



MARKET ASSESSMENT IN BANDUA, INANJOU AND BUZI IN MOZAMBIQUE

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BACKGROUND

This report presents the outcome of an assessment in three markets following the impact of cyclone Idai.

Tropical cyclone Idai made landfall in Mozambique on 14 March 2019 causing a huge damage to human lives and the physical properties. The official death toll remained at 603 people and the number of houses destroyed or damaged were 239,731. The number of school-age children affected by the crisis has risen to at least 305,728. A total of 10,542 children (6-59 months) have been screened for severely acute malnutrition¹. Similarly, the cyclone also damaged at least 715,378 hectares of agricultural land affecting 500,000 producing families. The World Bank estimated that this damaged is equivalent to 13 percent of total agricultural land in the country and that the agricultural losses are between \$141 million and \$258 million

Needs assessments undertaken by different agencies showed food, shelter, health and WASH being the priority needs in the area. Other needs also include rehabilitation of school facilities, education kits, agriculture seeds and protection.

There is a growing recognition of cash and vouchers across humanitarian sector that can support people affected by disasters in a way that maintain human dignity, provide access to the assistance in more efficient manner and help people to rebuild or protect livelihoods. Plan International Mozambique has prepared its Response Plan with an aim of assisting the cyclone affected population acknowledging cash and voucher being a preferred modality of support should the other factors remain favourable. In order to understand its scope further, Plan International Mozambique conducted market assessments at Bandua, Inanjou and Buzi in the affected areas in due coordination with Cash Working Group.

The humanitarian actors particularly who aim to work on Cash and Voucher Assistance were in continuous advocacy with the Government of Mozambique to approve cash as a modality of response under their emergency response framework. Despite such efforts, the Council of Ministers (CoM) has recently decided not to approve thus making voucher only a possible response option under the broader scope of Cash and Voucher Assistance (CVA).

OBJECTIVES OF THE MARKET ASSESSMENTS

The overall objectives of the market assessment were to understand the functionality of the markets at the current stage and its ability to cater to the increased multi-sectoral needs if vouchers are to introduce. The specific objectives of this assessment were to understand:

- Availability of goods in the markets
- Supply chain system of the market
- Traders' willingness and ability to meet increased demands
- Financial service providers and delivery mechanism
- Political acceptance for voucher assistance and
- Challenge in order to generate information for improved cash/voucher assistance.

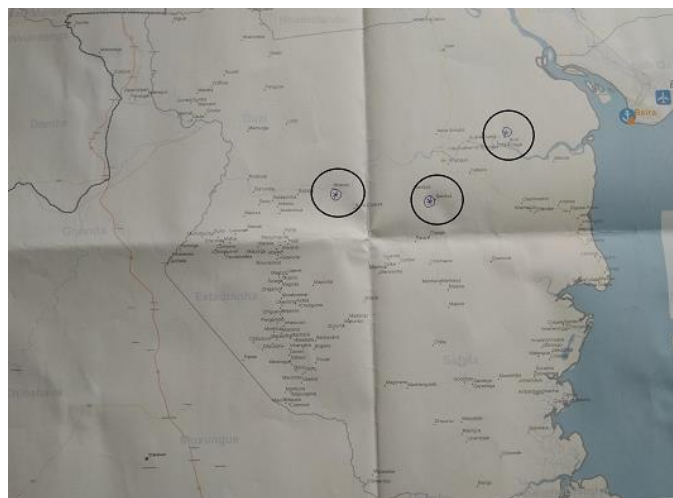
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https://reliefweb.int/sites/reliefweb.int/files/resources/ROSEA_20190411_Mozambique%20SitRep%20.pdf

METHODOLOGY OF THE STUDY

The study adopted a combination of approaches to collect the data. Primary data was collected through the interview tool with traders and through Key Informant Interview with the Admin Posto Heads as well as with local leaders. Transact walk along the markets and personal observation was also followed.

Three markets including **Bandua, Inanjou and Buzi** were selected for the assessment purpose. Those markets were identified in close coordination with the Cash Working Group and the assessments were carried out using the tool recommended by it.



