VANUATU CASH TRANSFER FEASIBILITY ASSESSMENT

Oxfam in Vanuatu
February 2019

Australian Aid

OXFAM

ACKNOWLEDGEMENTS

Authors: Candice Holt (Independent Consultant) and Sandra Hart (Pacific Cash and Livelihoods Advisor, Oxfam in Vanuatu)

This report has benefited from the valuable contributions and comments of Oxfam in Vanuatu, Oxfam Australia and Australian Humanitarian Partnership partners, such as Save the Children, in particular Francesca Reinhardt (Humanitarian Support Personnel, Oxfam Global Humanitarian Team). Oxfam would also like to thank and acknowledge the Vanuatu Chamber of Commerce and Industry (VCCI) Vanuatu Business Resilience Committee (VBRC); the Vanuatu Department of Local Authorities; the Vanuatu Department of Agriculture and Rural Development; the Department of Local Authorities; Vanuatu Council of Churches, and; the communities, households, retailers and local government officials who attended meetings and were interviewed as part of the feasibility assessment. Their contributions were invaluable and form the centre of the report.

Statistician: Marc Delrieu (Vanuatu National University/ Toulouse Capitole Université)

GIS mapping specialist: Vivian Fischer (Oxfam in Vanuatu)

Cash Transfer Assessment Team: Jill Wai (CTP Coordinator, Oxfam in Vanuatu); Vanuatu Youth Challenge Volunteers: Catherine Patunvanu, Cherol Alatoa, Clifford Gasper, Cliffson Pakoa, Dashia Kouha, Doroleen Falau, Edison Tabi, Elijah Robert, Ella Jack, Gaetano Kalopong, Grill Jack, Harry Nauka, Jemina Kuao, Kalua Salerua, Kleny Tom, Litiana Kalsrap, Lorina Raplili, Marco Axi, Maurice Manu, Max Martin, Paul Nalet, Richard Meto, Rosemary Miller, Tevita Gideon, Winnie Tovo

About this report, its partners and donor: Oxfam in Vanuatu's Cash Transfer Feasibility Assessment is part of a series of cash transfer program (CTP) preparedness activities in Vanuatu. This program builds on the regional Pacific Cash Preparedness Partnership, a partnership between Oxfam, Save the Children and the United Nations World Food Programme, which is focused on conducting a series of feasibility studies across Vanuatu, Fiji and Solomon Islands in order to increase awareness, capacity and expertise in cash programming in the Pacific Islands. The feasibility assessment in Vanuatu has been conducted in collaboration with local partners and government, in particular, Youth Challenge Vanuatu, Department of Agriculture & Rural Development, Vanuatu National Statistics Office and the Department of Local Authorities.

The regional approach to CTP feasibility research in the Pacific and this feasibility assessment has been funded by the Australian Department of Foreign Affairs and Trade (DFAT) through the Australian Humanitarian Partnership (AHP) Disaster-Ready Initiative.

Disclaimer: This document references humanitarian preparedness activities implemented with financial assistance from the Australian Government through the Australian Aid program. The views expressed herein should not be taken, in any way, to reflect the official opinion of the donor, and the donor is not responsible for any use that may be made of the information it contains.

Readers: We actively encourage your feedback so your comments may be fed into future research, design and implementation of our Cash Transfer Programs.

Please contact us:
Sandra Hart sandrah@oxfam.org.au
Elsa Carnaby elsac@oxfam.org.au

Cover image: Luganville, Vanuatu: After a volcano eruption on Ambae Island, Oxfam in Vanuatu received funds from the New Zealand government to support displaced evacuees. Chief Reynold (pictured centre) from Ambae advises evacuees and their host families how to receive their second cash instalment via cheque. Photo: Sarah Doyle/Oxfam.

Back cover: Luganville, Vanuatu: Feedback and complaints box at the NBV distribution site. Photo: Sarah Doyle/Oxfam.

CONTENTS

ACRONYMS

ADRA
Adventist Development and Relief Agency

AHP
Australian Humanitarian Partnership

ANZ
Australia and New Zealand Banking Group Limited

ATM
Automated Teller Machines

CaLP
The Cash Learning Partnership

CfW
Cash for Work

CGD
Community Group Discussion

CTP
Cash Transfer Programming

CVA
Cash and Voucher Assistance

DFAT
Department of Foreign Affairs and Trade in Australia

DRR
Disaster Risk Reduction

EFTPOS
Electronic Funds Transfer at Point of Sale

EMMA
Emergency Market Mapping and Analysis; a toolkit designed by Oxfam for rapid assessment of markets post-emergency

FSP
Financial Service Provider

GBV
Gender-Based Violence

IDPs
Internally Displaced Persons

INGO
International Non-Governmental Organisation

KYC
Know Your Customer

LGBTQI
Lesbian, Gay, Bisexual, Transgender, Queer or Questioning, and Intersex

NCD
Non-Communicable Disease

NBV
National Bank of Vanuatu

NFIs
Non-Food Items

NGO
Non-Governmental Organisation

PCPP
Pacific Cash Preparedness Partnership

PICs
Pacific Island Countries

POS
Point of Sale

PWD
People with Disabilities

RBV
Reserve Bank of Vanuatu

TC
Tropical Cyclone

TVL
Telecom Vanuatu Limited

UNDP
United Nations Development Programme

VNPF
Vanuatu National Provident Fund

Vatu (VT)
Vanuatu Currency

WFP
World Food Programme

WRI
World Risk Index

A. EXECUTIVE SUMMARY

About the report

Oxfam[1] conducted this Vanuatu Cash Transfer Feasibility Assessment in partnership with Youth Challenge Vanuatu, Department of Agriculture & Rural Development, and the Vanuatu National Statistics Office with funding from the Australian Department of Foreign Affairs and Trade (DFAT) through the Australian Humanitarian Partnership (AHP) Disaster-Ready Initiative. The assessment is part of the regional Pacific Cash Preparedness Partnership, a partnership between Oxfam, Save the Children and the United Nations World Food Programme, which is focused on conducting a series of feasibility assessments across Vanuatu, Fiji, and Solomon Islands in order to increase awareness, capacity and expertise in Cash Transfer Programming (CTP) in the Pacific Islands.

The overarching objective of the assessment is to build a strong and context-specific evidence base to guide and inform national discussions, awareness and preparedness initiatives related to the use of cash transfers as a means of humanitarian assistance for response, recovery and resilience programs.[2] Particularly, this report informs country-level cash transfer preparedness to enable more efficient and effective emergency CTP in Vanuatu. The report identifies:

- locations where cash transfers are a viable approach to deliver emergency assistance in Vanuatu;
- to whom cash transfers may be appropriately delivered;
- when this type of assistance is most effective; and
- preliminary recommendations based on the research findings on how (in what form) cash transfers can be delivered in Vanuatu.[3]

This research was endorsed as being consistent with the Government's National Sustainable Development Plan 2016–2030 and Vanuatu Climate Change and Disaster Risk Reduction Policy 2016–2030; both of which focus on enhancing the country's resilience and adaptive capacity to climate change and natural hazards, reducing the impact of disasters on long-term development, and increasing the effectiveness and impact of disaster response.

Cash transfers are now widely recognised as being cost effective and an efficient form of disaster assistance that empowers people to make their own choices about what their household needs are after a disaster. It also revitalises and strengthens local markets, supporting the long-term development of the affected area. However, despite the Pacific's exposure to numerous and frequent natural hazards, until now, CTP has not been the preferred disaster assistance modality —large-scale, in-kind distributions have taken precedence.

The CaLP Feasibility Scoping study for CTP in the Pacific found significant opportunities in the region for scaling up and using CTP more regularly as an emergency response modality. However, due to the uniqueness of each Pacific country, in-depth country-specific research was recommended as a key next step in order to gauge the feasibility of cash transfers in each country.[4] In line with this recommendation, this nationwide Cash Transfer Feasibility Assessment was undertaken in Vanuatu with the aim of ensuring that the benefits and challenges of CTP are more fully understood.

The feasibility assessment drew upon secondary and primary data sources. The primary sources come from two Oxfam-led field assessments that were carried out from March 2018 to June 2018, the first being the **general cash transfer feasibility assessment**, and the second being the **CTP service provider capacity assessment**. The results of these two assessments together form the core of the Vanuatu Cash Transfer Feasibility Assessment. The report aims to answer the following research questions:

- Where is CTP feasible?
- Who are key stakeholders who will benefit from CTP?
- What needs can CTP address after a disaster?
- How could CTP be delivered in Vanuatu via existing financial and market systems?[5]

To do this, the Cash Transfer Feasibility Assessment[6] is structured around four indicators identified as essential dimensions when measuring the overall feasibility of a CTP: access, acceptance, appropriateness and market capacity. The report is structured around addressing overall feasibility of CTP at the national level across the four indicators before then analysing each of the six provinces separately.

1 The name "Oxfam" in this report refers to Oxfam Australia and Oxfam in Vanuatu.
2 Oxfam in Vanuatu, *'Terms of Reference for the Cash Transfer Feasibility Study'*, 2018, p. 1
3 Oxfam in Vanuatu, *'Methodology & Implementation Framework, Vanuatu's Cash Transfer Feasibility Study'*, 2018, p.1
4 C Hobbs & R Jackson, *'CTP in the Pacific, A Feasibility Scoping Study'*, CaLP, 2016, p.60 <http://www.cashlearning.org/downloads/calp-pacific-scoping-study-web.pdf >
5 Oxfam in Vanuatu, *'Methodology & Implementation Framework, Vanuatu's Cash Transfer Feasibility Study'*, op. cit., p.2&3
6 See Annex 1: Definitions

Overall findings

The research shows that it is clearly possible to implement cash transfer interventions in multiple locations within Vanuatu. However, the level of feasibility across different islands varies greatly. Therefore, there is not one single delivery mechanism that fits all locations; different mechanisms and, indeed, modalities should be adapted according to the area of intervention and specific needs. As would be expected, all CTP response activities design should consider geographic location, the needs of the affected population, and the time frame of the intervention (eg. response or recovery) in their design.

The assessment results reveal a general CTP feasibility trend that the further away and less connected a location is from the two commercial centres of Port Vila and Luganville, the less conducive it is for CTP.

ACCESS

- In rural and remote areas, most households on outer islands and areas further away from provincial centres have easy access to small stores and small community markets that stock a small variety of goods. Whereas, households in provincial centres, especially the two commercial centres, have access to larger markets that stock a wide range of goods.
- The longer the distance that households must travel to reach a functional market or store after a disaster, the less feasible it is for CTP to be effective, due to high travel costs and the unavailability of transport.
- Low penetration of financial services providers (FSPs) outside of commercial centres means that access (particularly including distance, time and transportation cost) is one of the biggest challenges for rural and remote areas.
- The most popular FSPs used by the respondents are banks, particularly the National Bank of Vanuatu. Households report that their accounts are mainly used for saving money. The frequency of use is generally very low across Vanuatu with households using banking services on average once every 1.5–2 months.

