



Karamoja Market assessment

Summary of key findings.
JULY, 2017.

Analysis Monitoring and Evaluation Unit.



World Food Programme

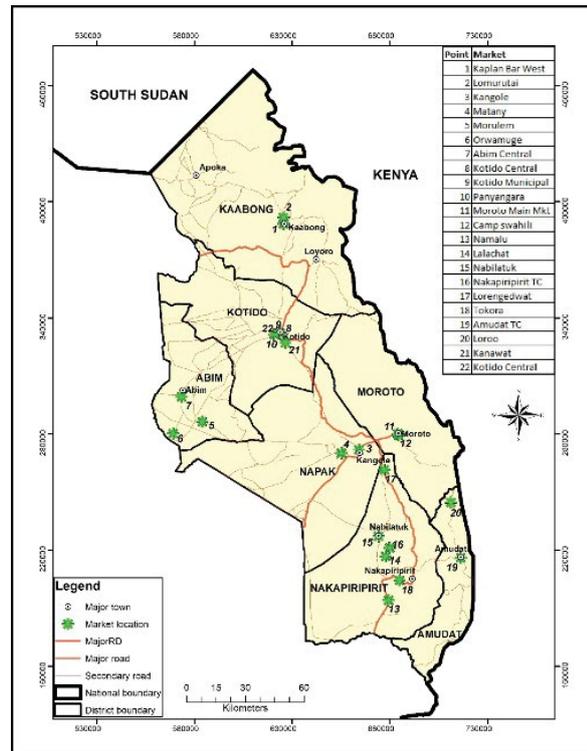
Executive Summary

Upon analyzing a variety of indicators, it is recommended that cash pilots first be introduced in the districts of Moroto, Amudat and Kotido, followed by other districts.

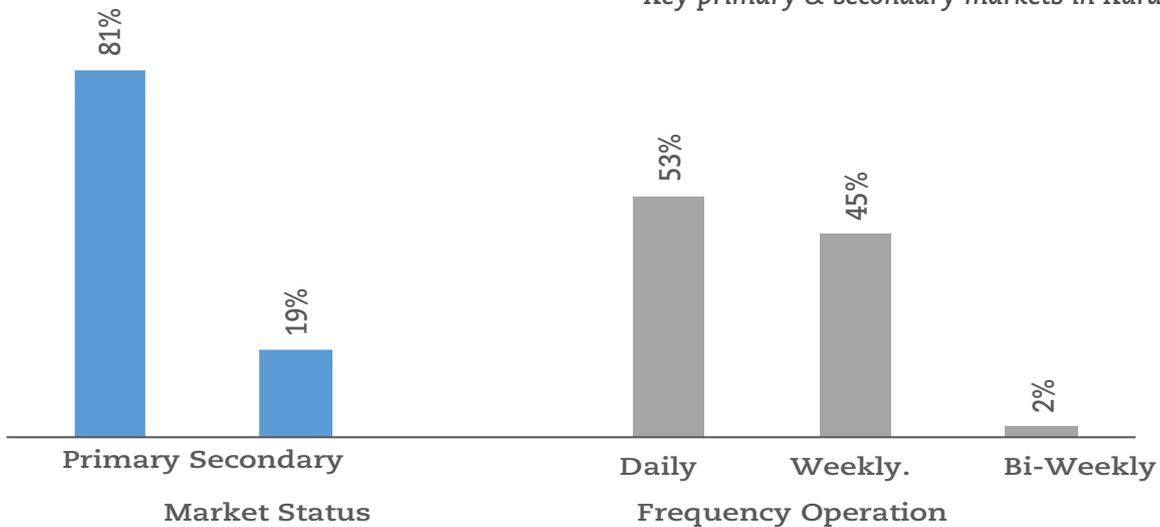
Key Findings

Key markets in Karamoja:

- There are 47 functional markets across Karamoja, 85% of these being primary markets. Amudat, Kaabong and Kotido have only primary markets;
- While 45% of the overall markets operate daily, 53% are open on a weekly basis. However, Amudat (100%), Nakapiripirit (86%) and Napak (67%) have the highest proportion of markets operating weekly, there is need to factor this while planning for a cash transfer.