LIMITATION OF THE ASSESSMENTS

- As the 'core cash' is not allowed by the government in this response, only a scope of voucher modality was identified.
- Plan International agreed with the Cash Working Group to undertake assessments in five markets but subsequently, this was not possible in Nharoungue and Novo Sofala because of the accessibility issues.

KEY FINDINGS

Number and kind of shops

The assessment found the highest number of shops in Bandua and the lowest one in Inanjou as shown by below table. Those shops (the same shop) are offering a wide variety of items ranging from food to non-food items or even shelter. There are weekly markets as well but they are limited to food and clothing items. It was interesting to see the major business is owned by migrant people of Bangladeshi origin, who have been doing the business in these areas over 10 years.

| Location | No of shop | Major items available | Stock | Storage facilities |
|----------------|------------|---|-----------------------------------|--------------------|
| Bandua | 25 | All kinds of food items, stationeries, kitchenware, bucket, soaps, garments, cement, Corrugated Galvanized Iron (CGI) sheet | Adequate, (shelter items limited) | Yes |
| Inanjou | 1 | Food items, garments, soaps, stationeries | Poor | No |
| Buzi | 5 | All kinds of food items, stationeries, kitchenware, bucket, soaps, garments, agriculture seeds | Adequate (agriculture seed-poor) | Yes |



Market of Inanjou (left) and its sole functional shop (right)

It was also observed shelter items were being sold in Bandua by a shop only but with limited stock while this was not the case in Buzi or Inanjou. Only one trader in Buzi was found to be selling agriculture seeds. On the other hand, ORS (Oral Rehydrated Salt), condoms or water purifying tablets were not available in all those markets.

