBP)

Refers to any type of humanitarian or development programme, in any sector, that uses, supports or develops local markets. It involves implementing interventions to meet immediate humanitarian or longer-term recovery needs, in a way which does not undermine existing economic relationships and activities, so as to facilitate economic recovery and ensure lasting impact. The most common form of market-based programming is Cash and Voucher Assistance (CVA), but many other types of direct and indirect interventions can be planned to support market actors or systems.

4. SITE ASSESSMENT (SA)

In Round 34 of the Site Assessment (SA), IOM DTM Ethiopia assessed 2,544 accessible locations that had at least 20 IDP households (HHs). IOM-DTM identified an estimated 3,459,881 IDPs (701,449 IDP HHs) across the assessed locations. Locations hosting IDPs are referred to as “sites” throughout this snapshot report, regardless of the settlement/site type. In most sites, the majority of IDPs resided with host communities/families (63.1%) or in spontaneous camps/sites (24.9%). This was followed by collective centers (6.3%), dispersed settlements (3.9%) and planned camps/sites (1.8%).

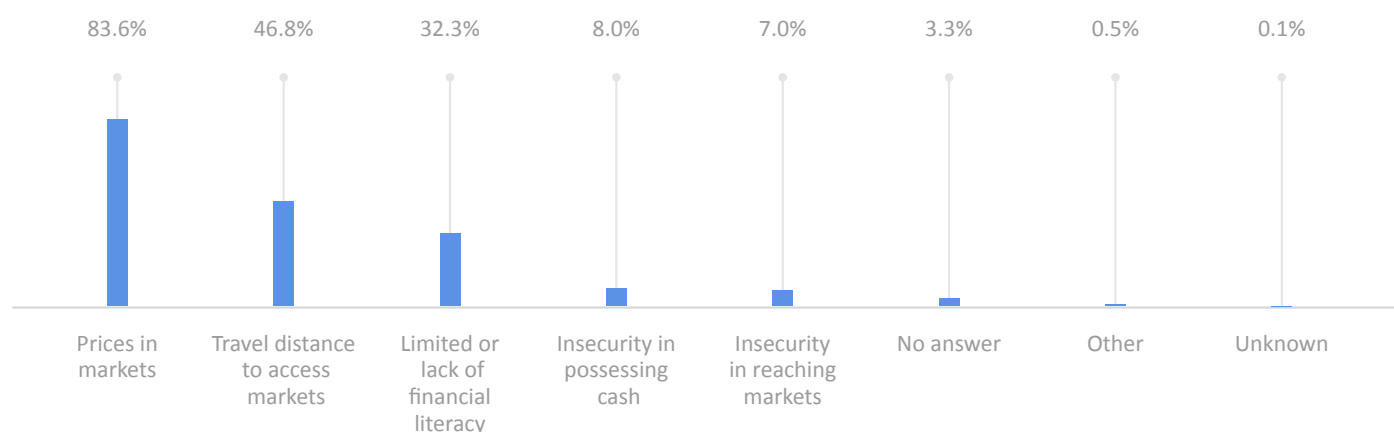
Figure 1. What is the preferred modality by the majority of IDPs in this location to receive assistance?



Out of the assessed 2,544 sites, 54.9% mentioned that the majority of IDPs in the location preferred a mix of cash and in-kind/baskets and 25.6% reported a preference towards cash only. This means that 80.5% of sites mentioned cash, whether by itself or mixed with in-kind/baskets.

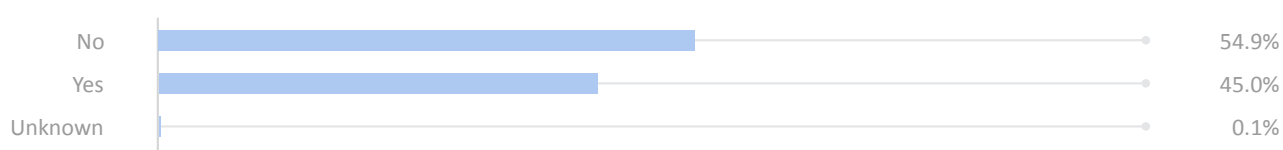
In Afar region, the highest share of sites mentioned a preference towards in-kind/baskets only (51.9%), while sites in Amhara and Benishangul Gumz regions expressed, on average, a higher preference towards cash only (54.5% and 73.9%, respectively).

Figure 2. If not cash only, why does the majority of IDPs not prefer cash only? (multiple choice)



The 1,893 sites that did not select “cash only” on the previous question were asked why the majority of IDPs in that location did not prefer cash only. The most reported reason was prices in markets, which was reported by 83.6% of sites nationwide. In Afar region, the most reported reason for not selecting “cash only” was limited or lack of financial literacy (44.2%), closely followed by prices in markets (41.9%). In South West Ethiopia Peoples region, the most reported reasons were limited or lack of financial literacy (66.7%) and travel distance to access markets (66.7%), followed by prices in markets (60%).