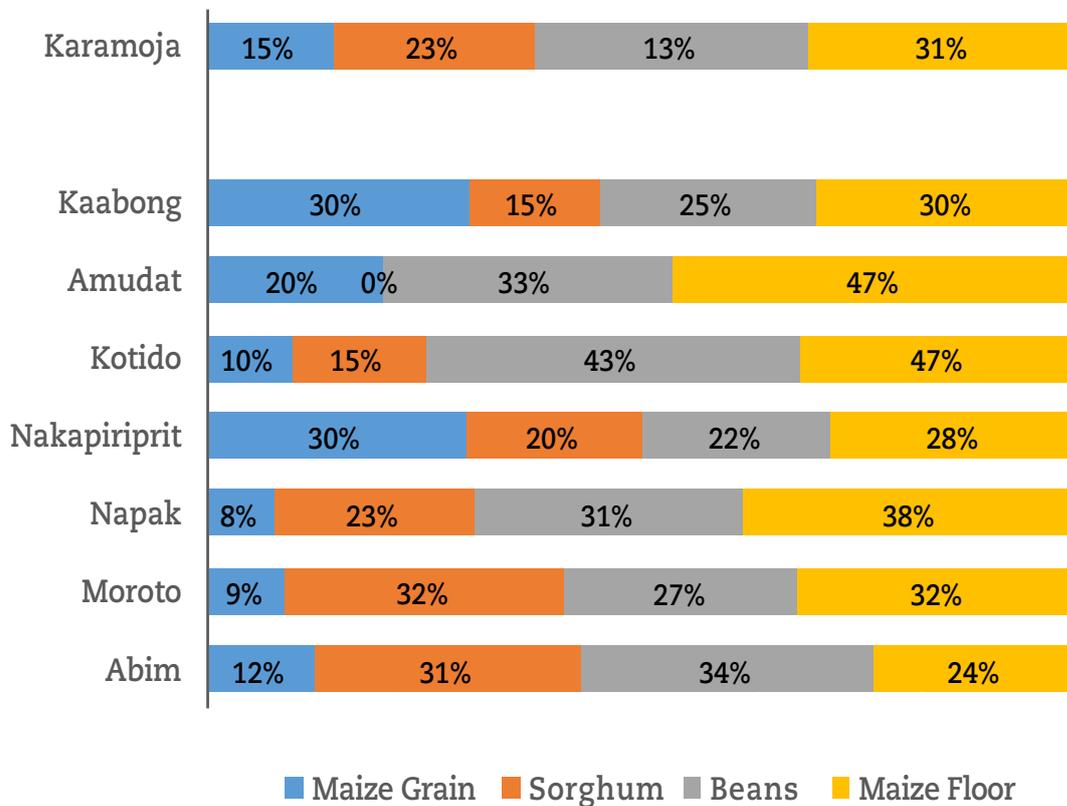
Key primary & secondary markets in Karamoja



Market status & operation frequency

Food availability in markets:

