

Rapid Cash Feasibility Assessment Report, Mekelle



March 2021

Background

As a result of the recent conflict erupted in early November 2020, Mekelle town is hosting more than 65,000 IDPs displaced from various zones, mainly central zone of Tigray Region. Though majority of the IDPs are reported living in host community, however significant number of the IDPs are currently living in collective sites in the town. According to Bureau of Labor and Social Affair (BOLSA), currently there are, 13,659 IDPs living in 8 collective centers which are public schools. During the assessment period the team observed that there are new IDPs arriving from various zones of the region.

Following the need for Cash Based Interventions (CBIs), IOM deployed cash response team to conduct rapid cash feasibility assessment in Mekelle town. Furthermore, IOM had funding from ECHO for cash for NFI (450 HHs) as well as shelter for rent (800HHs) for IDPs in Mekelle town.

Objectives of the Assessment

The overall objective is to assess feasibility of cash based NFI and shelter rent responses in Mekelle town.

The specific objectives of the assessment include:

- I. Assessing market functionality in Mekelle town.
- II. Assessing availability and average price of standard ES-NFIs in the main markets.
- III. Availability and average price of shelter for rent.
- IV. Identify IDPs response modality preference as well as political acceptance of CBIs.
- V. Assess availability and services provided by potential financial service providers.
- VI. Recommend response modality and transfer value for ES-NFIs and cash for rent in Mekelle town.

Assessment Location and Methodology

The assessment team conducted the assessment in Mekelle town by focusing on the 8 IDP sites, market centers and selected kebeles where residential shelters are located over the period from 24 February to 1 March 2021.

The team collected information from primary sources including conflict affected households, IDP committee and traders. House to house visit to observe quality and safety of the available residential shelter for rent in selected kebeles in Mekelle town. Additional information collected from market representatives and BOLSA staff, reviewing need assessment as well as reviewing cluster 5Ws reports.

Combination of data collection methodologies implemented to gather comprehensive information; this includes key informant interview with BOSLA staff and IDP committee, focus group discussion with IDPs, interview with market actors, market functionality observation and interview with whole sellers/retailers conducted.

Table 1: Number of assessments by methodology

Methodology	Participants	Number of Session
Key informant interview	Staff from BOSLA	3
	IDPs committee	4
Key informant interview	Market Actors from Trade and Industry Office	6

Focus Group Discussion (FGD)	IDP Men, Women and Mixed Group	5 women IDP group (38 women) 4 men IDP group (32 men) 1 mixed group (4 women and 3 men)
Interview with Market actors	Traders	10
Market observation visit		1

Results and Discussion

IDPs Priority needs:

Based on the discussions held with IDPs (both in collective centers and in the host community), IDPs representatives and BOLSA heads of Mekelle city and sub-cities, the following are identified as the priority needs of the IDPs:

- Shelter and NFI
- Health Service, medicine
- Food, especially for children
- WaSH

Both men and women FGD participants mainly indicated as shelter is the most urgent needs for both those who are living in collective centers and with host community. In the collective centers, the average room size in the visited IDP collective centers is 50 sqm while the average number of individuals sharing one room goes beyond 34 individuals, indicating the average space person is only 1.5 sqm which is less than the minimum standard required space of 3.5 sqm per person. In addition to the area, which is below the standard, majority of the FGD participants also complained of insecurity as most of the classroom doors and windows broken. The assessment team also observed that the collective centers are congested, less ventilated and lacks privacy. As a result, the IDPs are living on crowded situation and at risk of communicable disease especially COVID-19.

Majority of the interviewed IDPs living with the host communities are sharing shelters with relatives, however still significant number of them are living by renting shelter. Likewise, the IDPs mentioned as lack of cash to cover renting cost, lack of bedding items and living in congested rooms are among the major issues they have. On all the FGDs, participants indicated as the price of shelter rent is high compared with where they have been before the displacement. Accordingly, the average renting cost they mentioned is between 2000 to 3000 ETB, as a result most IDPs in host community sharing shelter with relatives and someone they know.

The interviewed IDP committees in collective center suggested to support the IDPs either by constructing shelter or providing cash for rent by assessing the renting cost in the town. All the FGD participants expressed their interest on cash for rent as the collective centers are congested and for the sake of privacy. However, they indicated as they can only leave the centers if cash for rent covering 6 months period.

According to the recent cash feasibility assessment conducted by ZOA in Mekelle zone, the aid to the IDPs is insignificant compared with the high need on the ground. Hence it was recommended to advocate to mobilize resource and support the neediest people.

Table 2: Planned and Ongoing cash-based response by partners operating in Tigray.

Partner	Purpose (Objective)	Number of HHs Targeted	Distribution Status	Remark
IOM	Cash for Rent	800	Planned	Mekelle zone
IOM	Cash for NFI	450	planned	Mekelle zone
SCI	Cash for rent	956	planned	Central zone
ZOA	Cash for NFI	2000	planned	Mekelle
WV	Multipurpose cash	8395	ongoing	7 woredas/4 zones
CRS	Multipurpose cash	3000	planned	Ganta hafeshom and Gulo mekeda
CRS	Multipurpose cash	967	planned	Edaga Hamus
GOAL	Multipurpose cash	690	planned	Mekelle
ECC-SDOCA	Multipurpose cash	560	planned	Mekelle

Table 3: Planned and Ongoing in-kind ES-NFI response by partners operating in Mekelle town (Source Shelter cluster).

