Background information and introduction

Midega Tola Woreda located in East Hararge Zone 50 km rough road or two-hour drive from Harar town. The Woreda has nineteen Kebeles and bordering with Fedis, Mayu Muluke and Buriya Woredas from Oromia and Fiki and Demdema Woreda from Somalia region of Ethiopia. The total population of the Woreda is 119,844 (26,340 HH) of which close to 45,000 (37%) of the population are in needs assistance mainly related to food. However currently 15,000 (33%) individuals are under emergency food assistance program from WFP and CRS. WFP is providing food either in Kind or in cash for IDPs displaced from border area of the Woreda. the type of food are 15 kg of Wheat, 1.5 Kg of YSP and 0.45kg of vegetable oil or 225birr/individual. CRS is providing the food gaps of IDPs displaced from Somalia region and households affected by drought in the Woreda.

The woreda has two types of IDPs. 1,592 HH (9,751) displaced from Somalia region of Jijiga town and another 1,591 HH (10,903 individuals) displaced with in the same Woreda bordering Somalia region. All IDPs displaced from border of the woreda returned to their place of origin however as per the information from the Woreda administration office the situation in the returnee place is not that much stable. From 1,592 HH IDPs displaced from Somali region of Jijiga and other Woredas 250HH of them returned and the rest 1,342 HH are sheltering in 14 Kebeles of the Woreda with host community or building temporary shelter with grass.

So far, the Woreda does not have return plan for IDPs. they are waiting the regional or Federal government to take the lead and start the process.

Objective of market assessment

The main objective of market assessment is to determine the availability and accessibility of the market for local and industrial material by IDPS determine the response modality. Some of the key purpose of doing the market assessment is:

- Identify IDPs preferred response modality.
- Availability priority goods in local markets.
- Accessibility of local markets to beneficiaries.
- Approximate price of the key items.
- Ability of vendors in the main markets to respond to increased demand and restock the required items.
- Possible financial service providers that might be able to deliver cash assistance and assess the general approaches/capacity
- Identify any possible issues that would make a cash-based response unfeasible (e.g. security, market accessibility, market functionality, availability of key goods in the market, seasonal variation etc.)
Methodology and location

The assessment was conducted in East Hararge Zone, Midega Tola Woreda were CRS is implementing CERF project. The Woreda is located 50km rough road or two-hour drive from Harara town. The assessment was conducted by CRS and its implementing partner Hararge Catholic Secretariat staffs on November 27, 2019.

The assessment was conducted selecting sampled Kebeles of the project located near and far from the market center through FGD and KKI with IDPs. In addition to this discussion has been conducted with local government officials at Woreda and Kebeles level and with vendors in the Market.

The methodology applied for this assessment is market observation, Key informant interview and focus group discussion with vendors, sampled IDPs, Kebele and Woreda local government official.
Result and discussion

IDPs Priority
As per the information from Woreda and Kebele local authorities the priority need of IDPs are food, ESNFI and cash. The food is being provided by JEOP, WFP and sometimes by government. However, the need for emergency shelter and NFI has not been addressed by any humanitarian organization or government so far.

To meet their nonfood need IDPs engaged on farming activity and selling part of the food aid they are getting from CRS. All in all, considering the Woreda is in remote area, limited presence of humanitarian organization, the only coping mechanism for IDPs to meet their need mainly nonfood need is relaying on host community and/or selling part of food aid they are getting from CRS. However, since the time of displacement except some support SOS national NGO distributed partial NFI kit for 300IDPs in three Kebeles of the Woreda.

IDP assistance modality preference and government recommendation

Based on the discussion we had with IDPs, local government official and market observation it’s possible to say the market in the Woreda town is functional. The only market available in the Woreda is this market where all the community including IDPS in all Kebeles are using for food as well as nonfood related needs.

Woreda government recommendation is to provide the material in Kind or to use vendors. Considering the short-term nature of the project and IDPs need we discussed with Woreda and agreed to distribute cash to beneficiaries. To ensure the cash used for intended purpose the cash distribution will take place in two instalments. First round 3,00 birr to be used to procurer local material like wooden with plastic sheet and rope and second installment will be distributed up on beneficiaries preparing the necessary to help them built their temporary shelter. In addition to this the Woreda government will make strong follow with suppliers of local and industrial material to avoid instant increase in price by suppliers.