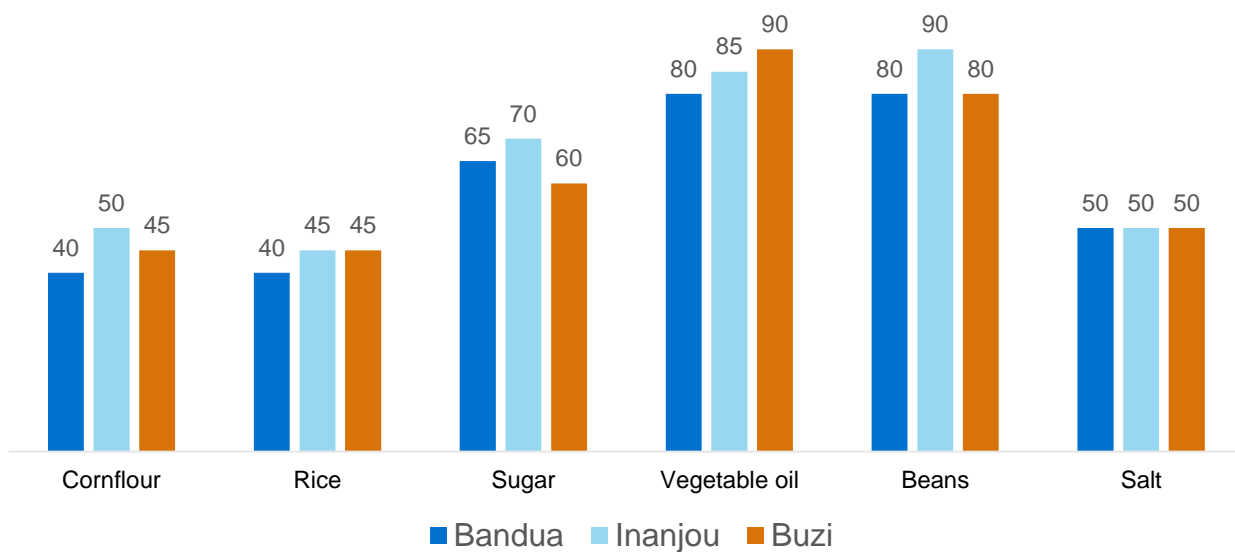
Catchment areas of the market

Bandua and Buzi are the central markets for the people around its periphery. Bandua market serves about 28,820 people of Maverengue, Humberhe, Kudje, Chawe, Inhadjidja, Gangua, Munamicua, Pavo, Chicoio, Vuka, Ussingue, Bandua Régulo, Grunguire, Chiremba and Inhamaguena. About 1,025 people from the Southern part of Bandua such as from Novo Colares approach both Inanjou and Estaquinha. However, both Inanjou and Estaquinha are the rural markets with very few shops/traders selling limited items. Buzi market is accessed by about 20,427 people of Macurrungo, Massane, Muchenessa, Chiquezane, Inhabirira, Martinot, Bairro da companhia and Massane. The distance from the market to these places ranges from 0.5 km to 10 km and people mainly access them by foot.

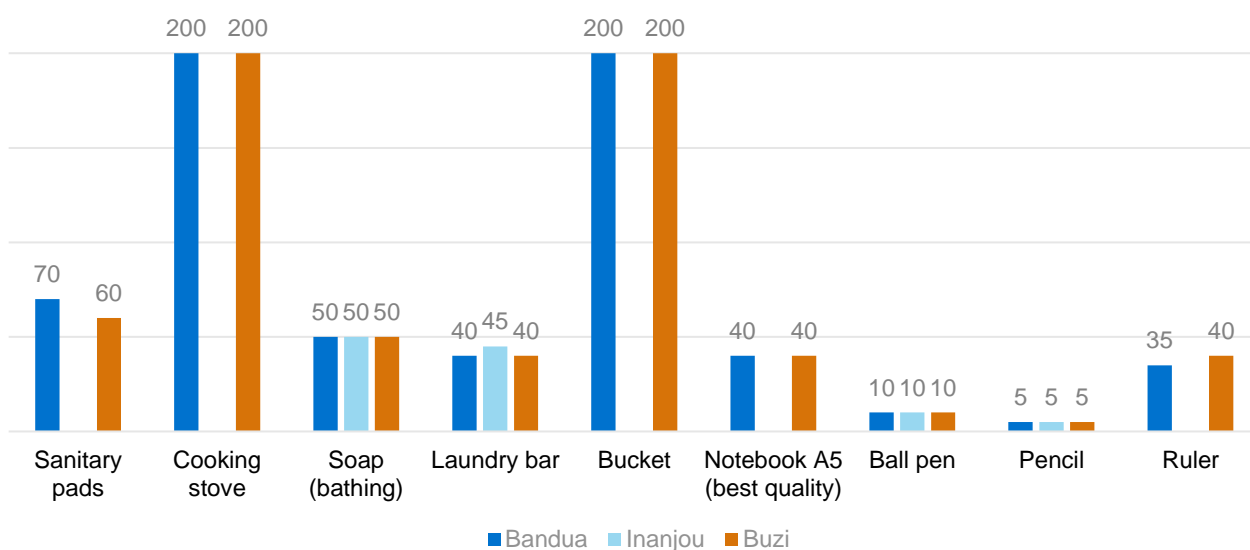
Market price and its trend

The following graphs show the prices of major items available in those markets. The traders responded a rise of about 5 percent in the price of those items following the impact of cyclone Idai in mid-March. This is mainly because of the increased transportation costs owing to disruption of road and ferry service at Buzi. Traders in Bandua reported an increase of transportation costs as much as 100 percent.

Unit Price of Major Food Items (MT)



Unit Price of Major Non Food Items



(*Unit-cornflour, rice, sugar, beans, salt are per kg; cooking oil per litre; sanitary pad per packet; cooking stove per piece; soap, laundry bar and bucket (20 litres) per piece; note book, ball pen, pencil and ruler per piece; 1 USD is approximately 62 MT)

The price of most of the items in Bandua and Buzi markets are almost similar. This is due to good competition amongst traders. However, the sole trader in Inanjou who is selling different goods brings them from Bandua with on an average profit of 10 percent. Thus, the unit price of those items to be high compared to the rest.