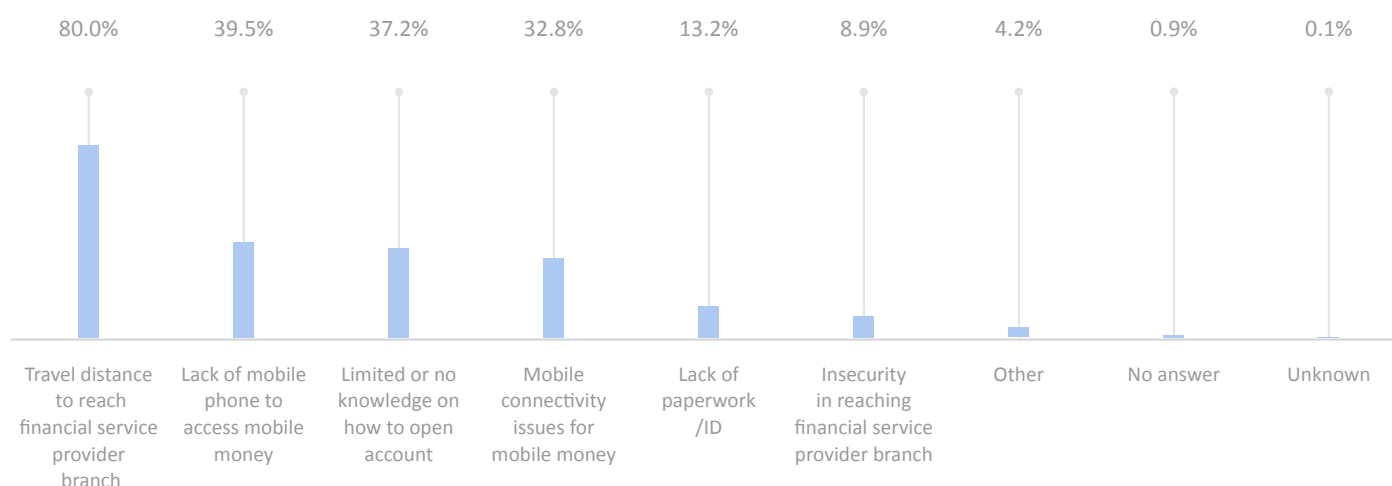
Figure 3. Does the majority of IDPs in this location have access to financial service providers?



Out of the assessed 2,544 sites, 54.9% of sites nationwide reported that the majority of IDPs in the location did not have access to financial service providers. In Afar and Sidama regions, the share of sites that mentioned no access to financial service providers goes up to 92.3% and 91.4%, respectively.

Sites in Amhara and Harari regions expressed a higher access to financial service providers for the majority of IDPs in the location (72.7% and 100%, respectively).

Figure 4. If no, what is preventing the majority of IDPs in this location from accessing financial service providers? (multiple choice)



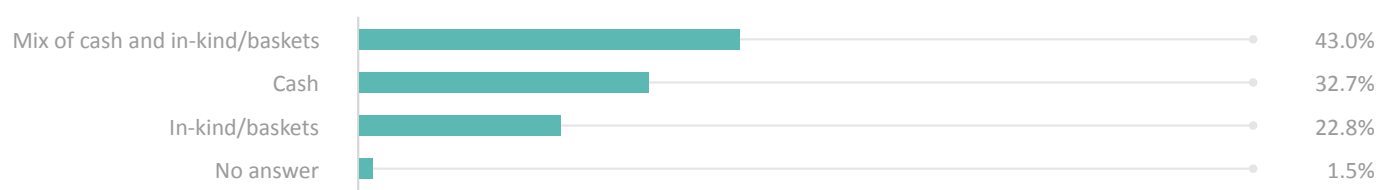
Among the 1,397 sites where the majority of IDPs could not access financial service providers (answered “no” to the question above), the most reported factor preventing access was travel distance to reach financial service provider branch, which was mentioned by 80% of sites nationwide. Travel distance was the most reported factor in all regions except for Sidama region, where 100% of sites mentioned that the majority of IDPs could not access financial services because of limited or no knowledge on how to open account, and for Somali region, where the highest share of sites mentioned a lack of mobile phone to access mobile money (65%).

The second most reported factor preventing access to financial service providers, nationwide, was lack of mobile phone to access mobile money (39.5%). In Afar, Gambela and South Ethiopia regions, the second most reported reason was limited or no knowledge on how to open account (20.8%, 80% and 75%, respectively). In Amhara region, the second most reported reason was lack of paperwork/ID, which was mentioned by 45.8% of sites. In Somali region, the second most reported reason was mobile connectivity issues for mobile money, mentioned by 63.7% of sites, and in Sidama region it was travel distance to reach financial service provider branch, reported by 77.4% of sites.