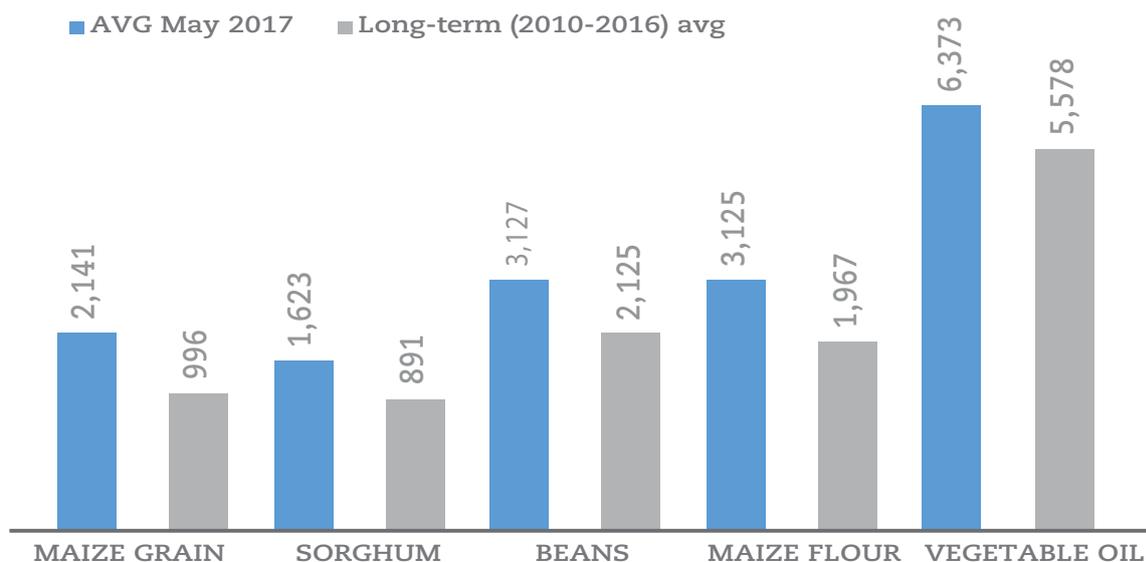
- Traders in nearly all markets deal in a wide range of produce, constituting major staple foods. However, during the lean season (March-June), supplies on the markets are mainly from neighboring districts (in Eastern and Northern Uganda);
- About 537 traders deal in maize grain, sorghum, beans and maize flour across the region. While majority of the overall traders deal in beans (31%) and maize flour (31%), 23% sell sorghum.



Traders dealing in Major commodities

Food prices:

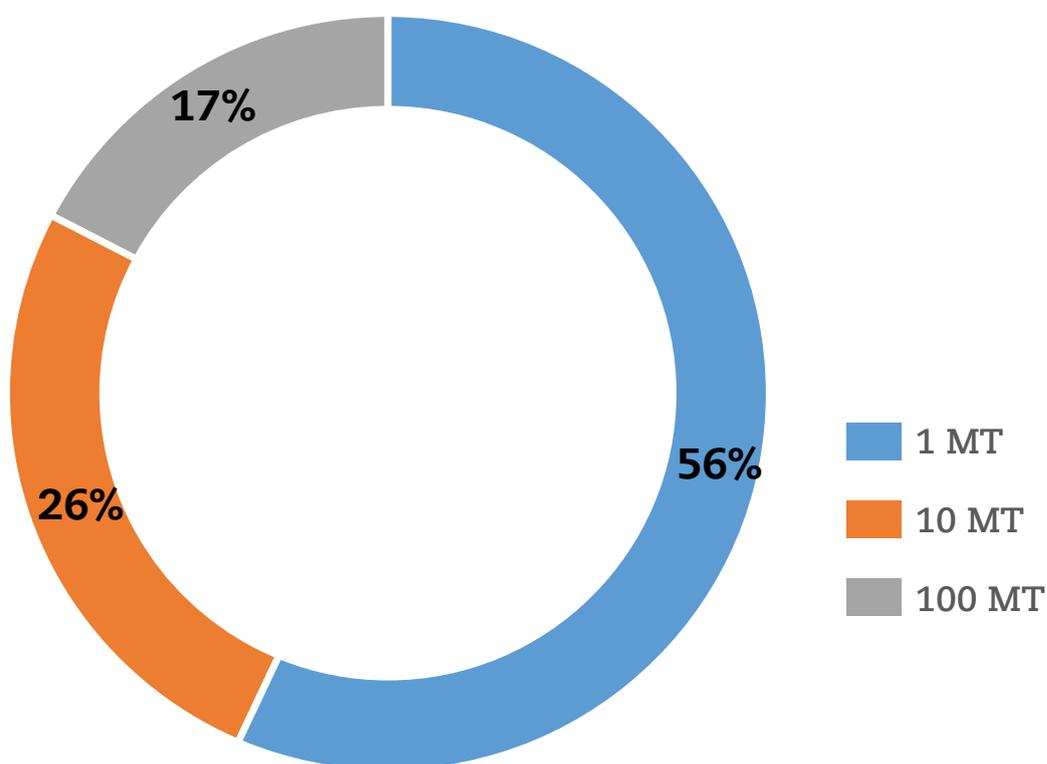
- Food prices, during the study period (May), were significantly higher than the long-term average (2010-2016). Average price for Maize grain in May was above the long term (2010-2016) average by 115% (increasing from ugx 996 to 2,141), while the average price for sorghum was high by 82% (rising from ugx 891 to 1,623), this is attributed to low supplies on the markets;
- Average prices for commodities are typically high during the lean season (March-June). Therefore, there is need for frequent monitoring of the markets prices, for informed decision making and planning;
- Traders indicated that prices for major commodities are competitive enough and buyers are aware of them.