<table>
<thead>
<tr>
<th>Woreda</th>
<th>IDP preference</th>
<th>Gov. Preference</th>
<th>Market functionality</th>
<th>Recommendation Response Modality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Midega Tola</td>
<td>Cash</td>
<td>In kind</td>
<td>Functional</td>
<td>Cash and in kind</td>
</tr>
</tbody>
</table>

Market functionality and availability
Market functionality: it is possible to say the market in the Woreda town is functional. We did market observation and discussion with three local and industrial material suppliers in the Woreda town. The suppliers has the capacity to prove the required local and industrial material. The suppliers buy the local material from adjust Woredas of Harowach and industrial material from Harar and Dire Dawa city. To restock the materials, it took 2-3 days to order and deliver the material to the market location under normal circumstance. However, when there are challenges like security and road in accessibility it might take a week.

The market operates every day from 9am-6pm but the largest market is two-time per week which is Saturday and Wednesday.
Market assessment in Midega Tola Woreda, East Hararge

Fig. supplies of Eucalyptus pole in the market.

**Traders capacity**

The supplier restocks the materials three time per month when there is high demand and once in month when the demand decrease. The suppliers has the capacity to restock and/or provide there required quantity of local and industrial material by their own means. The supplies do not have their own trucks they use rental trucks to transport both the local and industrial materials. The transportation facility adequately available in the Woreda and almost all the Kebeles have access to public transportation.

**Price of local and industrial material**

The price trend is stable for the last one year, but the demand for local and industrial material decreased due to recurrent security incidents in and around the area. Due to this and other factors the price trends for the last one year on local and industrial construction material is stable. But price of food showed an increasing trend.

Table 2 Average price of the local and industrial material

<table>
<thead>
<tr>
<th>S/N</th>
<th>Type of material</th>
<th>Unit</th>
<th>Unit Cost in Birr</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Eucalyptus pole large</td>
<td>Number</td>
<td>120</td>
</tr>
<tr>
<td>2</td>
<td>Eucalyptus pole Medium</td>
<td>Number</td>
<td>90</td>
</tr>
<tr>
<td>3</td>
<td>Eucalyptus pole small</td>
<td>Number</td>
<td>70</td>
</tr>
<tr>
<td>4</td>
<td>Corrugated Iron Sheet</td>
<td>Number</td>
<td>185</td>
</tr>
<tr>
<td>5</td>
<td>Nail # 12</td>
<td>Kg</td>
<td>85</td>
</tr>
<tr>
<td>6</td>
<td>Nail # 10</td>
<td>Kg</td>
<td>85</td>
</tr>
<tr>
<td>7</td>
<td>Nail # 8</td>
<td>Kg</td>
<td>80</td>
</tr>
<tr>
<td>8</td>
<td>Nail # 6</td>
<td>Kg</td>
<td>80</td>
</tr>
</tbody>
</table>
IDP access to market

The only market in the Woreda is located the woreda town. All nineteen Kebeles in the Woreda use this market to buy food as well and nonfood items. The market is accessibility by all Kebeles. All the fourteen Kebeles where CERF project is going to be implemented has access to public transportation. The Kebeles located with 1-20km range from market center. On average it cost 30-50 birr to travel to Woreda town using public transport.

we planned to apply two approaches simultaneously to help beneficiaries easily access the market. In the first the Woreda administration office took the responsibility to discuss with suppliers of local material to supply the material to all Kebeles where can do cash distribution by their own means so that cash happened to beneficiaries so that they will procure the material at their respective Kebeles. The second alternative is for HH whom abele does not to procure the material or need to buy more will be allocate with some cash to help them transport the wooden pole to their respective Kebeles organizing in group of ten or more.

Availability of financial service provider

CRS has agreement with Awash for any kind of cash distribution program across the country. In the Woreda town only commercial bank of Ethiopia is located. Other privately-owned banks like Oromia cooperative bank located in nearby Fedis town located 15km from Midega Tola town.

Anticipated risks

- IDPs might use the cash for unintended purpose to like to chat (local used stimulant).
- Most of the IDPs (more than 70% of them does not have IDs).

Mitigation measure

- The Woreda administrators promised to assign Woreda level government sector office head to each Kebele to ensure beneficiaries use the cash for intended purpose.
- CRS will prepare temporary IDP to use by beneficiaries for cash distribution.

Recommendation

Response modality

- Combination of cash and in-kind response modality is recommended in the Woreda.
- The only finial service provider located in the Woreda is commercial bank of Ethiopia. There are other FSP located near by the town so it’s possible to use them.

Market functionality

- The market is functional in the Woreda center only and the Kebeles are accessible for all kind of transportation and has access to public transport. The suppliers in the town has also capacity to responded to the need of the current peoples in need of emergency response. However, if the case load is high its recommended to use either voucher or in-kind assistance.
- Even though the market is functional for local and industrial construction material like poles and nail, CGI the market is not functional for NFI items. Its recommended to provide ain kind ESNFI support.