Partner	Location	Response	Number of Target HHs	Distribution Status
WVI	Mekelle	ESNFI in-kind	1,843	Planned
WVI	Mekelle	NFI	1,958	Planned
WVI	Mekelle	ESNFI in-kind	1,568	Completed
ICRC	Mekelle	ESNFI in-kind	3,526	Completed

IDPs Assistance Modality Preference and Government Recommendation

Due to congestion of the current shelter, majority of the FGD participants suggested to be supported with either cash for rent or construction of additional shelter so that the rooms will be decongested. On the other hand, all the respondents indicated as they have access to market to buy NFIs if supported with cash. According to the IDP leaders, all IDP groups including men and women have access to market to buy items they require including food and NFIs. The leaders also mentioned as the IDPs lack cash to buy the items they require.

Mekelle town mayor office head and BOLSA are in favor of cash-based response as most of the IDPs are not met and with the assumption that IDPs will cover the variety needs they have if supported with cash. However, head of the mayor office suggested to clearly specify beneficiary selection criterion including pregnant and lactating women, PWDs, households with unaccompanied minors, elders, and female headed households.

Market Functionality and Accessibility

Both food and non-food items market in Mekelle town are functioning, and it has been observed that the markets gradually being normalized. Hence supply of food and NFIs are increasing compared with the first day of the assessment. Ababa market is the main source for food and non-food commodity supply to Mekelle town. Mekelle market also serves as regional market supplying commodities to most of the zones in the region including Central, Western, Eastern and North West zones.

The assessment team observed that there is better supply of non-food items in Mekelle, however there is no mosquito nets in the market and the available plastic sheet is with very low quality compared with the standard shared by Shelter Cluster. Industrial materials including corrugated iron sheet, nails and other construction materials are available in quality, though the quantity require few weeks to meet the required demand.

According to the interviewed suppliers in Mekelle, supply of commodities improving and most (80%) suppliers indicated as supply of commodities increased in fourth week of February 2021. Stocking of items depends on security for 90% of the interviewed traders while the remaining 10% indicated that they stock NFIs based on demand. 60% of the interviewed traders used to re-stock within average of one week, while it takes two to three weeks on the remaining 40% of the traders before the shock. However, all the traders are unable to estimate the possible re-stocking frequency following the shock as they never had experience of such shock before. All the traders indicated as most of their customers from Mekelle town and its outskirt started visiting them since mid of February 2021, though only very limited number of them are coming other woredas.

As per the observation visit made by the assessment team, the shelter for Rent is available in different locations in the host community of Mekelle city with different standards ranging from the minimum room size, which is 3mX3m to 4mx4m or 9m² to 16m² for which the minimum actual cost is 2500ETB. The renting modality is oral agreement with the tenure owners and there is no eviction issue is expected as the interviewed tenure owners replied.

Price of ES-NFIs and Shelter rent cost

Summary of the NFI price collected from Mekelle market indicates that the average price for standard ES-NFI kit is ETB 4527 including 2 pcs of plastic sheets and ETB 3527 excluding plastic sheets due to quality of the available plastic sheet in the market (see Annex-1). **Accordingly, the average transfer value for NFI is estimated to be ETB 3500.**

The team observed availability of shelter for rent in the town and collected price of shelter for rent in three sub-cities. Accordingly, the price of shelter with area of 9 to 16 m² ranges between ETB 2000 to 3500. On the other hand, most of the interviewed IDPs in the host community mentioned as they are paying an average of ETB 2500. Therefore, considering the price information and IDPs safety the team suggested an average **transfer amount of ETB 2500 per month.**

Availability Financial Service Providers (FSPs)

The team observed that both private and government owned FSPs started providing financial services and there is no shortage of cash with the FSPs. However, some FSPs observed limiting clients from withdrawing more than 10,000 ETB, which is less than the recently endorsed national regulation on cash withdrawal limit which specifies as the maximum amount for withdrawal is ETB 50,000 per person per day. Based on the discussion the team had with FSPs, some private banks like Awash and Oromia International Bank expressed as they don't have shortage of cash and providing maximum of ETB 50,000 per person per day.

However, all the FSPs are strictly following the maximum cash withdrawal limit for organizations which is ETB 75000 as suggested by National Bank of Ethiopia. However, all the interviewed FSPs indicated as they are getting case by case approval and increasing the amount to ETB 300,000 for organizations requesting in advance.