Commodity retail price changes

Traders' response capacity:

- Traders indicated that they need an average of 1-2 weeks to increase stock, in case of increased demand. The response time and quantity depends on availability of capital, storage capacity, transport costs and access to credit;
- Traders with good credit history may liaise with their suppliers, typically in districts outside Karamoja, like Lira, Mbale and Soroti;
- There are sufficient storage facilities in the markets with potential to expand, in case of increased demand following the scale up of the cash transfer.



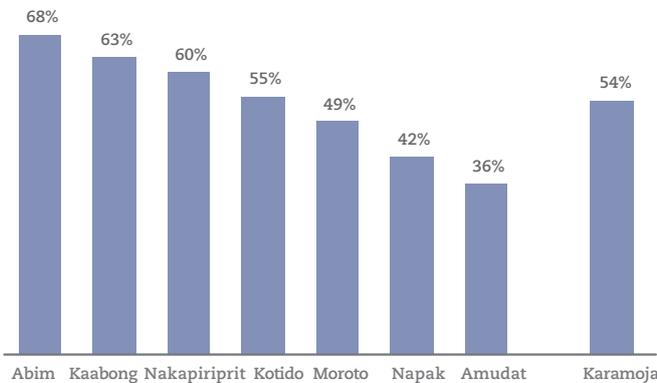
Capacity of storage facilities

Market access:

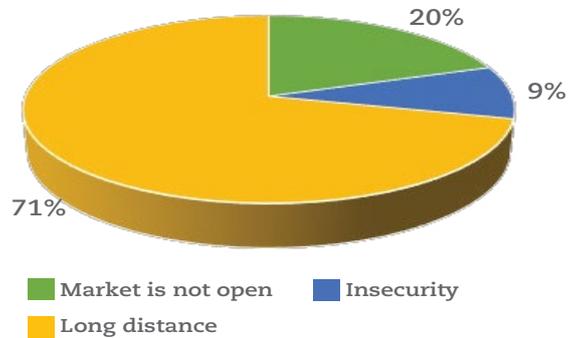
- More than half (54%) of the households reportedly faced a challenge in accessing markets. Abim (68%), Kaabong (63%), and Nakapiripirit (60%) had the highest proportion of households reporting having faced a challenge in accessing markets;
- Households reportedly face challenges in accessing markets, the main challenges reported were; long distance to markets (71%), markets not open on some days (20%) and insecurity (9%). Long distance to markets was mainly reported in Nakapiripirit (95%), Moroto (77%), Amudat (75%) and Kaabong (72%).