5. VILLAGE ASSESSMENT SURVEY (VAS)

In Round 17 of the Village Assessment Survey (VAS), conducted between August and September 2023 in Ethiopia, IOM DRU’s DTM assessed 2,072 accessible locations that had at least 20 returning IDP HHs who had returned from 1 January 2021. According to the data collected, there were an estimated 2,530,101 returning IDPs (552,773 HHs) across the assessed locations. Locations with at least 20 returning IDP HHs are referred to as “villages”, which in some cases may be a village or a smaller admin unit.

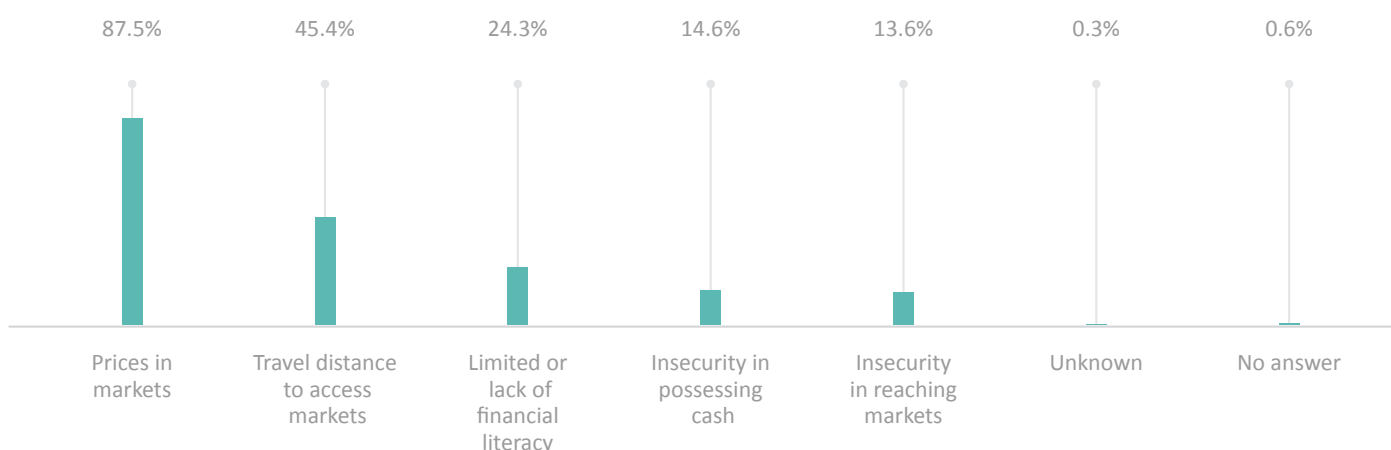
Figure 5. What is the preferred modality by the majority of returning IDPs in this location to receive assistance?



Out of the assessed 2,072 villages, 43% reported that the majority of returning IDPs in the location preferred a mix of cash and in-kind/baskets and 32.7% mentioned a preference towards cash only. This means that 75.7% of villages mentioned cash, whether by itself or mixed with in-kind/baskets.

In Afar and Gambela regions, the highest share of villages (47.5% and 36.8%) reported a preference towards in-kind/baskets only. In Amhara, Benishangul Gumz, Somali and South Ethiopia regions, the highest shares of villages reported a preference towards cash only (36.7%, 61.8%, 75% and 58.6%, respectively).

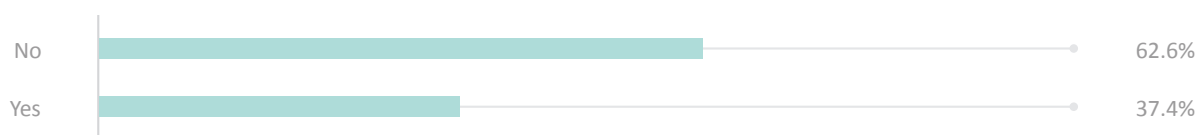
Figure 6. If not cash only, why does the majority of returning IDPs not prefer cash only? (multiple choice)



The 1,394 villages that did not select “cash only” on the previous question were asked why the majority of returning IDPs in that location did not prefer cash only. The most reported reason was prices in markets, which was reported by 87.5% of villages nationwide.

