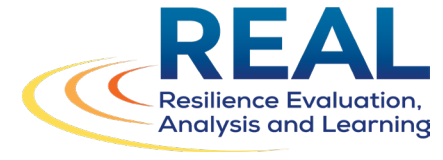




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NE Nigeria Resilience RMS Round 3 - Participant Questions and Comments

Prepared by TANGO International

July 25, 2023

Table 1: NE Nigeria Resilience RMS Round 3 - Participant Questions and Comments

No.	Question or Comment	TANGO Response
Questions / Observations – Assets and Livelihoods		
1.	Danielle Jolicoeur: Men are investing in their wives' businesses as a way to increase another household income source. Is this something that has come up in other RMS findings in other contexts before?	This is something new that we are seeing in this dataset. The qualitative data indicated that in the past there was some skepticism about men investing in women's businesses; there was a perception that women did 'not handle money well'. But to some extent, out of necessity and the fact that men have capital, men are increasingly using their capital to invest in women's businesses to support household income. This is primarily for food processing and sales to increase households' overall access to cash.
2.	Dan Hudner: Do we have much information on households' perceptions of the shift out of agriculture? Do they intend and hope to resume farming once they can afford inputs, or have their priorities shifted to non-ag work because it's seen as more reliable?	<p>This is a very important question. Given that the situation is so fluid at this time, we consider the question of households' longer time livelihood strategies will be an important issue to address in our planned in-depth analysis following the final round of the RMS. Hopefully, by the time of this in-depth study, the economic situation will be somewhat more stabilized, and households will be able to make more informed assessments of their future livelihood prospects.</p> <p>We are seeing a mixture of both permanent and temporary departure from agriculture. Some farmers were unable to acquire loans for inputs; others suffered crop failure and were discouraged from farming this season. Whether or not these farmers decide to return to farming next season or in the future is a question to</p>

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		investigate. The general sentiment was that they did not know.
Questions / Observations – Social Capital, Collective Action and Humanitarian Assistance		
3.	<p>John Meyer: One might conclude that collective action (social capital) is not a resilience capacity here. Since it shuts down during times of stress. Or is it a matter of severity?</p>	<p>Social capital is still very much a resilience capacity here. The thing that we often forget is that social capital is a finite resource. If there are continual shocks and stressors that plague people causing people to run out of resources to share, it becomes more and more difficult to help each other out. It's been working up until now, but it could get really bad if there is not a favorable shift in context or some external infusion of support. The data suggest people are reaching a tipping point, with people selling productive assets and relying on negative coping strategies to meet food needs. This is a threshold you don't want to be passing through.</p>
4.	<p>Nate Ives: What do you mean by collective activities? VSLAs? Or community development activities like the drainage ditch cleaning presented earlier?</p> <p>Ayoade Adetoye: The issue of trust was a result of imbalances people experienced in the network from service providers, particularly financial institutions. Usually, many do not use online transactions. At least, there was a limited number of people who were engaged in that system. The lack of cash in circulation made people move over to the platform and in that process, a number of things went wrong. This led to a jam in the system and distrust.</p> <p>Jazmian Ohanyere: My comment aligns with what has been mentioned about trust in terms of building it, how we do that in development, and how we do that as we collaborate with the government. As we transition into the new administration, many things have changed that have impacted the economy here in Nigeria. This includes the floating of the Forex and recent removal of the fuel subsidies. These have had an extreme impact on the economy and also how we look at the work that we are</p>	<p>Collective action is typically engaging in joint activities that benefit the community. Examples include putting in flood walls to protect fields, putting in health dispensaries, or something the community participates in that has a collective benefit for them. When it becomes more and more difficult for people to engage in collective activity, collective action declines.</p> <p>In this context—and in relation to a market systems development activity, collective action includes collective engagement in economic activities, such as savings (through VSLAs) and collective marketing of inputs and products (e.g., seed fairs, farmer marketing groups, cooperatives). We also need to think in terms of collective action occurring at different levels of markets (local, regional, national, international).</p> <p>With the attempt to shift to a cashless economy with the e-Naira, the data show a very sudden decline in the general level of trust in financial transactions. As a reflection or result of that, people had to tilt towards greater reliance on social capital. One problematic question is what can be done to reestablish more trust in market transactions.</p> <p>Collective action strategies such as supporting collective market activities could be an avenue to consider, e.g., organizing marketing activities that are undertaken by small groups of producers or buyers that have established mutual trust relationships. We see examples of this in the data: suppliers doing business within</p>