In Kaabong, 20% reported insecurity as one of the challenges faced in accessing markets, possibly due to long distances to markets;

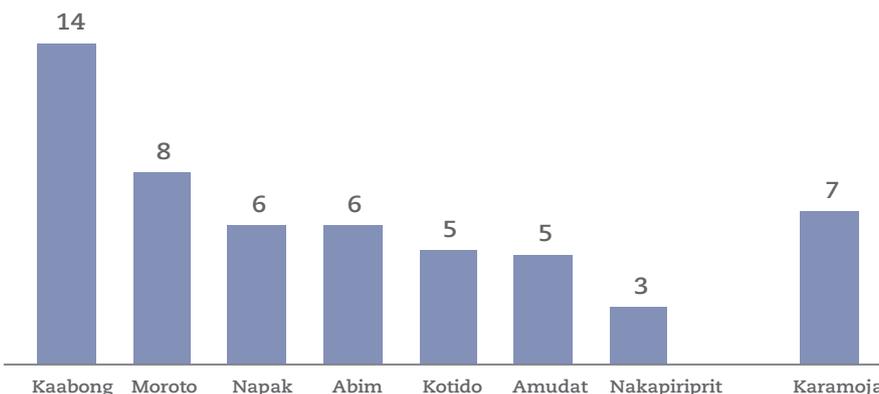
- Overall, the average distance to Markets was 7 kilometers. Households in Kaabong (14 km), and Moroto (8 km) travel longer distances to Markets;
- On average, households spend 43 minutes to travel to markets, households in Kaabong (63.8), Moroto (49) and Napak (47) spend more time to travel to markets;



Faced a challenge in accessing markets



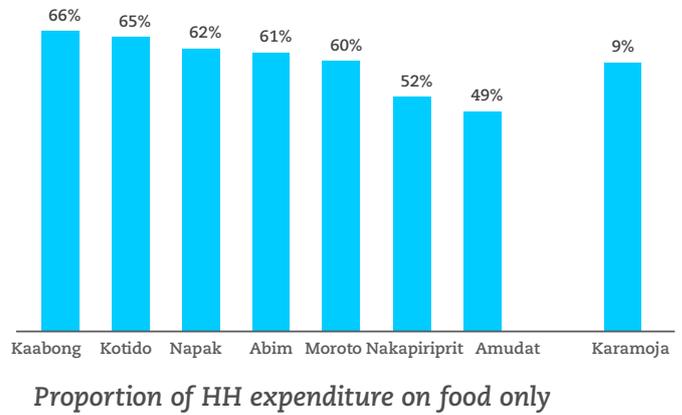
Challenges faced in accessing markets



Average distance to markets

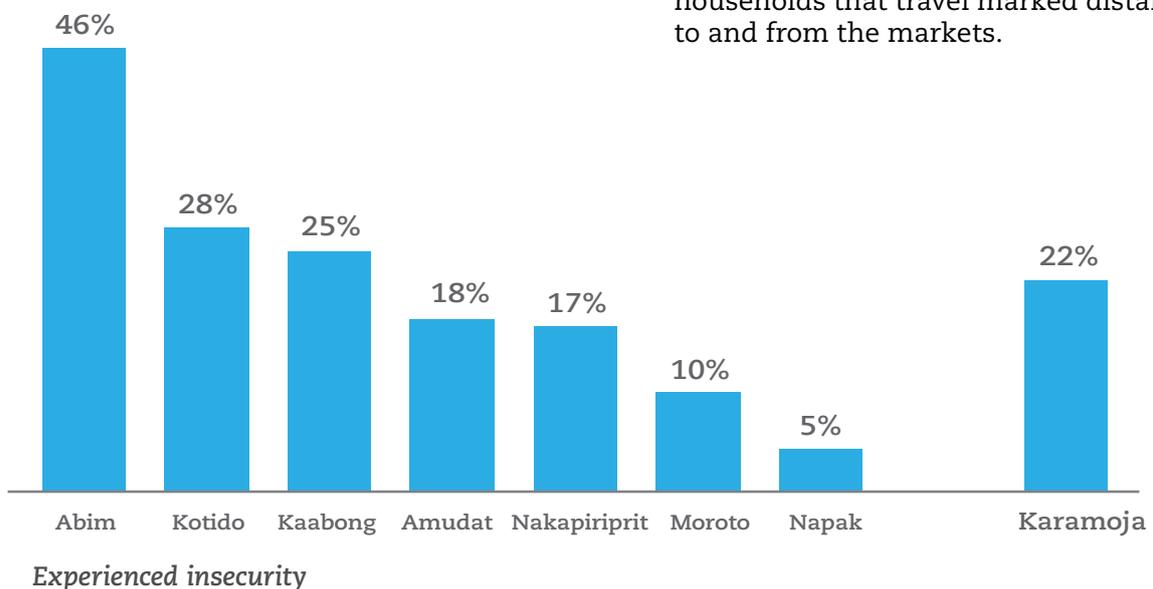
Household dependence on markets:

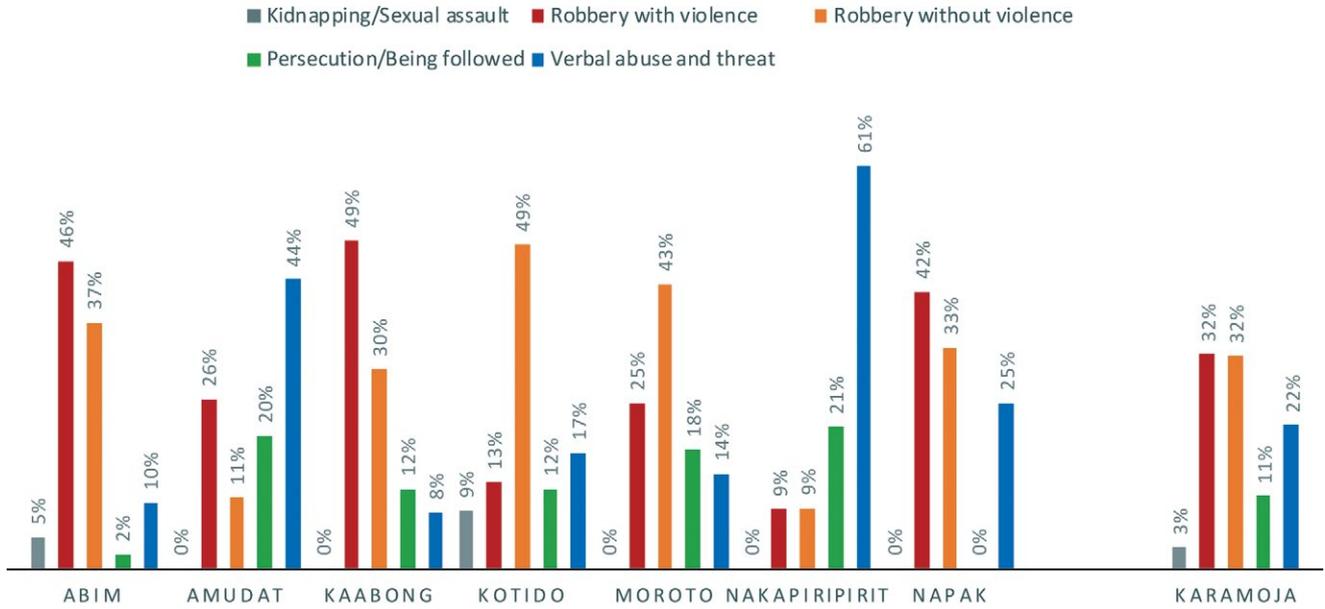
- The food expenditure share (FES) of households in Abim, Kaabong, Kotido and Moroto range from 60%-66%, implying households are heavily depending on markets. This could be attributed to reduced stocks at household level.