ACCEPTANCE

- Unrestricted cash is the preferred type of assistance after a disaster according to the communities and households across Vanuatu.
- More than one third of communities (37%) expressed concerns about potential risks with the implementation of CTP. The main perceived risks or concerns were that cash could be spent on the wrongs things, it could be stolen, and it could cause tensions within the community if the distribution of cash is deemed unfair.
- When asked hypothetically who should receive the cash transfer, there is a sharp contrast between the results found in the household interviews and the community group discussions. The household results reveal a preference for the male head of the household to be the recipient (as opposed to the female, or both the male and the female together), whereas, the community group discussions indicated a preference for male and female members to receive the transfer together, followed closely by a preference for the female head of the household.[7]

APPROPRIATENESS

- Regardless of location, all households in Vanuatu regularly engage with markets to fulfill their daily needs. The top five weekly expenses outside of an emergency were listed as food, school fees, clothing, travel or transport, and health needs.
- For rural and remote households, the market plays a more supplementary role in meeting regular needs, as compared with a more primary role for urban households. However, the dependence on markets and use of cash in day-to-day lives explains why it has been found that during a disaster people withdraw cash from their savings to cover their basic needs. Evidence of this can be seen in both Vanuatu National Provident Fund (VNPF) and cooperatives giving residents of Ambae exceptional permission to withdraw their savings after the volcanic eruption and subsequent relocation.[8]
- More than two thirds (68%) of all communities surveyed had been impacted by a disaster for which they received external assistance in the last three years (2015–2018). Households in these communities recalled that their immediate disaster needs were food, water and shelter.
- The perceived problems that the communities think are most likely to occur in the next disaster response are centred on the targeting of assistance (considered unfair and insufficient for everybody in need to receive it), and the timing of the assistance (the average wait time of more than three weeks was considered too long).
- Household interviews and community group discussions identified the most at-risk groups in their community to be the elderly, widows, single mothers, children (girls slightly more so than boys), and people with disabilities. These groups are considered to be in need of additional assistance during a disaster response.

7 The possible reason for this contradiction is unpacked and discussed in Section E. Results: feasibility of cash transfers across Vanuatu.
8 F Reinhardt, *'CTP Service Provider Capacity Assessment'*, Vanuatu, Oxfam, 2018, p.1

MARKET CAPACITY

- Essential goods are easy to supply from within the Pacific region, but the challenge is getting the goods to markets that people can access within a reasonable time frame to prevent affected populations relocating to more accessible locations.[9]
- A few large wholesalers control most of the importation and distribution of essential commodities and manufactured goods to smaller vendors across the country.[10]
- Outside of large commercial centres, the lack of critical services and infrastructure, such as credit, storage, warehousing and bulk transport, greatly reduces the market capacity to absorb sudden increases in demand.[11]
- More than three quarters (86%) of shopkeepers predict that they could scale up to meet an increase in demand, though the majority report needing up to two weeks to do so. Small vendors have less ability to increase their supply volumes, with 47% reporting that they cannot increase what they sell, and 38% only being able to increase a little.
- Almost all stores expressed interest in being involved in future CTP and receiving pre-crisis training in cash transfer processes and systems. They acknowledged the need for awareness sessions with communities and other traders in order for them to effectively participate.

DELIVERY MECHANISM FOR CTP[12]

- Currently, FSPs in Vanuatu would face operational challenges in transferring money efficiently to large groups of people at the same time. Banks do not have experience in mass registration of bank accounts and mobile money services have not been launched in the country. Most banks do have payroll services but not organised cash-out. Because of these restrictions, bulk payment to beneficiaries via cheques or other transfer instruments, and organised cash-out are currently the most feasible options.
- Vouchers are feasible and particularly suitable for medium feasibility areas where there are challenges for local stores to maintain stable supply and restock. However, currently they involve heavy logistical requirements, as organisations need to do thorough vendor mapping, assessment and contracting in the targeted locations. Tailored voucher service options include "closed loop" smart cards, barcode paper voucher systems and simple paper vouchers. They are easy to use however, there are no services offered locally at this time to create smart cards, and at scale they are difficult to reconcile, not durable, and prone to fraud and reproduction. Anti-money laundering regulations may hinder the use of an "open loop" or local smart card product.
- Minimum Know Your Customer (KYC) requirements are attainable: two pieces of ID or validation by a local chief, and protocols exist for delegation of authority for people with disabilities. However, there is often confusion of names on ID cards and differences between registered names.
- Network connectivity is limited and variable on outer islands, which slows down communication and transactions.

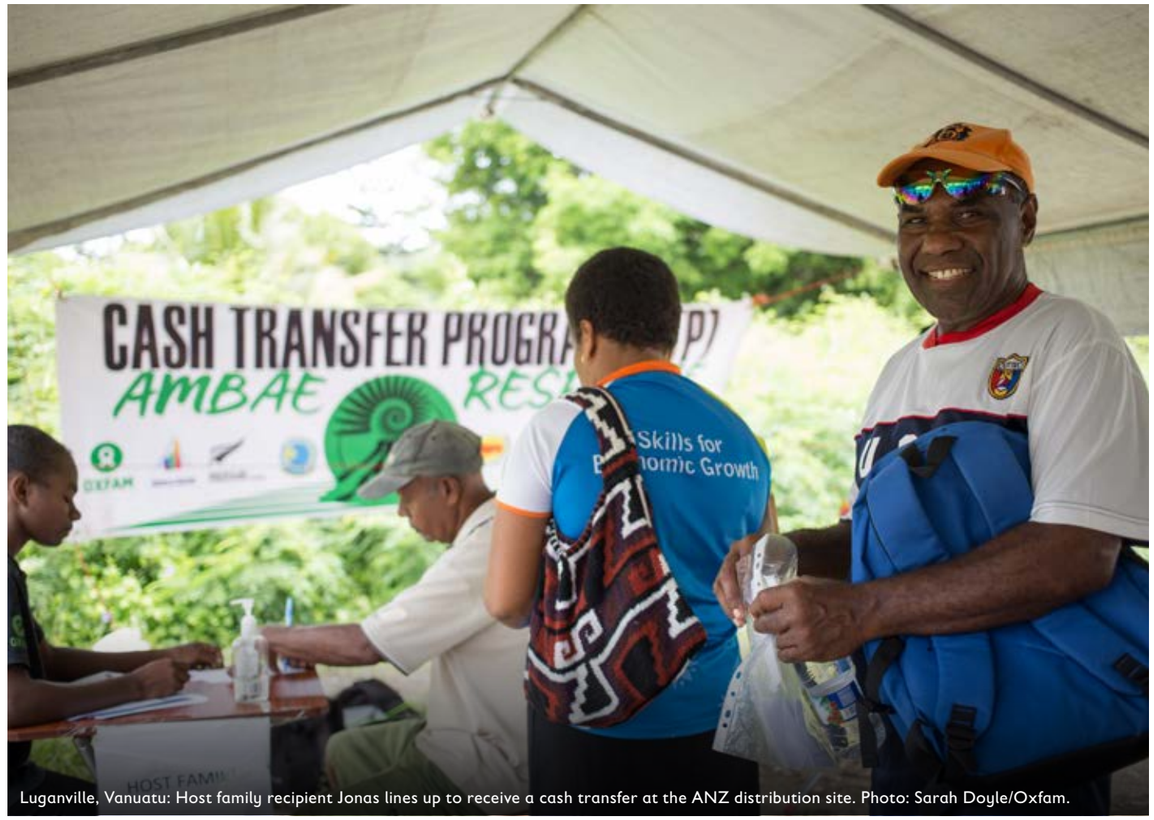
Recommendations

The findings summarised above indicate that CTP is feasible in Vanuatu and therefore should be considered as a possible response modality by national stakeholders and relevant coordination mechanisms, such as clusters. However, there is no one-size-fits-all approach to CTP in Vanuatu as the assessment found the degree of feasibility varies greatly between locations.

In addition to overall recommendations, there are recommendations that specifically match the three cash transfer feasibility classifications (high, medium and low) to ensure accuracy and relevance for the targeted audience of any stakeholders, government and non-government that plan to implement CTP in Vanuatu in the future.

Overall recommendations

1. While CTP can be implemented in Vanuatu, there remain some capacity gaps. Governments, NGOs, civil society and other stakeholders should consider investing in cash preparedness, training and learning for staff in order to build capacity to implement cash transfers at scale. The piloting of different cash transfer modalities at a small scale should be encouraged to generate the required learning of implementing stakeholders and staff and to raise visibility around the utility and degrees of difficulty related to each modality.
2. The assessment found that the majority of stores are open to participating in CTP and receiving the training to do so. Thus, providing training and learning opportunities for stores and relevant private sector stakeholders in preparation for the potential delivery of CTP in future disasters is recommended. Specifically, targeted trainings are recommended for FSPs (commercial banks and remittance agencies) and market stakeholders, such as small and medium sized vendors and traders, as this would assist in building capacity and optimising the speed of operational set-up in cash transfer interventions.
3. Governments and NGOs should establish standard cash transfer minimum and maximum amounts and methods of calculation of a Minimum Expenditure Basket (MEB), as well as minimum standards for CTP. When calculating the MEB, additional costs like transport should be taken into consideration because the assessment found that those costs are high and are likely to increase in times of emergency.
4. Specific research is needed in order to understand the extent to which CTP can fulfill the needs of at-risk groups within the population, who are disproportionately affected by disasters, without amplifying their vulnerabilities. Any such research should involve the direct participation of these groups.
5. Create a standard market assessment that is tailored to Vanuatu with trained enumerators to administer the assessment during the initial disaster response, in conjunction with the rapid needs assessment.
6. Encourage FSPs to address the lack of services with liquidity in rural and remote areas, in keeping with the growing opportunities for electronic transfers.[13]
7. Advocate to FSPs to put systems in place for mass registration of bank accounts, or bulk cheque or transfer systems, and increase the number of cash-out services with the capability to support the implementation of CTP. Small CTP pilots are recommended to support this capacity building process.[14]
8. A gender and protection analysis is required before implementing CTP in Vanuatu and should be integrated into all needs and market assessments to ensure the correct approach is taken in light of the context and program. The assessment results present a complex picture (notably, differing preferences for male or female recipients, and the prevalence of gender-based violence), so the household recipient of the CTP should not be automatically assumed.



Luganville, Vanuatu: Host family recipient Jonas lines up to receive a cash transfer at the ANZ distribution site. Photo: Sarah Doyle/Oxfam.

9 Ibid.
10 Ibid.
11 Ibid.
12 Reinhardt, op. cit., p.4–7
13 Ibid.
14 Ibid.

General recommendations* by overall feasibility level	
HIGH FEASIBILITY LOCATIONS**	**Multipurpose, unconditional cash transfers** are the preferred, quickest and least resource-intensive option in the emergency or recovery phase of a response. From the recovery phase onwards, conditional cash transfers can be designed and used to elicit specific outcomes or behaviours.
	Delivery options: • In-kind assistance can be used to complement multi-purpose cash. • Bulk payment to beneficiaries through cheques or other remittance-based transfer instruments in order to ensure adequate liquidity (cash), organised "cash-out" events are most feasible. • Introduction of digital payment systems is an option as network infrastructure is stronger in these areas.
	Preparedness actions: • Set clear parameters for an unconditional/multipurpose cash transfer amount. • Select suitable FSPs, confirm capacity to deliver and plan delivery arrangements, ideally enshrined in a framework (standby) agreement. This may provide time to negotiate service fees and/or identify extra costs and staffing requirements. • Identify a Market Assessment approach and tools that can be rapidly deployed for use.
MEDIUM FEASIBILITY LOCATIONS**	In locations with medium feasibility or where there are challenges for local stores to maintain stable supply and restock, **market recovery measures and a slow/phased introduction of cash modalities** over an extended period, and **income-generating activity grant programs** during the recovery phase of emergency response are currently the most feasible. Closed-loop or "cashless" approaches may be used to mitigate liquidity constraints, but may require supply-side support.
	Recommended delivery mechanism: • Small, multipurpose cash transfers to complement in-kind assistance are slowly introduced. • Cash-out locations/events are required and are likely to be smaller in scale and higher in frequency. • Voucher-based approaches will require partnership with the private sector to repair or reinforce the supply chain to improve the supply and restocking of goods in local shops. • Vendor networks (small shops or fresh food vendors) will need to be established or used wherever possible to enable use of vouchers, for example voucher fairs.
	Preparedness actions: Market-based programs aimed at supporting local cooperatives to develop the retail skills to be able to scale up in the event of an emergency, and to be able to sell the type and quantity of goods that a disaster-affected population would likely need.
LOW FEASIBILITY LOCATIONS**	Generally, low feasibility should be treated as a proxy indicator for the delivery of in-kind assistance. At present, in-kind assistance is the only reasonable means of delivering assistance in these areas, which are either very remote, or too small to have sufficiently developed markets and infrastructure to accommodate CTP without causing supply stress or inflation.
	Recommended delivery mechanism: • In-kind assistance • Very small-scale, closed-loop/voucher programs may be periodically considered for specific commodities or products that are low-volume and regularly sold by a network of vendors. An example may be soap or hygiene products.
	Preparedness actions • Strong advocacy with the financial services sector is required to improve banking infrastructure and/or financial products adapted for use in remote areas. • Clear and consistent messaging to national and provincial government on the non-feasibility of CTP in these areas should be employed to manage expectations.