List of available and functional FSPs

- Commercial Bank of Ethiopia
- Ethiopia Postal Service
- Awash Bank
- Abay Bank
- Oromia International Bank
- Cooperative Bank of Oromia
- Dedebit Micro-Finance
- Dashen Bank
- Buna Bank
- Debub Global Bank
- Hibret Bank
- Zemen Bank
- Lion International Bank
- Berhan International Bank

Recommendations

Based on analysis of the assessment findings, the following recommendations suggested by the assessment team.

- As shelter/NFI need is high priority, provision of shelter either through cash for rent or emergency shelter construction is required in Mekelle; however, cash for NFI most appropriate response modality compared with in-kind provision in Mekelle town.
- Shelter for rent is available in all the sub-cities and IDPs can easily access in sub-city where they prefer to stay in.
- The rent cost for shelter with average area of 12-16 square meter is **ETB 2,500**, hence IDPs in collective center needs to be supported with the average price for at least 6 months. Considering the situation of IDPs in host community, they need to be supported though the amount is less than the average renting cost as the cash could complement their expenses.
- It was agreed with partners like Save the Children to target IDPs in collective center if the average rent cost can be covered however if the amount is less than ETB 2500 agreed to target IDPs in host community.
- Based on the current price of NFIs in the assessed market, the transfer value for NFIs recommended to be average NFI price which is **ETB 3,500**. The same amount has been used in other regions in the country.
- Though IDPs in collective centers are provided attention to evacuate the schools, still IDPs in host community need to be give attention for shelter and NFI responses. IDPs in Hawelti, Kedamay Weyane, Semen and Hadinet sub-cities need to be given priority as the number of the IDPs is higher compared with other sub-cities.
- Though there is no observed need for plastic sheet, partners need to consider in kind distribution since the available plastic sheets in the market are with poor quality.
- Conducting response analysis before CBI implementation to verify whether cash as response modality is feasible as markets, security and risks could change overtime.
- Based on location of IDPs and FSPs, cash transportation might be required from main towns where the FSPs are located to IDPs sites. Hence in such cases partners need to consult FSPs prior to contracting.
- Private banks like Awash Bank, Oromia International Bank and Berhan Bank are among the potential FSPs with better capacity for cash-based response; hence those FSPs can be considered as first option for the response. However, government owned FSPs including Commercial Bank of Ethiopia and Ethiopian Postal Service can be considered as second option for the response in Mekelle town.
- Further discussion is required with EPS Addis as FSPs are strict and only providing maximum amount of ETB 75,000 per day for organizations. IOM field team approached regional EPS head and EPS headquarter to process for approval for increasing the withdrawal limit to at least ETB 300,000.

- Considerations need to be given for HLP issues during cash for rent distribution facilitation, and hence all beneficiaries expected to sign agreement with landlords.
- IOM field team to facilitate translation of the sample tenant agreement being used in other regions.
- BOLSA as well as Mayor office recommended to target host community IDPs in Hadnet and Kedamay Weyane sub-cities.

Annex-I Price of Non-Food Items (unit price, ETB)

Description of Items	Specification	Average Unit Price	Quantity Per kit	Average Price Per Kit	Remark
Aluminum Basin 15 L	70 cm	475	1	475	
Aluminum kettle, 2-2.5 l	2 liters	325	1	325	
Aluminum cups, 350 ml		30	3	90	
Aluminum cooking pot	7ltr	270	1	270	
Aluminum ladle, medium	Medium Size,	45	1	45	
Aluminum Plates	30cm	30	3	90	
10 Liter Jerry cans Plastic		80	2	160	
20 Liter Jerry can Plastic		160	1	160	
Plastic Sheet/s, 4X5 m		500	2	1000	
Rope/s, 5mm	60m	110	1	110	
Sleeping Mat/s, 2X4	2x3m	725	1	725	
Mosquito Net/s		NA	2		Not available
Blankets, 1.5X2m	Local	450	2	900	
Hessian Bag 100 kg	Local, plastic	17.5	1	17.5	
Laundry Soap (bar), 250	200gm, local	16	10	160	
Comments and observations: Average ES-NFI price is 4,527 ETB Including plastic sheet, Average ES-NFI price is 3,527 ETB without plastic sheet					

Annex-II Price of Shelter materials and WASH NFI

Shelter Materials	Unit	Average Unit Price (ETB)
Eucalyptus Pole Dia- 12	Pcs	120
Eucalyptus Pole Dia- 10	Pcs	100
Eucalyptus Pole Dia- 8	Pcs	90
Eucalyptus Pole Dia- 6	Pcs	80
Nail No 4	Kg	100
Nail No 6	Kg	100
Nail No 8	Kg	100
Nail No 9	Kg	100
Nail No 10	Kg	100
Nail No 12	Kg	100
CIS (Corrugated Iron Sheet) 32 Gauge	Pcs	385
CIS (Corrugated Iron Sheet) 35 Gauge	Pcs	245
Timber 30cm width , 4 m long	Pcs	675
Timber 25cm width , 4 m long	Pcs	575
Purlin (5x7 cm), 4 m long	Pcs	335
Bucket of 20l	Pcs	90
Bucket of 10l	Pcs	60
Water Treatment chemical (Only Commonly Available Types)	Bottle	20