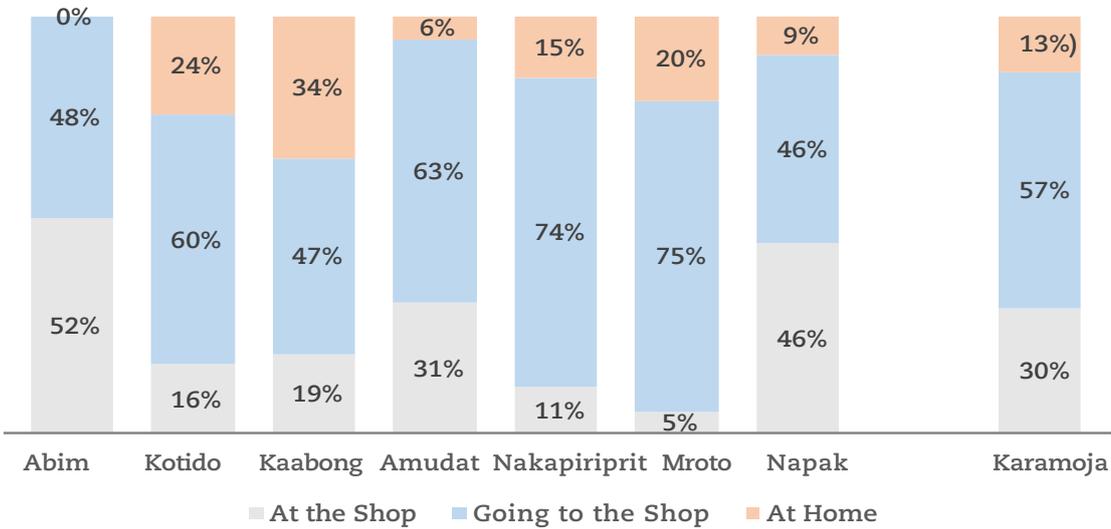
Safety and security issues:

- Overall, 22% of the households experienced an insecurity incidence. The highest proportion of households that reported having experienced an insecurity incidence was observed in Abim (46%), Kotido (26%) and Kaabong (25%). Robbery (32%) was the main form of insecurity; with 49%, 46% and 42% of the households reporting the same in Kaabong, Abim and Napak respectively;
- Insecurity incidences are mainly experienced at: while going to the shop/market (57%) and at the shop/market (29.8%). Nakapiriprit (75%), Moroto (74%), Kotido (63%) had the highest proportion of households experiencing insecurity on their way to the shop/market;
- Study also revealed that, security is provided by police in all weekly markets, thus, insecurity is mainly an issue for households that travel marked distances to and from the markets.





Nature of security incident encountered



Where insecurity was experienced

Infrastructural development:

Road connectivity

- Roads and bridges, both within Karamoja, including those linking Karamoja to other districts were all in motorable conditions, ably supporting movement of commodities within the region and also from neighboring districts. However, some areas have poor feeder road network, affecting transportation of food to more rural secondary markets;

Banking and other financial institutions

- Formal banking and financial services infrastructure are limited in Karamoja. Generally, 11% of the households reported having a bank account with the highest proportion observed in Moroto (18%), Amudat (15%) and Abim (14%). This implies that using banks for cash transfer will not be suitable;
- Amudat, Nakapiripirit and Napak don't have banks. Cash transfer for SAGE program is being implemented by post bank, which has a mobile van.