* Using the information available at the time of the assessment these are what was found to be feasible. The feasibility and the corresponding programming approaches are subject to change as more research and preparedness programs are conducted in Vanuatu.

** In all three location types — heavy, medium and low feasibility — heavy monitoring is likely to be required to address and minimise concerns of misuse.

B. INTRODUCTION

In recent years, the use of cash transfer programming (CTP) in emergencies has rapidly increased. In 2015–2016, the delivery of CTP by local and international NGOs together with the UN for humanitarian assistance reportedly increased by 40%.[15] The growing interest in CTP among many of the major institutional donors is reflected in the Grand Bargain Commitments of the 2016 Global Humanitarian Summit.[16] The main advantages that cash-based responses provide over traditional in-kind assistance are significant: successfully administered CTP supports local markets; gives the affected population more flexibility when meeting their needs; and gets assistance to people in need faster and in a more targeted way with lower operating costs. However, CTP is not necessarily suitable in all contexts, and the true potential and level of success of cash-based interventions depend largely on preparedness.

The first step in preparedness is a clear understanding of the opportunities and constraints. The CaLP Pacific Feasibility Scoping Study in 2016 broadly investigated the feasibility of scaling up the use of cash transfers for emergencies in the Pacific. The study assessed barriers to the uptake of CTP with the aim of supporting practitioners and decision-makers in identifying next steps for this new form of disaster assistance. The study found that there is scope to scale up and that the full potential of CTP has not been reached; however, to do so, country-level analysis is required.[17]

Building on the regional report, a small cash transfer feasibility study was piloted in 14 communities across Vanuatu in 2017, which was funded by FAO and implemented by Oxfam in Vanuatu with technical support from WFP.[18] The study found that CTP could be feasible in Vanuatu but, due to the difference in access and markets across the country, the study recommended that a more in-depth nationwide assessment was necessary in order to fully unpack the country's feasibility to a level that can accurately inform future CTP response and preparedness programming.[19]

This assessment responds to this need for more in-depth information in the Vanuatu context. The assessment, led by Oxfam in close collaboration with government, constitutes the first step in this direction, and is the first of its kind in Vanuatu. Through the Australian Government (DFAT) Australian Humanitarian Partnership (AHP) Disaster-Ready Initiative, Oxfam in Vanuatu carried out the assessment as part of a series of CTP preparedness activities in Vanuatu.

Although it has not been extensively used in the Pacific Region, there are some examples of CTP that suggest the approach can work, and should be further explored. In Vanuatu, this includes the use of vouchers, cash for work, and income-generating grants by Oxfam in Vanuatu following Tropical Cyclone Pam (2015). In Fiji, a large-scale food voucher top-up program was implemented by the Fijian Department of Social Welfare, together with the UN World Food Programme and Adventist Development and Relief Agency (ADRA), in addition to some small-scale cash-for-work programs after Tropical Cyclone Winston (2016).[20]

This assessment is part of the regional Pacific Cash Preparedness Partnership, a partnership between Oxfam, Save the Children, and the United Nations World Food Programme, which is focused on conducting a series of feasibility studies across Vanuatu, Fiji and Solomon Islands, and to increase awareness, capacity and expertise in cash programming in the Pacific Islands over the course of a four-year period (2017–2020).

The overarching objective of Vanuatu's Cash Transfer Feasibility Assessment is to build a strong and context-specific evidence base to guide and inform national discussions, awareness and preparedness initiatives related to the use of cash transfers and vouchers as a means of humanitarian assistance for response, recovery and resilience programs.

What is cash transfer programming?

Also known as Cash and Voucher Assistance[21], cash transfer programming (CTP) is a market-based approach to providing development or humanitarian assistance that works through or supports local markets. It includes interventions that use the market, such as cash transfers to affected populations, as well as interventions that directly support the market, such as conditional grants to traders to recover their market capacity.[22]

When CTP was implemented by several agencies after the Indian Ocean Tsunami of 2004 and was found to be an effective way to meet needs, the popularity and recognition of CTP increased.[23] In comparison with in-kind assistance, CTP has been seen to be

15 CaLP & Accenture Development Partnerships, *'The State of the World's Cash'*, 2018, <http://www.cashlearning.org/resources/the-state-of-the-worlds-cash-2018>
16 Agenda for Humanity, *Grand Bargain Initiative*, 2016 <https://www.agendaforhumanity.org/stakeholders/commitments/368>
17 Hobbs & Jackson, op. cit., p. 60
18 Involving the Cash-Based Transfers/Social Safety Nets unit, Vulnerability Analysis and Mapping Unit and Logistics/Supply Chain units based in Fiji, with additional backstopping from WFP's Regional Bureau for Asia and the Pacific when required.
19 UNWFP, FAO, & Oxfam in Vanuatu, *'Cash Feasibility Pilot Study: Establishing the feasibility of using Cash Based Transfers to distribute humanitarian assistance to households in Vanuatu'*, 2017, p.4
20 Hobbs & R Jackson, op. cit., p.28–29
21 Please note that though CaLP recently updated their terminology and now recommend that Cash and Voucher Assistance (CVA) should be the collective term to which all types of cash programs fall under, this report will be using CTP instead. This is to avoid confusion in Vanuatu as the country has only recently been introduced to CTP through a nationwide awareness campaign and participation in this feasibility assessment.
22 CaLP, *Markets in Humanitarian Response*, 2018, < http://www.cashlearning.org/markets/markets
23 Oversees Development Institute (ODI), *CTP and the humanitarian system: background note of the high level panel on humanitarian cash transfers*, 2015, <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9592.pdf >

more efficient and cost-effective, and it offers a greater level of dignity to the affected population, giving them the power of choice.[24] Market-based programming is gaining momentum across the humanitarian sector, and with it there is an increased expectation that humanitarian agencies have the information and capacity to implement CTP. In fact, CTP has become so popular among humanitarian stakeholders that, rather than having to justify a case for the use of cash-based programming, the opposite is true. Donors and humanitarian agencies increasingly ask, "If not market-based, why not?"[25]

For the purposes of this assessment, the report uses definitions from the CaLP *Glossary of Terminology for Cash and Voucher Assistance, 2018/2019:*

> **Cash Transfer Program** (Cash and Voucher Assistance) refers to all programs where cash transfers or vouchers for goods or services are directly provided to recipients. In the context of humanitarian assistance, the term is used **to refer to the provision of cash transfers or vouchers given to individuals, household or community recipients,** not to governments or other state actors. This excludes remittances and microfinance in humanitarian interventions (although microfinance and money transfer institutions may be used for the actual delivery of cash).[26]

Oxfam's global experience in CTP dates back to the 1990s, with implementation increasing significantly in scale from 2005 to present. Oxfam has implemented CTP and market-based approaches in more than 40 countries. Oxfam's approach is fundamentally market-based, incorporating delivery of aid through market structures, as well as work to support and strengthen the capacity of key market actors and infrastructures by supporting traders, improving access to credit, and rehabilitating infrastructure. Oxfam programs also aim to increase resilience in the longer term, looking at supply and income markets that concern the most affected.[27]

Country context

The Republic of Vanuatu is a small island nation in the South Pacific with a largely Indigenous population of 270,402 spread across 83 islands and 6 provinces.[28] In addition to the three national languages — Bislama, English and French — there are more than 80 different language groups, and a range of social structures adds to the already geographically diverse archipelago.

Three quarters of the population live in rural areas and the urban populace lives primarily in two cities: Luganville and Port Vila, the capital. Vanuatu's three largest islands — Espiritu Santo, Malekula and Efate — accommodate more than half of the populace.[29]

At the subnational level, Vanuatu is administered by six provincial councils and three municipal governments (Port Vila, Luganville and Lenakel), as well as the National Council of Chiefs, which upholds matters of custom and tradition.

Economic development in Vanuatu is restricted by exposure to natural hazards; reliance on a few commodity exports (mainly copra, timber, beef, cocoa and coffee[30]); and long distances between main markets due to the geographic spread of the islands. Most economic activity and infrastructure is concentrated in the capital Port Vila, on Efate Island in the Shefa Province, and in the secondary commercial centre Luganville, on Santo Island in the Sanma Province. The islands of Tanna and Malekula also have commercial centres and some infrastructure but, critically, they have no international cargo ports or wharf infrastructure for direct receipt of imported shipments. All international shipments must be first received and cleared via Port Vila and Santo ports.[31] While most food is produced locally by subsistence agriculture, cargo shipping is critical for fuel, manufactured goods and non-perishable food. Only some of the more rural and remote islands have roads that can accommodate motor vehicles, and infrastructure is typically limited to grass field airstrips, access for small boats with outboard motors (known as banana boats), and small stores.

Vanuatu is predominately a cash-based society, with the 2010 Household Income & Expenditure Survey (HIES) reporting that 90% of households had some form of cash income (99% of urban households and 91% of rural households).[32] The majority of income in Vanuatu comes from wages and salaries, sales of agricultural products including fish and seafood, sale of handicrafts, and own account production (subsistence). Almost three quarters of Vanuatu's population (71%) aged 15 and older are economically active, however, only 30% receive regular paid income.[33] The unemployment rates are 12% and 2% in the urban and rural areas respectively.[34]

The prevalence of extreme poverty is generally very low due to the high rates of subsistence farming and fishing.[35] However, multidimensional human poverty[36], which measures health, education and standard of living as opposed to income, is higher and more severe in rural and remote areas. Estimated at 2.3% nationally, Vanuatu has one of the highest rates of population growth in the world.[37] The overall national average household size was 4.9 members in 2010 with poorer households most likely to have larger household sizes.[38]

According to Vanuatu's 2009 Census, around 5% of the population has a mild, moderate or severe disability — this is quite high in comparison with other countries.[39] People with disabilities are highly vulnerable to poverty and, according to the Vanuatu Hardship & Poverty report (2010), more than 30% of people with severe disabilities are living in the lowest wealth quintile, compared with 16% of people without reported disabilities.[40] Non-Communicable Diseases (NCDs), including cardiovascular disease, diabetes, cancer and chronic respiratory disease, are the leading cause of death and disability in Vanuatu.[41]

Vanuatu is a predominately patriarchal society[42] in which women face inequalities in all aspects of their lives, so women experience greater disadvantage in times of emergency. The prevalence of Gender-Based Violence (GBV) in Vanuatu is one of the highest in the world. The Vanuatu National Survey on Women's Lives and Family Relationships was conducted in 2011, finding that around 60% of women experience some form of physical and/or sexual violence by a partner in their lives. For women with disabilities, the risk is considerably higher. Almost 30% of girls under the age of 15 have been sexually abused, with the most likely perpetrator being a boyfriend or male family member.[43] As seen after all large-scale disasters in Vanuatu — Tropical Cyclone (TC) Vania in 2011 and TC Pam in 2015 being prime examples — violence often increases as a result of an emergency.[44]

Vanuatu is one of the world's most disaster-prone countries and the people of Vanuatu face frequent natural hazards in a complex and changing environment. Vanuatu is situated on the notorious Ring of Fire and the Cyclone Belt, experiencing a wide range of geophysical and hydro-meteorological hazards, including earthquakes, volcanic eruptions, tsunamis, landslides, cyclones, floods and droughts. According to the World Risk Index, Vanuatu ranks number one in the world for exposure to natural hazards, as 64% of the population are exposed to two or more natural hazards.[45]

In recent years, there has been increased recognition that cash transfers, which have been so successful in emergency responses in other contexts, could be useful in Vanuatu. Successful small cash pilot programs were implemented in response to TC Pam and more recently in response to the Ambae volcanic eruption.