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	<p>doing.</p> <p>As we look at new administrations in any country, we hope that the words that are said are actually put into action. Recently, on July 13th, President Tinubu announced an emergency declaration on food security, which outlines an action to improve food security in Nigeria. This plan includes action on irrigation, mechanization, creating better access to finance, and the Ministry of Agriculture working closely with the Ministry of Water and Resources. Many things were mentioned and as all people look at the new administration with hope, my deepest hope is that these points that are mentioned go into play. If these things happen in alignment with what we are discussing today, a lot of change can happen. That change can make Nigeria a very strong country in terms of agriculture, since agriculture is the livelihood of 70 to 80% of Nigerians.</p>	<p>trusted networks during times of financial insecurity and lack of cash in circulation. Supporting these social networks may be one way to reestablish trust for engaging in market transactions.</p>
5.	<p>Karyn Fox: One question relating to Jazmian's mention of the declaration on food security is the extent to which there is need for a safety net component or the integration of humanitarian assistance to help families and households deal with the crisis.</p>	<p>What is really coming out from the study is that it's becoming harder for the poor to participate in markets because they don't have the resources to do so. This compromises the demand side of rural food system markets, for food and for agricultural inputs. We want to make sure that as markets are developed and expanded, we don't exclude the poor. One way to make sure they participate is to have some kind of a cash transfer that allows them to continue to buy inputs and continue to participate in the market so they can get back on their feet. If we don't have some kind of transfer and people are left on their own, the market will eventually lose that portion of the population. Also, we don't see any food assistance or cash transfers, even in the FEWS NET reports. Our data point out that food insecurity is getting worse, and selling of productive assets is getting worse. It is critical to ensure something supports the poor at this juncture.</p>
<p>Questions / Observations - Financial Services, VSLAs, Training, Information Exposure, MSME's</p>		
6.	<p>John Meyer: Does RRA help in setting up VSLAs? Is that a</p>	<p>John Rachkara: Yes, savings groups are supported by RRA. We also introduced direct</p>

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	<p>program output for us? Were there any other actions that the VSLAs took as a group that indicated a sign of resilience?</p>	<p>sales agents as an economic empowerment tool for women and youths. Direct sales agents operating in Northeast Nigeria are pivotal to promote and distribute products/services directly to customers, driving economic growth and market accessibility in the region. RRA has supported the establishment of more than 7,500 direct commercial agents.</p> <p>TANGO: In the qualitative data, we see a high level of discussion about the closure of VSLAs. RRA has been promoting VSLAs from the beginning of the activity. As things have begun to stabilize, it appears that VSLAs have reopened and are resuming their financial activities. During the height of the financial crisis, the data show that across the sample VSLAs continued to meet for mutual social support and to provide information to its members – though not in all communities. In other words, there was an ongoing social function of VSLAs, even though it may not have been the primary financial services function. Another interesting finding is that during the cash crisis, VSLAs supported financial literacy and provided information to members about how to open bank accounts and engage in the formal financial system.</p>
7.	<p>John Meyer: Have the recent shocks affected the sales agents? Are they able to continue functioning or forced to go dormant due to economic stress?</p>	<p>The economic stress did limit the capacity of agents of all kinds from functioning. There are examples of the fuel price hike limiting mobility to some rural locations. Many VSLAs had to close during the worst of the cash scarcity, with some staying open as a form of social support.</p>

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8.	<p>TANGO: Is there a need to reconsider (design of) the market system approach as a result of cash scarcity....?</p> <p>Ayoade Adetoye: I would say we need to reconsider two things. First, the extent to which the impact of the cash scarcity affected the market system. Also, do we have the same effect in the short and long term because the system will not remain the same? We saw that a lot of people from agricultural producing areas were affected because of market policies. We need to be mindful of the system, scale, locations, and the variety of impacts across different sectors of the economy.</p> <p>It is important that we are mindful when making recommendations around the impacts of the cash scarcity on the market system. The impact varies across the board. While farmers were forced to sell their products at low prices, in other places the prices of commodities increased. This was because people that were selling at that time were taking advantage of the opportunity. Places like the Northeast, where we have the majority of farmers domiciled in the same areas, particularly in agricultural producing areas, people were forced to lower commodity prices.</p>	
9.	<p>Danielle Jolicoeur: Do we know whether agri supply shops extended that same kind of service (loan on credit, cash back) or was it only basic goods shops?</p>	<p>Yes, agri supply shops also offered cash back when available and inputs on credit. However, some agri supply shops have become more selective in who they give loans to, some only giving them to trusted customers.</p>
<p>Questions / Observations - Input Market Services, Output Market Services, Improved Agricultural Practices</p>		

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10.	<p>Ayoade Adetoye: Regarding markets, you noted that the effects of the cash scarcity led to decrease in sales. I am not sure if we are trying to prioritize that because I think the major concern around cash scarcity was that farmers and market actors were still able to sell. However, they were forced to sell at lower prices in exchange for cash. So, was that the only key finding TANGO captured or highlighted or were there other effects of the scarcity on farmers and market actors?</p> <p>John Rachkara: From experience, we saw that both examples happened in the Rural Resilience Activity. Sellers were selling commodities at a significantly lower value. But the majority of the farmers were unable to sell, because traditionally and typically, grain markets are cash-based.</p>	<p>This is an example of a general trend we've seen in the third round. One of the impacts of the combination of monetary crisis and rising inflation for various reasons, has been on the demand side. We are exploring the extent to which the sudden shock is affecting the demand for agricultural inputs and services, and how can the supply side and markets adjust to that problem? What are other kinds of interventions that can help to increase the effects of the demand side for those goods and services?</p> <p>With regard to farmers and market agents, certainly price shocks have affected them, causing them to sell products cheaper than desired prices. But looking at other market actors and small households in our interviews, such as small food processors and sellers at markets struggled because many didn't have bank accounts; thus, they were unable to make any sales. We saw other examples of local shopkeepers in the markets generally noticing a decrease in sales due to people's reduced capacity to make large purchases and/or e-purchases. This was in part due to the constrained cash flow.</p> <p>What John shared aligns with what we saw in the qualitative data about various Seed Fairs or market events where suppliers were unable to participate. Although suppliers obviously faced constraints, buyers were also unable to participate because of transport costs and lack of cash to purchase inputs.</p>

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