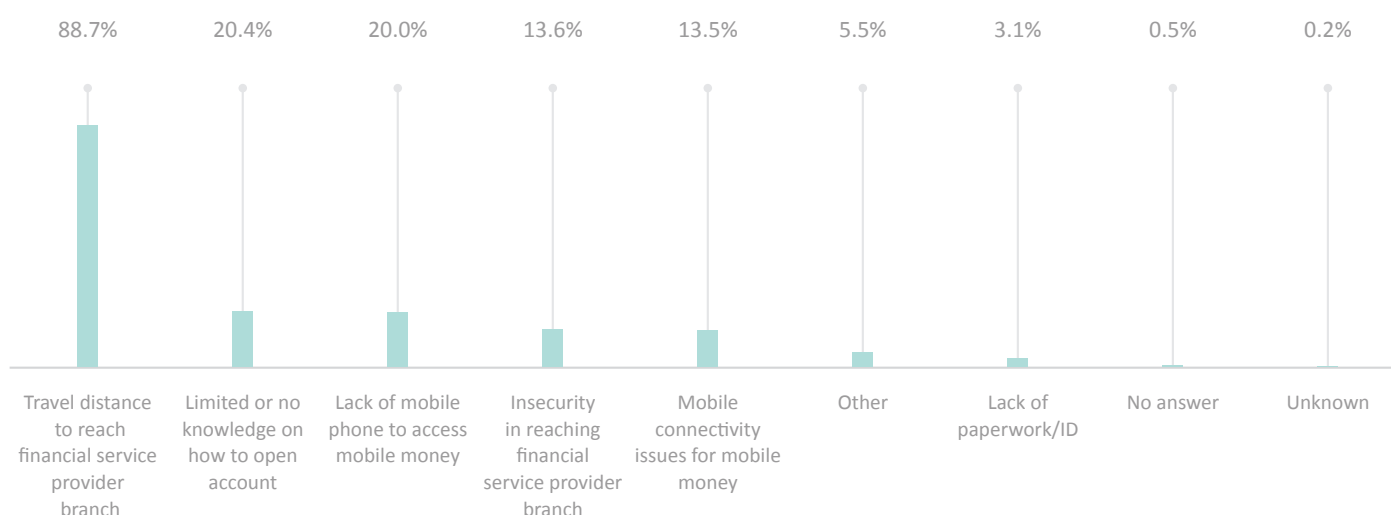
In Afar, Somali and South Ethiopia regions, the most reported reason for not selecting “cash only” was limited or lack of financial literacy (43.3%, 50% and 63.9%, respectively). In Benishangul Gumz, Gambela and South West Ethiopia Peoples regions, the most reported reason was travel distance to access markets (32.4%, 68.4% and 96.9% respectively).

Figure 7. Does the majority of returning IDPs in this location have access to financial service providers?



Out of the assessed 2,072 villages, 62.6% reported that the majority of returning IDPs in the location did not have access to financial service providers. In Amhara, Sidama and Somali regions, the highest shares reported having access to financial service providers (63.9%, 100% and 81.3%, respectively).

Figure 8. If no, what is preventing the majority of returning IDPs in this location from accessing financial service providers? (multiple choice)



Among the 1,297 villages where the majority of returning IDPs could not access financial service providers (answered “no” to the question above), the most reported factor preventing access was travel distance to reach financial service provider branch, which was mentioned by 88.7% of villages nationwide.

Travel distance to reach financial service provider branch and mobile connectivity issues for mobile money were reported equally by 100% of villages in both Central Ethiopia and Somali regions.

The second most reported factor preventing access to financial service providers, nationwide, was limited or no knowledge on how to open account (20.4%). In Amhara, Benishangul Gumz, Central Ethiopia and Tigray regions, the second most reported reason was lack of mobile phone to access mobile money (20.1%, 54.2%, 95.2% and 20.1%, respectively). In South Ethiopia region, the second most reported reason was mobile connectivity issues for mobile money, mentioned by 55.9% of villages. In Oromia and South West Ethiopia Peoples regions, the second most reported reason was insecurity in reaching financial service provider branch, mentioned by 57% of villages in the former and 33% of villages in the latter.

6. RECOMMENDATIONS

1. It is recommended to utilize cash and mixed modality (cash + in-kind) responses for these population groups if feasible. The finding that 80.5% of sites and 75.7% of villages mentioned a preference towards cash, whether by itself or mixed with in-kind/baskets, aligns with Ethiopia CWG recommendations based on joint CVA feasibility assessments.
2. Address barriers to cash assistance for those indicating preference to in-kind aid, such as inflation, distance, and financial literacy. Mitigation measures include regular review of transfer values to maintain purchasing power, incorporating transportation costs into transfer values, implementing market-based approaches, and providing financial literacy training to households.
3. Improve access to Financial Service Providers (FSPs) in remote areas by sensitising and collaborating with contracted FSPs for distribution, advocating for support for the continued expansion of FSP networks in remote areas of need.
4. Strengthen community engagement and Accountability to Affected Populations (AAP) through the implementation of redress mechanisms and monitoring approaches for populations in need, FSPs, and markets in response locations.



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