Mobile money

- 41% of the households reported owning a mobile phone, this highest proportion was noted in Amudat (53.4%) and Abim (49%);
- Main telecommunication companies in the region are MTN (77%) and Airtel (21%). Network connectivity in some areas such as, Morulem (Abim), Katob (Amudat), Tapac (Moroto) and Nabwal (Iriiri-Napak) is very poor, and this could be a hindrance to the cash transfer through mobile money;
- While 80% of the households are registered on mobile money, only 31% of this are using mobile money;
- The distance to the nearest mobile money agent is 7.5 km, the average distance for Kaabong and Amudat was 12 km and 11.6 km respectively;
- Going forward, there is need to further set up mechanisms to mitigate risks associated with cheating of beneficiaries by mobile money agents, if WFP opts for this as a transfer mode;

	Own a phone	Mobile network			Registered on Mobile Money	Using Mobile Money	Challenges in using Mobile Money			
		Airtel	MTN	Others (UTL, Africel & Safaricom)			Agent runs out of money	High cost of the service	Don't know how the system works	Unable to charge phone
Abim	49%	3%	97%	0%	91%	47%	30%	14%	1%	0%
Amudat	53%	20%	71%	9%	83%	38%	7%	19%	11%	8%
Kaabong	37%	20%	80%	0%	63%	22%	2%	7%	10%	4%
Kotido	31%	15%	85%	0%	82%	25%	10%	10%	4%	1%
Moroto	39%	44%	53%	3%	88%	31%	8%	11%	6%	9%
Nakapiripirit	35%	33%	67%	0%	75%	23%	4%	11%	5%	6%
Napak	40%	20%	80%	0%	76%	33%	16%	11%	2%	2%
Karamoja	41%	21%	77%	2%	80%	31%	11%	12%	6%	4%

Phone ownership & network connectivity

Other relevant findings:

- Majority of traders don't use established grades and standards, implying it will be difficult to ascertain the quality of food that beneficiaries will buy;
- No collusion and price discrimination observed or reported, hence, traders are likely not to charge high prices to food insecure households;

Key Recommendations

- To ensure efficient and effective cash transfers to deserving targeted beneficiaries, sensitization and communication on cash transfers, modalities, entitlements, and purpose. Must be carried out to mitigate negative effects like diversion of cash and gender violence. Such communication should also encompass financial literacy and budgeting practices;
- The supply side should be further monitored and additional market development should be provided by government and MDAs, development partners and WFP;
- There is need for the development of a more participatory approach by WFP, at family level, especially in terms of appointment of a household member receiving and managing cash;
- Seasonal changes in the prices for commodities requires frequent monitoring of the market prices, this will support informed decision making during the revision of the transfer value. Findings indicated that average prices for commodities are high during the lean season, due to scarcity on the markets and depleted food stocks at household level;
- Existence of post-bank in Karamoja, provides enormous leverage for WFP cash transfers, specifically the mobile van services they offer can enable WFP to extend its programmes to hard to reach areas. However, there is need to have further consultations with post-bank on their operation;
- WFP should explore other mechanisms on improving market access, in Kaabong, Moroto and Abim for instance where households travel long distances. This could be through improving linkages between traders/suppliers with consumers. With an anticipated improvement of the household purchasing power, traders will likely get attracted. The study revealed that, there is a high potential for traders to penetrate more rural areas, with an increase in the purchasing power of the households;
- WFP cash transfer could be more effective during the lean season (March-July), when majority of households depend on markets for food;
- WFP should further focus on mobile money providers and cooperation with the banking sector, to encourage future development of more reliable networks for implementation of cash transfers;

Districts to pilot cash

Upon analyzing a variety of indicators, it is recommended that cash pilots first be introduced in the districts of Moroto, Amudat and Kotido, followed by other districts;

Taking other factors such as reported incidences of insecurity, distance to markets, market functionality, and trader feedback etc, it is recommended that any pilot cash transfer in Karamoja first be initiated in any of the following locations:

District	Moroto	Amudat	Napak	Kotido
Sub-county	Municipality Katiquekile Rupa Nadunget	Amudat T/C Loroo Amudat Karita	Matany Iriiri Ngoleriet Lopee Lorengecora	Kacheri Nakapelimoru Kotido T/C Kotido S/C Panyangara



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