Supply chain

Traders in Bandua and Buzi were found to have established a strong supply chain with the wholesales in Beira as most of the items into those markets are coming from there. Currently, the traders follow the following routes.

- a) Bandua: Beira----->>Muxunge----->>Bandua (by land route)
- b) Buzi: Beira----->>Buzi (by land and water route)
- c) Inanjou:Bandua----->>Inanjou (by land route)

Traders in Bandua in particular seem strong in terms of supply chain as they have their own trucks and warehouse facilities as well as they have strong linkage with the wholesalers in Beira. They used to follow Buzi-Bandua route before the cyclone, which was shorter compared to the others, but this route is no more operational as a ferry service in the Buzi river is disrupted.

Seasonality

The traders revealed the month of December and June every year witness higher business because of the festival seasons while the business in rest of the months are almost constant. The assessed markets of Bandua and Buzi indicated sufficient stocks backed up by functional supply chain system and the traders were confident of meeting the increased need/demand with good access to credit from the wholesales in Beira. It is thus imperative that there will be a less likelihood of any significant impact of the seasonality on the stocks available in the markets and corresponding prices.

Banking and mobile money

There is a bank in Buzi-but not in Bandua or Inanjou. However, traders of Bandua use banking facilities at Muchunxe. Mobile money service (MPesa) is operating in Buzi. However, they are not functional in Bandua or Inanjou at the moment because of the non-availability of mobile network.

Traders' willingness to participate in the cva

80 percent of the interviewed traders expressed their willingness to participate in the voucher programming. They reaffirmed they have adequate stock, capacity to replenish the items as well as access to capital. They reaffirmed they could meet all the increased demands in 7-10 days' notice. The rest 20 percent believed they did not have adequate capacity and capital to meet the increased demands and thus, could not participate in the voucher modality.

Challenges in the markets

- The usual customers in the markets have decreased by about 40 percent following the cyclone. This is due to the fact that some people have moved to other locations (e.g camps), limited purchasing capacity of the people and their focus to meet their priority needs (e.g. shelter). Traders from Bandua also expressed aid distribution by agencies might have resulted to this as Bandua is also accessed by the people from Estaquania and Inanjou where there has been food distribution by other agencies. Traders were in particular referring to this event and the population. A similar situation was also observed in Nepal in 2015 earthquake response when traders were correlating the decreased market sale with the food aid.
- Suspension of ferry service at the river in Buzi required the traders to bring the items through long route. This has caused an increased transportation costs by almost 100 percent. The traders notified about ongoing advocacy by them on the resumption of ferry services and they hope it will come into operation soon.
- Some roads are either still submerged under water or are blocked by the fallen trees or electric poles. Diversions are constructed to pass through the vehicles, but they cannot sustain a truck with heavy loads. Many heavy trucks were seen stuck on the way. Traders thus need to use small trucks instead having greater costs implications.
- Mobile services are not functioning in Bandua and Inajou making it difficult to contact or coordinate with the wholesales in Beira or other business communities elsewhere (e.g. Muchunxe).

Political acceptance for voucher

The assessment team also discussed with the Admin Post Heads in order to verify the priority needs, scope of voucher programming, capacity of the traders and the suggested modality. The Admin Post Head in Bandua suggested food, agriculture seeds and kitchenware are the priority needs for the people. He also confirmed the markets can cater the increased needs, and conditional voucher for food (for undertaking works in public asset restoration) would be a good choice. Possible activities under it could be road maintenance, ponds rehabilitation and debris clearance at the schools. On the other hand, Admin Post Head from Estaquania reconfirmed Inajou market not being capable to support the voucher programming.



Overall market impression

Based on the analysis of above factors, it was realized Bandua and Buzi markets are feasible and can support the increased demands if voucher modality is introduced while the market in Inanjou is not feasible for the same at least for a couple of years. The table below shows which market can meet which demand (sector). A list of items available in those markets is also attached as annex.