During the response to TC Pam:

- The government allowed 5,000 workers under the Vanuatu National Provident Fund to withdraw 20% of their retirement funds.[46]
- Oxfam provided vouchers for agricultural inputs in Port Vila, and managed a cash-for-work program and an income-generating activity grant program in Port Vila and Epi during the emergency and early recovery phases (this was extended into an intervention for the El Niño-induced drought).[47]
- United Nations Development Programme (UNDP) provided a small-scale cash-for-work project for around 100 people in Port Vila on the island of Efate and Tanna Island in Tafea.[48]

24 Oxfam GB, *'Cash-transfer Programming in Emergencies'*, in P Creti & S. Jaspars Ed. 2006, p. 23 <https://oxfamilibrary.openrepository.com/bitstream/handle/10546/115356/bk-cash-transfer-programming-010206-en.pdf;jsessionid=7E5E7565FE7F20418249D6C84C4124B9?sequence=8 >

25 Oxfam in Vanuatu, *'Terms of Reference for the Cash Transfer Feasibility Study'*, loc. cit.

26 CaLP, *'Glossary of Terminology for Cash and Voucher Assistance'*, 2018, <http://www.cashlearning.org/resources/glossary >

27 Oxfam, *'CTP: can Oxfam stay ahead of the game?'*, April 17th, 2015, < Https://Views-Voices.Oxfam.Org.Uk/2015/04/Oxfams-Cash-Work/ >

28 Vanuatu National Statistic office, *'2016 Post – TC Pam Mini – Census'*, Ministry of Finance and Economic Management, 2016, <https://vnso.gov.vu/index.php/component/advlisting/?view=download&fileId=4542>

29 Ibid. p.1

30 The Nexus Commonwealth Network, *'Find import and export expertise in Vanuatu'*, Nexus Partnership limited, 2019.<http://www.commonwealthofnations.org/sectors-vanuatu/business/import_and_export/>

31 Logistics Cluster Vanuatu, *'2.1 Vanuatu Logistics Infrastructure'*, Logistics Capacity Assessment edited by J. Paulin on Sep 26, 2017, <https://dlca.logcluster.org/pages/viewpreviousversions.action?pageId=852101>

32 Vanuatu National Statistics Office (VNSO), *'Vanuatu's Household Income and Expenditure Survey'*, 2010, p.27 < https://vnso.gov.vu/index.php/document-library?view=download&fileId=2056>

33 ibid

34 ibid

35 VNSO & UNDP Pacific Centre, *'Vanuatu Hardship & Poverty Report Analysis of the 2010 Household Income and Expenditure Survey'*, 2010, pg. 30

36 The multidimensional human poverty index (MPI) was created by UNDP and Oxford University in 2010 as a measurement of poverty that complements the traditional way of measuring poverty through income. The MPI looks to understand how people experience poverty by assessing three key dimensions: health, education and standard of living.

37 UNWFP, FAO, & Oxfam in Vanuatu, op. cit., p.5

38 VNSO & UNDP Pacific Centre, op. cit. p.23

39 According to the VDHS, the disability prevalence rate is only 3.3 percent, but there are strong reasons to believe that the survey undercounts people with mild and moderate disabilities.

40 VNSO & UNDP Pacific Centre, op. cit., pg.30

41 UNWFP, FAO, & Oxfam in Vanuatu, op. cit., p.11

42 Note that there are some matrilineal societies in some northern and central islands.

43 Vanuatu Women's Centre, *'Vanuatu National Survey on Women's lives and family relationships'*, 2011, <https://dfat.gov.au/about-us/publications/Documents/womens-centre-survey-womens-lives.pdf>

44 CARE International in Vanuatu, *'Rapid Gender Analysis Cyclone Pam in Vanuatu'*, 2015, p.8 <https://care.ca/sites/default/files/files/RGA%20Cyclone%20Pam%20Vanuatu%207%20April%202015.pdf>

45 P. Mucke, *'World Risk Report Analysis and prospects 2017'*, Bündnis Entwicklung Hilft, 2017, <https://reliefweb.int/sites/reliefweb.int/files/resources/WRR_2017_E2.pdf>

46 Hobbs & Jackson, op. cit., p.29

47 Oxfam, *'A Case Study: Oxfam experience on Cash Transfer Program in Vanuatu'*, 2016

48 UNDP, *Vanuatu: UNDP Launches Cash-for-Work Programme to Build Back Better,* 2015 <http://www.undp.org/content/undp/en/home/news-centre/news/2015/04/21/vanuatu-undp-launches-cash-for-work-programme-to-build-back-better.html>

At the time of writing this report, two cash transfer programs are being implemented in response to the Ambae evacuation.

- Save the Children is implementing a small-scale cash-for-work program on Maewo, targeting 900 households across four sites.
- Oxfam in Vanuatu is distributing unconditional cash grants to 2,091 evacuees and 578 host families in Luganville and surrounding areas on Santo, with funding from the New Zealand Ministry of Foreign Affairs and Trade. More than 13,000 individuals benefit from the program.
- Oxfam in Vanuatu has conducted a rapid Emergency Market Mapping Analysis (EMMA) in order to assess the possibility of designing a cash or voucher program in Maewo, with results indicating that a large-scale cash transfer operation would not be feasible.

In addition to the primary data collected for this assessment (outlined below), this report includes real-time learning from these ongoing cash transfer programs in response to the Ambae evacuation.

Luganville, Vanuatu: Madlen and her son after cashing her cheque at the NBV distribution site. Photo: Sarah Doyle/Oxfam.

C. METHODOLOGY

Assessment approach

The feasibility assessment combines the findings from two field-based assessments:

1. The General Cash Transfer Feasibility Assessment was conducted at the household, community and local market levels across all six provinces, focusing on gaining a "downstream" understanding of the appropriateness of cash transfers. This was based on community group discussions[49], household level interviews, and a market and supply chain analysis to understand market capacities and dynamics and to find out where cash transfers may be suitable and where this approach can be adequately supported by markets.
2. The CTP Service Provider Capacity Assessment was conducted primarily at national level with key service providers to gain an "upstream" understanding of the products and services available within the private sector, which could be used to facilitate the delivery of CTP. This assessment specifically considered how cash transfer or vouchers could get to the affected population in an effective and efficient manner for an emergency or recovery response, and which providers would be best placed for this.

Before either assessment took place, Oxfam brought together key stakeholders from government, private sector and the humanitarian/development sector for a Stakeholder Information and Kick-Off Workshop. This session introduced the assessment, discussing CTP and the strengths and barriers to promoting cash transfer preparedness in Vanuatu. Oxfam also consulted with and sought approval from the National Advisory Board before beginning the assessment.

Strong awareness raising and messaging was used to ensure visibility for the assessment, including radio interviews and talkback shows; dissemination, at national and community levels, of posters that explain cash transfers; and news and social media pieces. Bilateral discussions with critical government and private sector stakeholders introduced the concept and purpose of the assessment, encouraging sustained engagement throughout the assessment period.

Data for the **General Cash Transfer Feasibility Assessment** was collected using a mixture of both purposive sampling and random sampling methodologies within the targeted locations in each province. Purposive sampling was used to deliberately target the most populous areas in each province, based on Vanuatu National Statistics Office's 2016 Mini Census. Random sampling was used to select households within targeted communities to participate in the assessment. The random sampling of households limited the bias on information obtained from recipients within the purposely-targeted areas.

Market Analysis: Just as it is important to interview communities about their needs and preference in times of disaster, it's also important to map out and understand the capacity of local markets in pre-crisis times to understand whether they would be able to meet the needs and withstand a surge in demand.

To do this, the General Cash Transfer Feasibility Assessment conducted interviews with storeowners and small vendors and observed markets of all different sizes. In humanitarian settings, this process is referred to as a market analysis with the aim being to understand the key features and characteristics of a market system, down to the island level.

This is not to be interchanged or confused with a market assessment, which is conducted in the initial emergency response phase regardless of whether a pre-crisis market analysis has been conducted. A market assessment, in relation to CTP, is defined as the process of understanding the key features and characteristics of a market system in an emergency, based on the data collected during the initial needs assessment. The information can be used to formulate predictions about how prices, availability and access will develop in future, and to inform decisions about whether or how to intervene in a particular disaster situation.[50]

For the **CTP Service Provider Capacity Assessment** component of the feasibility assessment, conducted in collaboration with the Vanuatu Chamber of Commerce and the Vanuatu Business Resilience Council, the focus was on the financial services sector, with a brief mapping of supply chains for essential goods. The assessment was not intended to evaluate individual providers, but to indicate what goods and services are available on the market, and to provide a detailed overview of suitable FSPs available to facilitate the cash transfer delivery process. While the downstream component of the assessment was designed to assess the access to, and appropriateness and acceptance of cash transfers as a means of humanitarian assistance, this "upstream" component is designed to explore how, and through what channels, cash transfers or vouchers can be delivered to people affected by disasters in Vanuatu.

The approach for this component of the assessment included secondary data review, key informant interviews with relevant service providers, such as commercial or retail banks and other FSPs, and the regulator (Reserve Bank of Vanuatu), as well as a rapid markets and market infrastructure assessment in Luganville, Santo. The assessment concluded with a private sector engagement workshop, including a risk-mapping activity with businesses and service providers.[51]

49 The term community group discussion (CGD) is used here as opposed to focus group discussions (FGDs) because FGDs in their true form involve participants who do not previously know each other and are brought together to uncover a broad range of opinions on a particular topic, thus FGDs are usually quite narrow in focus. Whereas, CGDs, for the purpose of this report, are conducted with people from the same community and are not restricted to particular a topic, and the aim is not to divide opinion but to gauge the community's collective opinion on the main discussion issues.

50 CaLP, *Glossary of Terminology for Cash and Voucher Assistance*, loc. cit.

51 Annex 2: CTP service provider capacity assessment report

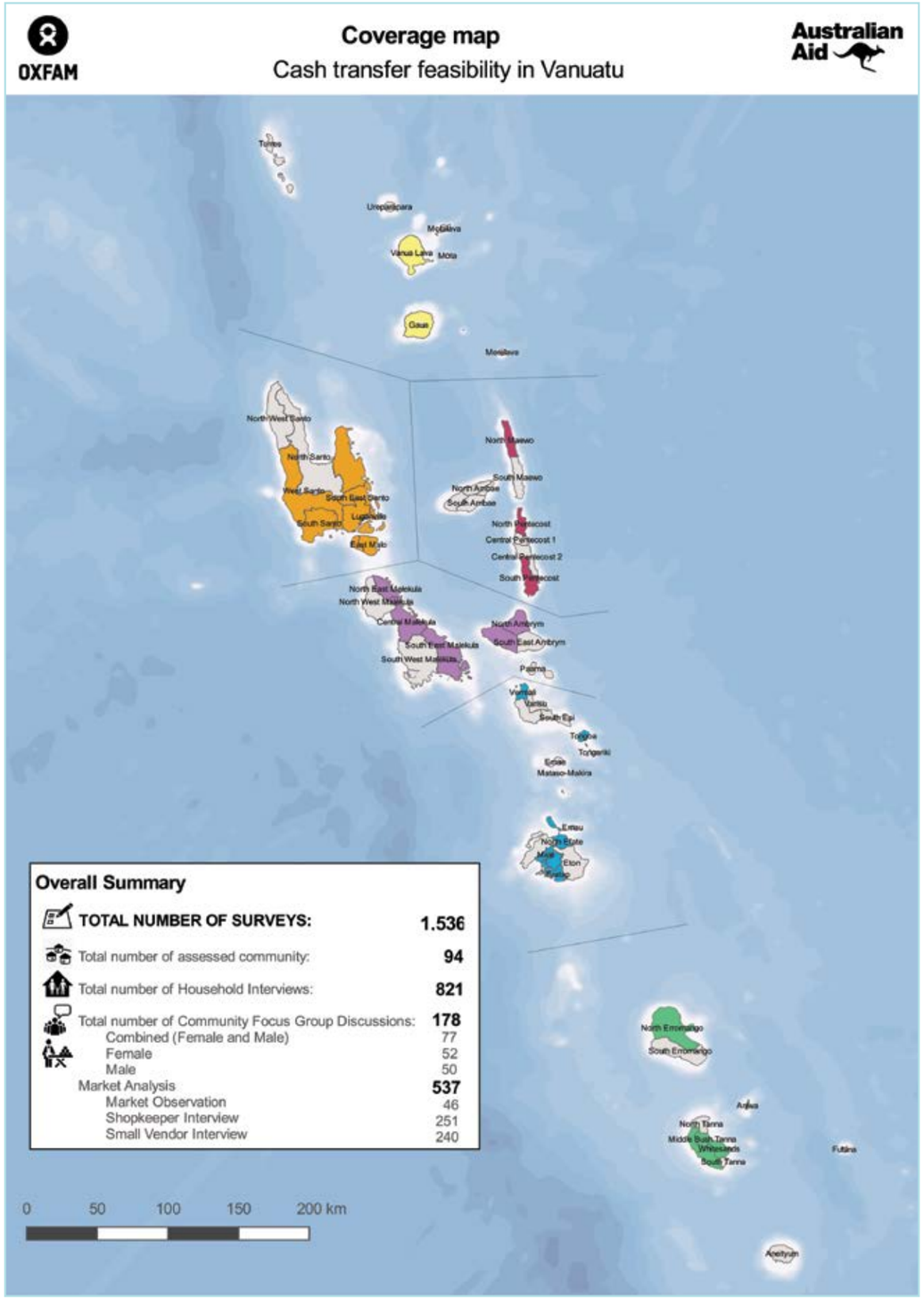


Figure 1: Overall data collection for the General Cash Transfer Feasibility Assessment – Overall summary (all provinces)

DATA COLLECTION AND REVIEW

Data collection methods included both quantitative and qualitative components. Quantitative data was obtained from household questionnaires, a small vendor questionnaire, and a shopkeeper questionnaire. Qualitative data for the assessment was derived from market observation sheets and community group discussions. All data collection tools covering market analysis, household interviews and community group discussions were administered at each site.

The data collection approach was based on the following assumptions:[52]

a) This feasibility assessment may result in CTP being implemented in any province or island that is exposed to natural hazards.

b) In the case of natural hazard or disaster impact at the provincial level, there is a medium to high likelihood that the majority of the population will be affected.

c) Relatively populous areas within a province are most likely to cluster around available goods, transportation and markets, all of which are essential components of cash transfer and voucher programs.

The field level data collection team consisted of a Project Coordinator, Oxfam's Pacific Cash & Livelihoods Advisor, and 25 enumerators (13 female and 12 male) selected via Oxfam in Vanuatu's partner Youth Challenge Vanuatu. The assessment team attended a weeklong training, which included an introductory training on CTP, data collection training and social inclusion training, as well as a field test of all assessments tools in Port Vila. The enumerators were then deployed in five teams to collect data across all selected sites with team leaders assigned to each province. Electronic data collection using KoBo ToolBox software was used specifically to increase efficiency of data collation, cleaning and analysis, and reduce errors in the data analysis process.

Due to the timing of the data collection, the data was collected in two rounds — one before Easter (public holidays) from 21 to 30 March, and one after the holiday period, from 17 April through the first week of May. A third and final round of data collection in June was required specifically for Santo Island due to data collection and entry errors that occurred during the first two rounds of data collection. Each data collection round was followed by a full-day debrief to track any field-related issues, respond to questions and make any necessary corrections in the assessment approach.

As part of the process of reviewing data and interpreting key findings, a confidence interval approach was adopted in order to check the validity of the data and the extent to which the findings of this survey may be considered statistically representative. The standard interval applied in this process was 95%. The confidence interval is important to keep in mind when interpreting the data presented in this report in regards to accuracy. The fact that this testing process revealed an overall range of the 95% confidence interval at 7% for household data is highly significant, as it suggests that most data collected can be assumed to be representative of the overall population of Vanuatu. This is likely due to the high sample size of the survey.

Province	# of sites selected	Household interviews	Community group discussions	Market analysis			Total
				MARKET OBSERVATIONS	SHOPKEEPER INTERVIEWS	SMALL VENDOR INTERVIEWS	
MALAMPA	13	81	21	3	60	53	218
PENAMA	12	80	18	3	28	27	156
SANMA	20	203	57	15	74	51	400
SHEFA	30	345	66	25	72	88	596
TAFEA	15	86	13	0	14	20	133
TORBA	4	26	3	0	3	1	33
TOTAL	**94**	**821**	**178**	**46**	**251**	**240**	**1,536**
CONFIDENCE INTERVAL RANGE	N/A	7%	15%	29%	13%	13%	N/A

Figure 2: This table displays the types and numbers of surveys conducted nationwide and per province and their corresponding confidence interval.

52 Oxfam in Vanuatu, *'Methodology & Implementation Framework, Vanuatu's Cash Transfer Feasibility Study'*, op. cit. p.1

Limitations and challenges

Logistical challenges: Limited flight options to the more remote islands (just once or twice a week in many cases), poor road conditions, and the challenges of conducting community awareness and community group discussions in inclement weather resulted in some changes to data collection schedules. These challenges, combined with the presence of only small, scattered populations, which is a characteristic across much of the Pacific, contributed to small samples in some locations, such as Torba and west Santo, in comparison with other assessment sites.

Active emergency: The island of Ambae was initially selected as an assessment site however, due to the active emergency that took place during the course of the assessment, the assessment team could not collect data from those communities. Although data could not be collected from the residents of Ambae, households from Ambae are included in the data collection from areas to which they relocated, such as Santo. The emergency also delayed finalisation of this report due to Oxfam launching an emergency response to support evacuees located in Santo.

Managing expectations: Oxfam was the lead agency involved in the research. Oxfam is a well-known NGO in Vanuatu with a longstanding relationship with many of the target communities. Given Oxfam's reputation for supporting communities in Vanuatu when disasters occur, this may have influenced the answers given by respondents. This limitation was discussed during the enumerator training, and participants workshopped and practiced ways to address the limitation and manage expectations at the community level. To assist the team, Oxfam also maintained consistent public messaging about the assessment during the data collection process via radio, SMS and print media.

Data aggregation and analysis

Understanding cash transfer feasibility requires a strong familiarity with the way people live and how they typically meet their needs within the different parts of the country. There are certain requirements that are necessary for cash transfers to lead to positive outcomes after a disaster. These preconditions include:

- Markets are functioning.
- Markets sell the right kind of goods.
- Markets have sufficient stock or are able to scale up in response to demand.
- People are able to get to the markets and transport their goods home (physical access).
- CTP will not cause more negative market, inter- or intra-household dynamics than other modalities of assistance.
- Cash is available and can be transferred quickly and securely, via whichever means is selected.
- There is a financial and political environment that accepts the use of cash transfers in an emergency.
- Target households and communities are open to receiving and using cash.[53]

These preconditions can be grouped together under four overarching indicators: access, acceptance, appropriateness and market capacity (see Figure 3). These four indicators, referred to here as CTP feasibility indicators, provide the analysis framework that has been used to arrive at the findings discussed in this report.

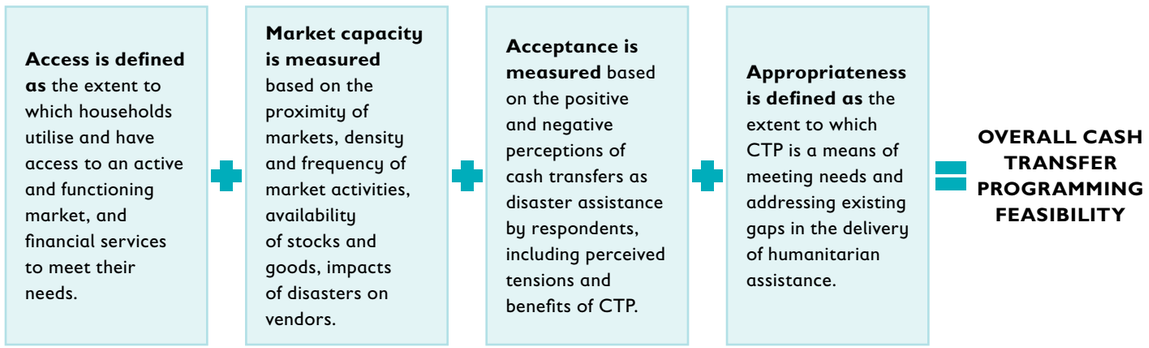


Figure 3: Diagram outlining the CTP feasibility indicators

53 Oxfam in Vanuatu, *'Emergency Market Mapping & Analysis (EMMA), Maewo Island'*, December 2018, p.5

It should be noted that, among these four indicators, two facilitate the collection and analysis of perception-based data (acceptance and appropriateness) and the other two indicators (access and market capacity) focus more on economic and infrastructure-based data, such as distance to markets, financial services and customer and sales volume in local stores.

As this national cash transfer feasibility assessment represents a large dataset,[54] Oxfam sought to aggregate information through the development of a feasibility scoring system, wherein each score represents a series of data points from the multiple data collection tools used (household survey, community group discussions, small vendor and shopkeeper interviews) creating a composite score. Each location receives a composite score for each of the CTP feasibility indicators. This scoring system has then been used to produce an overall cash transfer feasibility score for each surveyed location, as well to give an idea about overall feasibility per province. Throughout the report the feasibility scores have been displayed in maps and tables.

The purpose of this approach is to simplify the display of results in order to quickly facilitate decision-making for cash transfer practitioners and other audiences in Vanuatu. The use and mapping of this scoring system is also intended to show that there is a spectrum of feasibility for CTP across Vanuatu; as such there is no "yes" or "no" answer when it comes to deciding whether to implement a program. Instead, interested stakeholders should seek to begin their focus on CTP in areas where feasibility is high or relatively high, and conduct a thorough needs and market assessment to confirm the purpose and appropriate design of the program. Likewise, in low-feasibility areas, cash transfers may still be possible, but would likely need to be limited in scale and frequency of payments and accompanied by additional support and awareness raising.

CALCULATION OF FEASIBILITY SCORES

The feasibility scores were calculated based on the selection of key questions considered important for each indicator and weighting those questions in terms of how essential they are to the feasibility of CTP.