Table: Suitability of the market for voucher- interventions

| Market | Shelter | Food | NFI (WASH and kitchenware items) | Education | Hygiene |
|---------|---------|------|--|-----------|---------|
| Bandua | X | √ | √ | √ | X |
| Inanjou | X | X | X | X | X |
| Buzi | X | √ | √ | √ | X |

RECOMMENDATIONS

- As the markets are found operational in Bandua and Buzi with good available stock and established supply chain, Plan International Mozambique should follow the voucher as a preferred modality of response to meet food, NFI and education needs of the people affected by the cyclone. Vouchers modality would highly minimize logistic hassles for Plan International Mozambique. The details of the items those two markets could support are enlisted in the annex as well as their prices are given in the graphs above.
- The suggested type is commodity voucher, which should follow the respective cluster standard.
- Because of the poor outreach of the existing financial service provider, poor mobile network, relatively stable security environment; paper voucher is suggested at this point. However, this might need a revision based on the evolving situation. Other operational modalities would be suggested during the implementation phase.
- Voucher modality is not possible for the locations in and around Inanjou markets thereby suggesting in-kind being the only modality of response. This factor should be considered while designing the proposal.
- The discussions in Cash Working Group have shown Plan International Mozambique being a frontrunner in terms of assessment, information sharing and voucher programming. Plan International Mozambique should thus prioritize rolling out the existing voucher projects. This would not only ensure benefits reach to the affected population in best possible time but also help to position Plan International Mozambique amongst the humanitarian communities.
- There is already a good understanding amongst humanitarian communities in Mozambique on cash and voucher being a preferred modality of support because of its relative advantages over other

means-both under emergency, early recovery or development contexts. Wider advocacy is underway since long to make the cash and voucher accepted by the government. In order to support the ongoing initiatives as well as to profile cash and voucher works within the organization and to position Plan International Mozambique in humanitarian arena, Plan International Mozambique is suggested to recruit a full time National Cash and Voucher Assistance Specialist initially for a period of six months, who could technically benefit from the Deployable Global Cash and Market in Emergencies Specialist during his deployment in Mozambique.

ANNEX

| SN | Items | Bandua | Inanjou* | Buzi |
|----|----------------------------|--------|----------|------|
| 1 | Cornflour | √ | √ | √ |
| 2 | Rice | √ | √ | √ |
| 3 | Sugar | √ | √ | √ |
| 4 | Vegetable oil | √ | √ | √ |
| 5 | Beans/cowpeas | √ | √ | √ |
| 6 | ORS | X | X | X |
| 7 | Salt | √ | X | √ |
| 8 | Sanitary pads | √ | X | √ |
| 9 | Condoms | X | X | X |
| 10 | Tarpaulin | X | X | X |
| 11 | Wooden poles | X | X | X |
| 12 | Bamboos | X | X | X |
| 13 | Hollow concrete block | X | X | X |
| 14 | Cooking stove | √ | X | √ |
| 15 | Soap (bathing) | √ | √ | √ |
| 17 | Laundry bar | √ | √ | √ |
| 18 | Certeza Bottle | X | X | X |
| 19 | Bucket | √ | | √ |
| 20 | Notebook A5 (best quality) | √ | √ | √ |
| 21 | Ball pen | √ | √ | √ |
| 22 | Pencil | √ | √ | √ |
| 23 | Ruler | √ | √ | √ |

**very few stock in the market and cannot support voucher programming*

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About Plan International

Plan International strives to advance children's rights and equality for girls all over the world. We recognise the power and potential of every single child. But this is often suppressed by poverty, violence, exclusion and discrimination. And it's girls who are most affected.

As an independent development and humanitarian organisation, we work alongside children, young people, our supporters and partners to tackle the root causes of the challenges facing girls and all vulnerable children.

We support children's rights from birth until they reach adulthood, and enable children to prepare for and respond to crises and adversity. We drive changes in practice and policy at local, national and global levels using our reach, experience and knowledge. For over 75 years we have been building powerful partnerships for children, and we are active in over 70 countries.