- **Access** and **Appropriateness** have been calculated using key questions from the household survey data;
- **Acceptance** has been calculated using the community group discussion results; and
- **Market capacity** has been calculated with the small vendor survey data.[55]

Separate scores for all survey locations have been calculated using the below formula for each of the four cash transfer feasibility indicators for each survey site with all six provinces. These scores are then combined to calculate the overall feasibility score for survey locations. When combined to produce the overall feasibility scores, access and market capacity are weighted more heavily than the perception-based indictors, due to their significance in regards to cash transfer feasibility.

The equation below displays how the scores were calculated:

$$\text{Score} = \sum_{x} W_x . SV_x^i + \sum_{x} \frac{W_x . \sum SV_x^i}{n_x}$$

X: variable (or a question in a survey)
x_i: the i^{th} value of the X variable (answer to question in a survey among different answers)
W_x: the weight of the X variable in score calculation
SV_x^i: the Score Value for the i^{th} modality of the X variable
Then the score calculation uses a linear function for each survey.

The first term is for single-answer questions and the second is for multiple-answer questions, where it is divided by n_x (the number of answers).

Each survey contributes to the generation of a score associated with geographic coordinates so that scores can be transferred to a GIS software for mapping. This also means that if scores are updated, maps can also be easily updated to reflect changes, for example, an increase in knowledge about that area or as a result of increased preparedness programming around CTP. The equation and the variable that were used for this report will ideally evolve as our knowledge of CTP in Vanuatu and its feasibility advances.[56]

The calculation above generated feasibility score results that accurately reflected the assessment results. Compared to the analysis of the raw data, the feasibility scores reflected the same key trends. In addition, feasibility scores for the market capacity indicator were generated twice: first using the small vendor interviews and then using the shopkeeper interviews. This was to see which set of interviews best represented the trends found in the raw data.[57] When the results were compared, they revealed very similar results and both displayed similar trends. However, the small vendor interviews were chosen for the market capacity feasibility score calculation as the cash transfer feasibility team thought they more accurately reflected reality (a more detailed explanation of this is found in the national analysis of market capacity indicator on page 36).

54 There were approximately 1,536 data points in total across the five survey tools.
55 Annex 3: Cash transfer feasibility score calculation, for the full explanation on how to calculate the scores and list of questions used to create the feasibility scores.
56 For example, the Baseline and Endline assessments completed for Oxfam's CTP in Santo supporting the Ambae evacuees are benchmarked against the four cash transfer feasibility indicators developed for this assessment.
57 See Annex 4: Raw CTP feasibility scores

Luganville, Vanuatu: Ambae evacuee Canol shows the sweet potatoes she harvested in the community garden. She used cash assistance from Oxfam to buy cuttings for the community garden. Photos: Sarah Doyle/Oxfam.

D. RESULTS: FEASIBILITY OF CASH TRANSFERS ACROSS VANUATU

Differences in social structures, geography, infrastructure and market access found throughout the islands of Vanuatu make each island within the six provinces very unique. To reflect this, the report not only includes national-level analysis, it also analyses each province individually and generates feasibility scores for each surveyed area,[58] overall and for the four indicators.

Overall, the assessment found that CTP is feasible in Vanuatu. However, feasibility can be understood as a concept that differs by degree. Across the country, it can be said that cash transfers are a relevant form of assistance as the assessment revealed all households rely on markets to fulfill at least some of their daily needs, and communities have a preference for cash over the more traditional in-kind assistance. This is despite the low levels of exposure to CTP.

The biggest challenges impacting feasibility in Vanuatu are households' access to markets, and markets' capacity to withstand a sudden increase in demand after a disaster. Though there is no likely shortage of essential goods nationally, the challenge is getting the right goods to the right markets and then ensuring that these markets are accessible to rural and remote populations, which are spread across 83 islands.

Across Vanuatu, markets are not well integrated and — outside of the two large commercial centres (Port Vila and Luganville) — they lack competitiveness. Consequently, **the pattern that emerges is that feasibility levels tend to decline the further a location is from these two large commercial centres**. Moreover, the more isolated a location is from a provincial centre, the less feasible CTP is.

As CTP is a market-based response, the level of feasibility of any given location is reliant on the fact that it has access to markets and those markets are well-integrated and large enough to be able to absorb a sudden increase in purchasing power. Because of this and other limiting factors, there is no location with an overall feasibility score higher than 3.9 out of 5 (see scoring explanation below). Despite this, there are opportunities for CTP to be implemented at scale but there is no one-size-fits-all approach — the scale and type of CTP needs to be adapted to match the limitations of the different locations across Vanuatu.

As predicted, the areas with reliable and affordable access to the two largest urban centres in Vanuatu — the capital Port Vila and Luganville on Santo — are where CTP has been found to be most feasible. The assessment found that communities within close and affordable proximity to the two commercial centres have several features in common that contribute to cash transfer feasibility:

- they have greater access to larger and more diverse markets;
- markets are unlikely to run low on supplies due to the presence of large wholesalers;
- there is infrastructure to receive regular international shipments of goods; and
- a large variety of FSPs are available.

Despite all these positive features, a slight risk remains of supplier-driven inflation, or price manipulation, due to the prevalence of monopolies in the Vanuatu market economy with only a limited number of different wholesalers and larger supermarket chains.

The assessment also found that households in the vicinity of the commercial centres rely more heavily on markets to fulfill their daily needs, and their income is not as reliant on subsistence farming making CTP appropriate. Therefore, the report suggests that it is feasible to implement CTP at scale during both the emergency and recovery phase of a disaster response.

These two locations are also likely to have the market capacity to withstand an increase in population numbers due to disaster migration or evacuation. This capacity was displayed when Oxfam implemented CTP in Luganville for internally displaced households from Ambae. A significant population increase did not result in inflation or a significant shift in market prices.

The provincial centres of the third and fourth most populous islands — Lenakel, Tanna and Lakatoro, Malekula — were found to have active accessible markets that are well connected to the commercial centres in Port Vila and Santo, which is an enabling environment for CTP. However, these markets are more vulnerable to the impacts of disaster due to poor infrastructure and fragile building materials so they are more likely to experience damages. They are also more likely to experience delays in the shipment of goods and thus, commonly run low in supply. Less penetration of financial services in comparison with Port Vila and Santo also adds to the feasibility challenges in Lenakel and Lakatoro.

The provincial centres of the remaining two provinces, Penama and Torba, are the least feasible mainly because the population sizes are much smaller and so there are smaller and less diverse markets. The lack of infrastructure available (transport, ports and warehouses) to those markets greatly reduces their ability to scale up if there was a sudden increase in demand. The additional challenge of distance is also applied to Torba, making it the least feasible province for CTP. Thus, additional preparedness work would be needed to ensure the centres could cope with the demand that a CTP would bring during the emergency and recovery phases of a disaster response.

The most challenging locations in Vanuatu for CTP feasibility are islands that don't have provincial centres (referred to as outer islands in this report) and remote locations that are not easily accessible, despite being on the same island as a provincial centre. Although there is a positive appetite for CTP from these communities, the assessment found that they lack access to sufficiently sized and diverse

58 The grouping of the surveyed areas in this document are based on the area council classifications used in the 2016 mini census conducted by the Vanuatu National Statistics Office (VNSO).

markets that could withstand a sudden increase in purchasing power. They also lack access to FSPs, which poses a challenge for cash transfer "last mile" delivery.[59]

The smaller markets lack the capacity for CTP due to their size and reduced variety of goods. They are then unable to scale up quickly in response to a rapid increase in demand due to the lack of warehousing and credit agreements with suppliers, which reduces shopkeepers' ability to replenish or purchase stock ahead of time. As such, they then have to rely on shipments that are subject to regular delays, and may need to limit purchase orders and frequency due to the cash resources that they have available. In addition, the lack of port infrastructure causes further delays by increasing the risk of damages to supplies during off-loading. Therefore, in these outer islands and remote locations, there is a considerable risk of inflation with CTP, particularly in cases where there has been significant population movement. This inflation risk can be driven by the supply side (supply is insufficient and prices increase) or on the demand side, where vendors increase prices because they are aware of a majority shift in purchasing power, particularly for specific items (regardless of supply).

These findings were reinforced by Oxfam's Emergency Market Mapping and Analysis (EMMA), which was conducted in Maewo in December 2018 to assess whether or not the market on Maewo could support CTP similar to the program in Luganville in Santo, as it too received an influx of displaced households from Ambae. However, the opposite was found to be true when markets were assessed. On the outer island, the markets exhibited poor resilience, high price inflation, and regular supply shortages, highlighting the feasibility difference between large centres and small markets.[60]

INTERPRETING THE OVERALL FEASIBILITY RANKINGS

In order for the reader to understand how feasible a location is for CTP, the overall feasibility scores have been grouped into three board classifications: high, medium and low. In Figure 4 below, there is an explanation of what the three classification mean in terms of CTP, these are then displayed on an Overall cash transfer feasibility map on page 19.

The table below represents the overall feasibility score, which is a national aggregation of the individual scores across all locations. Noting that the access and market capacity indicators, due to their objective nature and overall importance to cash transfer feasibility, have been weighted more heavily and thus, have a slightly larger impact on the overall scores.

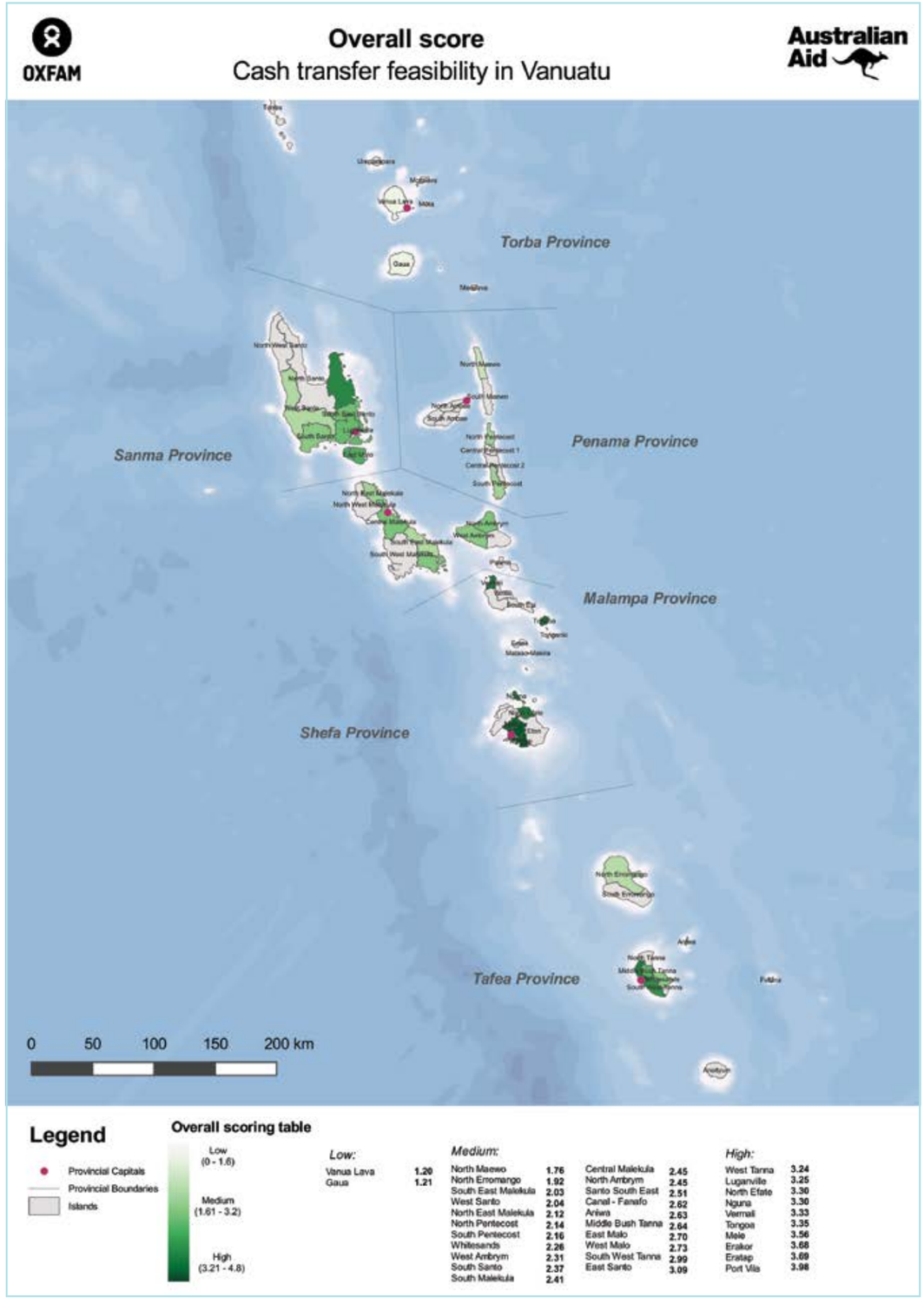
It is important to note that there are limitations to how accurate and informative the overall feasibility scores and their corresponding classifications are for each location. For example, despite the difference between locations within Malampa and Penama (outlined above), both are classified as medium feasibility because 64% of survey locations are found to be overall of medium feasibility.

There are also a small number of locations where the overall scores are slightly skewed. For example, overall Aniwa has received an overall score of 2.63, which places it above locations such as Central Malekula, with 2.44. However, when looking at the data, it is understood that due to Aniwa's size, access challenges and lack of market capacity in comparison with Central Malekula, it has received a higher score than expected. This is mainly due to its very high individual acceptance (highest across all locations), which is based on community perceptions.

So, taking this into consideration, the overall score gives a very broad overview of feasibility, and to understand the feasibility of a particular location in more depth, scores have been generated for each survey location per indicator. These can be found in Section E: Feasibility result per province, containing location-specific scores that have not been aggregated.

Interpreting the cash transfer feasibility classification	
HIGH (3.21–4.80)	**The most enabling environment for CTP in Vanuatu.** This is because locations classified as "high feasibility" for CTP generally have greater access to larger and more diverse markets that are less likely to run low on supplies. There are also a large variety of available FSPs. However, this doesn't mean there may not be challenges and restriction when implementing a CTP in these locations, nor does it imply that CTP is automatically the best option for all disaster responses. Thus, a needs assessment and a market assessment must always be conducted.
MEDIUM (1.61–3.20)	CTP is feasible and could be an appropriate way to meet needs after a disaster, provided that there is a market assessment conducted and the project design mitigates challenges. **Cash transfer is more feasible in the recovery phase of a response than in the initial emergency phase**. The locations within the "medium feasibility" classification generally have smaller and less diverse markets, and reduced access to FSPs in comparison with those classified as "high feasibility".
LOW (0–1.60)	**The least enabling environment for CTP in Vanuatu.** This is mainly due to lack of access to markets and FSPs, and the lack of capacity of small stores and fresh produce markets in these locations. These locations are generally quite isolated from their provincial centre and the two large commercial centres in Vanuatu. However, though it is unlikely at this time, it does not mean that CTP could not be implemented in these locations as the feasibility of any location is subject to change and can be improved by successful market-based disaster preparedness programs.

Figure 4: Cash transfer feasibility classification



59 "Last mile delivery" refers to provision of goods or services in remote villages or communities.

60 Oxfam in Vanuatu, *'Emergency Market Mapping & Analysis (EMMA), Maewo Island'*, op. cit., p.6

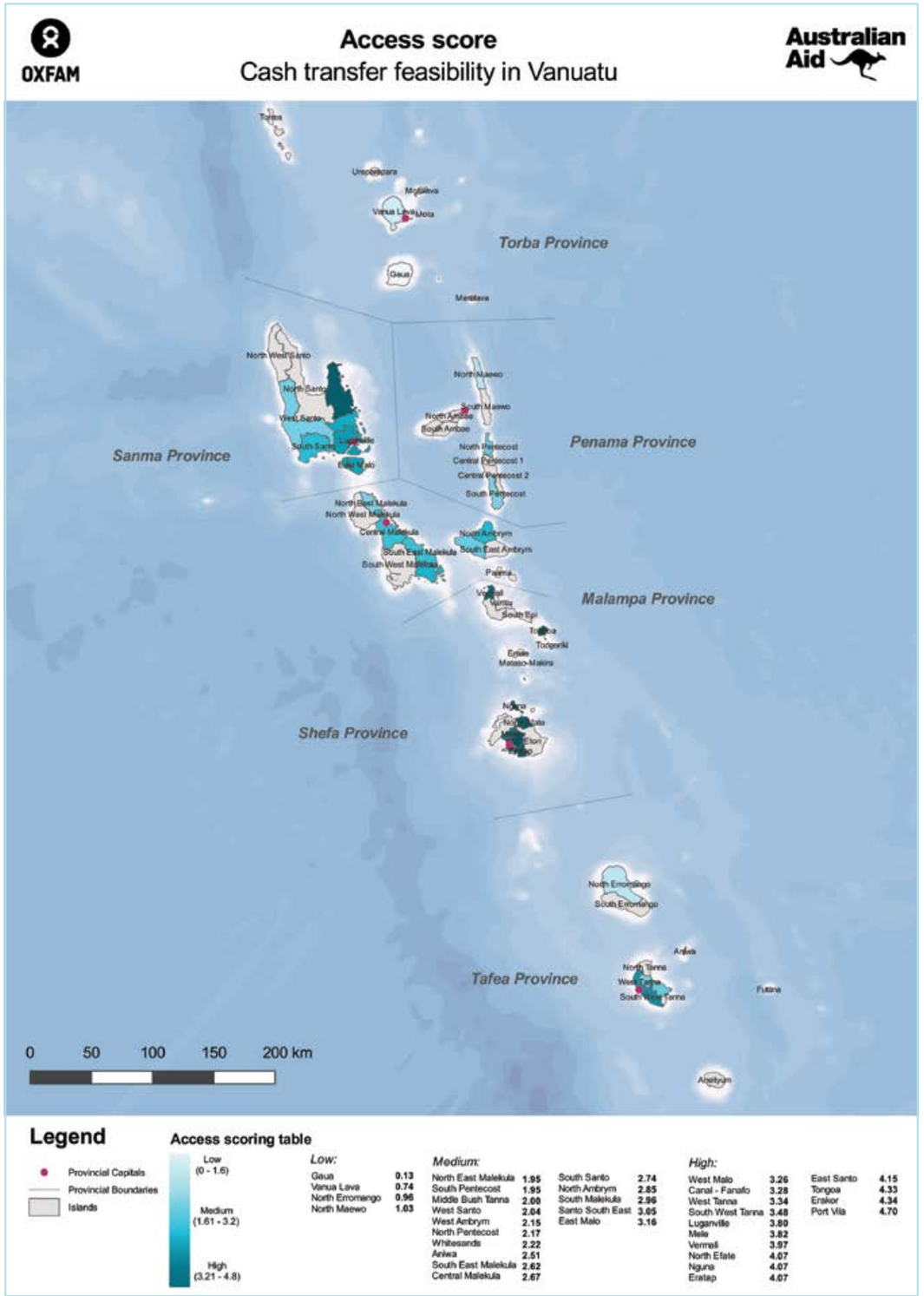
National cash transfer feasibility results per indicator

ACCESS

The assessment revealed that all surveyed locations have access to markets, which they interact with regularly. However, only locations in Shefa and Sanma, and the two locations closest to the provincial centre in Tanna score within the high feasibility range for the access indicator. This is because, outside of the two largest commercial centres and large provincial centres, there is limited access to FSPs and large markets that sell a diverse range of goods.

Rural and remote locations in Tafea, Sanma, Penama, Torba and Malekula scored low because of their remoteness from developed urban or rural centres that have the services and infrastructure required to support CTP.

Luganville, Vanuatu: Cash transfer recipients wait outside the ANZ branch to cash their cheques. Photo: Sarah Doyle/Oxfam.



Data analysis

Use of markets

For a market-based approach to be feasible, all households that have been affected by the disaster must have access to an active and functioning market that they can use to meet their needs. In Vanuatu, all communities have access to markets. However, the size of the markets, distance and the means of transportation used to access those markets is very diverse. A good indicator of a household's access to markets and their familiarity with purchasing items to meet their daily needs can be established by analysing their day-to-day expenses. At the national level, the top five expenses in order are: food for family; school fees; clothing for family; transport; and health needs, including services and medicine. At least three out of these five categories represent goods that can only be purchased at a point of sale or vendor. As this was consistent across all areas, it indicates that households in Vanuatu have regular access to markets and the finances to pay for their day-to-day needs.

However, household interviews and community group discussions showed that communities located in rural and remote areas (away from the provincial centres) rely heavily on their access to small stores and small fresh produce markets that are often walking distance from their homes. These markets do not have a diverse range of goods, but the majority of households are able to fulfill all their needs with a combination of homegrown fresh produce and buying essential non-perishable foods and household items, such as rice and soap.[61] In areas where this is a trend, this indicates that for some sectors (food security and livelihoods), markets perform a supplementary rather than a primary function. Communities that are located near or within the two largest commercial centres, Luganville and Port Vila, and those located in other provincial centres have access to more diverse markets, and they interact more frequently with those markets, purchasing more items from big markets and stores that stock larger and more varied quantities of goods.

National % of use of markets combined with the definitions of types of markets:

80% of households in Vanuatu purchase items from small stores. For the purpose of this assessment, small stores are small shop fronts that sell mainly packaged, non-perishable food and a small range of essential household non-food items, such as matches and hygiene products. Some also sell top-up cards for telecommunication credit. They are the most available and widespread type of store found throughout Vanuatu.

62% of households in Vanuatu regularly purchase items from big stores. Big stores are commonly found in provincial capitals, urban areas and sometimes around large clusters of communities. Compared to small stores, big stores have a larger quantity and a slightly wider variety of goods. However, they still mostly sell non-perishable foods and essential household items. The defining feature of a big store is that customers can walk into and around the store to do their shopping, whereas small stores are shop fronts only.

42% of households in Vanuatu have access to and regularly use big markets to fulfill some of their household needs. Big markets are commonly found in provincial centres. They commonly have a range of mostly fresh produce from the surrounding area and, to be classified as a big market, there must be more than 10 vendors selling their produce at any given time in a permanent market structure.

38% of households in Vanuatu regularly purchase items from small markets that, like big markets, sell mainly fresh produce from the surrounding area. However, the main distinction of a small market is that it has less than 10 vendors, and those vendors sell their goods in non-permanent structures, such as roadside stalls.

Travel and transportation to markets

The assessment found that, in pre-crisis times, the national average cost of one-way travel is 500 vatu (VT) and the average travel time is 30 minutes, with a slight increase of 10 minutes reported during the wet season. The most common mode of transport is walking; this is consistent across outer islands and islands with provincial centres (see Figure 5). It is most likely that households on islands with provincial centres will also regularly use transport other than walking to access their preferred market, such as bus (small van) or small trucks (utility trucks).

61 Vanuatu National Statistics Office (VNSO), *'Vanuatu's Household Income and Expenditure Survey'*, p. 27

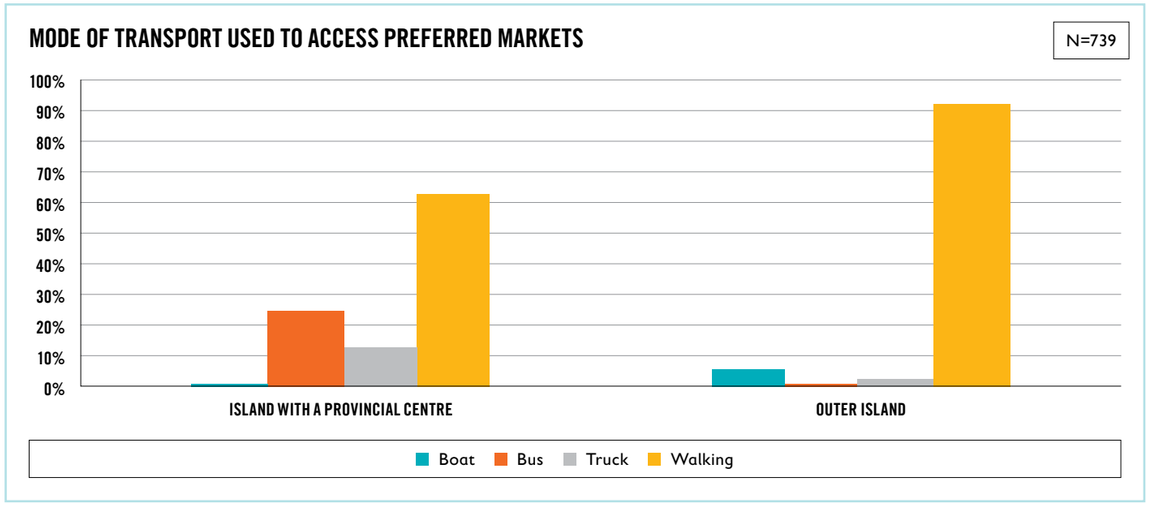


Figure 5: The national results from household question 3.6: How do you access the store/market you are using most often?

For more remote areas, the cost of travel is much higher and the availability of transport is much lower, so it is important to note that overall averages are not an accurate representation of the differences experienced between the provinces. For example, it was found that, on average, households in Torba pay 1,150 VT for the one-way trip to their nearest market. These travel times and costs also only represent the households' access to their preferred market in pre-crisis times, so we can assume that if the small local markets in rural and remote areas begin to run low on stock, those households would need to travel further to access larger markets, which is more expensive and transport would be less available.

Transport cost increases are in the top seven categories of increasing expenditure in Vanuatu's Annual Consumer Price Index for 2018.[62] A major contributor to these increases is the price and availability of fuel in Vanuatu. The main fuel "depots" (storage facilities) are located in Port Vila and Luganville, so the further away from the commercial centres, the more it costs. Petrol prices reach up to 250 VT per litre in Torba and Tafea provinces, in comparison with 170 VT per litre in the Malampa Province.[63] Fuel shortages often occur during disasters, such as TC Pam and the ongoing volcanic emergency in Ambae, causing major delays in the delivery of in-kind assistance and also restricting the movement of affected populations.[64]

Transporting large goods home from the market, such as building materials needed to repair housing, adds another challenge for the more rural and remote locations. Appropriate transport may not be available, or the available transport options might be prohibitively expensive.

Consequently, the longer households must travel to reach a functional market after a disaster, the less feasible they are for CTP. This can be seen as a constraint for CTP, but not necessarily a barrier — this means that small, frequent cash transfers for items usually stocked in small local markets (ie. not for additional items) may be most appropriate and reduce the cost of delivery of in-kind assistance with high fuel costs. CTP implemented in areas such as these would also need to consider adjustment of transfer amounts to account for high transport costs.

Access and use of financial service providers in Vanuatu

Vanuatu is predominately a cash-based society, so it is unsurprising that the assessment found that households are very familiar with handling cash and have very low levels of bartering, even in more remote locations. However, despite this, both the community level interviews and the CTP service provider capacity assessment found that people find it difficult to access formal financial services providers, such as banks. This is due to the low penetration levels of banks outside of the two main commercial centres. This is supported by the financial inclusion research findings.

62 VNSO, *'Consumer Price Index (CPI) Quarterly Movement-Quarter 3, 2018'*, 2018<https://vnso.gov.vu/index.php/new-releases/quarterly-reports/cpi-news>
63 Logistics Cluster Vanuatu, '2.1 Vanuatu Logistics Infrastructure', loc. cit.
64 Ibid.

The Reserve Bank of Vanuatu's Financial Services Demand Side Survey found that 47% of adults in Vanuatu use formal financial services, and the vast majority of those use banks as their financial service, which is comparable to the results in other lower-middle income countries.[65] The four major retail banks all provide payroll services to bank accounts and have reasonable infrastructure in the main cities of Port Vila and Luganville.[66] However, National Bank of Vanuatu (NBV) and Vanuatu Post are the only providers with significant presence beyond the two largest urban areas. Agent networks, EFTPOS and ATMs are limited outside the main commercial centres of Port Vila (Efate Island, Shefa Province), Luganville (Santo Island, Sanma Province), Lakatoro (Malekula Island, Malampa Province), and Lenakel (Tanna Island, Tafea Province).[67]

There are opportunities for cash-based programming through banks on the major islands if preparedness work is done with banks and communities beforehand. However, the same cannot currently be said for outer islands and remote locations because those islands rely solely on agents and/or small branches of NBV or Western Union based in the most populous community on each island. Though the agents may cover a large geographical area, without substantial support they are unable to provide communities with large sums of money. This finding is supported by the EMMA that was conducted by Oxfam on Maewo in response to the Ambae volcano emergency, which found that the small NBV branch and the small network of agents do not have the capacity at this time for CTP due to their cash limits, reduced operating hours and branch size.[68]

The main challenge of the existing financial services landscape for CTP — which seeks to deliver a high volume of payments to beneficiaries in a short period of time — is for banks to link their bulk payment or payroll services to cash-out services, either in towns or more remote areas, and to link them to the appropriate payment instrument: either mass registration of bank accounts, or else mass issuing of cheques or bank notes. They will also have to build capacity to do this at scale and to issue corresponding financial reports. For shorter or quicker interventions in the current environment, direct payment instruments such as cheques may be more appropriate.[69] The minimum Know Your Customer (KYC) requirements for basic accounts are fairly accessible: two pieces of identification, or else validation by a local chief. However, as a preparedness measure for CTP, other access issues for people with special needs should be reviewed with FSPs and stakeholders.[70]

The uneven geographic spread of banks means that the majority of households, in particular those in rural and remote areas, need to travel to access their preferred financial provider. According to the feasibility assessment, the national average travel time is 45 minutes and the average cost is 500 VT one-way. The Reserve Bank's Financial Services Demand Side Survey found that, of the top 40% of people who earn an income through agriculture (predominately rural and remote households) but do not have a bank account, 57% cite distance to their nearest FSP as the key reason as to why they do not have a bank account or access financial services regularly. Therefore, the cost and availability of travel is not only a challenge for market access, but it also restricts how and in what form cash transfers could be distributed to affected populations.

Nonetheless, despite long travel times, the households that were surveyed for this assessment revealed that of the 71% who do access financial services, they mostly use these services to access money (cash withdrawals and savings). The most popular FSPs by household, in order, were banks (61%) and money transfer using Western Union (19%), see Figure 6. These households also report using these service providers to save their money, with 69% of respondents reporting this behaviour.[71]

65 The Reserve Bank of Vanuatu, *'Financial Service demand side survey'*, Pacific Financial Inclusion Programme, 2016, http://www.pfip.org/wp-content/uploads/2017/05/VANUATU-DSS.pdf >
66 Reinhardt, op. cit. p.2
67 Ibid.
68 Oxfam in Vanuatu, *'Emergency Market Mapping & Analysis (EMMA), Maewo Island'*, op. cit., p.22
69 As of November 2018, Oxfam used cheques to deliver payments to volcano-displaced households, although the cheque drafting, printing and issuance process is not automated.
70 Reinhardt, op. cit., p.3
71 The Reserve Bank Financial Services Demand Side Survey also found a higher prevalence of savings in Vanuatu with 27% of people saving at a financial institution and 59% of people self-reported saving (including outside of formal FSPs), which is closer to the results found in upper-middle income countries (32% at a financial institution and 63% self-reported). The survey is available at: http://www.pfip.org/wp-content/uploads/2017/05/VANUATU-DSS.pdf

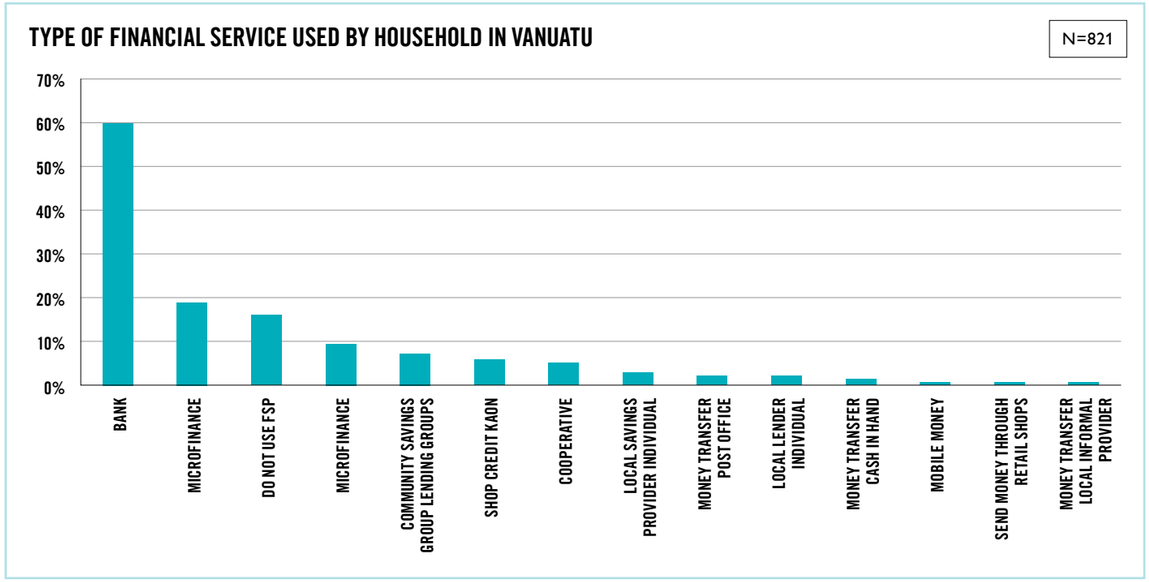


Figure 6: The national results from household question 4.2: Which financial service do you use?

The frequency of use seems to be a behaviour that is consistent across all areas regardless of location with the majority households only accessing their financial service on average once every 1.5 to 2 months. The use of financial services mainly to save money (see Figure 7) rather than to spend money through more frequent deposits and withdrawals might help to explain this.

It also appears to illustrate a lack of convenience associated with the locations and possibly a limited variety of product types (eg. savings, checking, loan accounts, debit cards) available for clients and consumers. Put simply, banks are not only far away, but the services they offer don't necessarily make it easier for people to transact. This is a point that has been addressed in Vanuatu's National Financial Inclusion Strategy, which identifies the need for more and better banking products for low income groups and rural populations.[72]

Financial service options that require less travel, such as mobile money, have not yet been fully launched in Vanuatu despite household interviews revealing that there is a network (of varying strength) across 90% of the country, and 66% of community group discussions reveal the view that everyone has a mobile phone while 27% believe that most people have a mobile phone. However, in the near future this may be a feasible option in Vanuatu for the implementation of CTP, with the private sector already starting to actively try to widen their reach using mobile money. ANZ has launched a mobile payments system called GoMoney, however it relies on users having regular ANZ bank accounts, which do not have large coverage nationwide and the agent network is not wide enough for regular purchases using GoMoney.[73] National telecommunication provider TVL has wider reach and is developing a mobile money product that will be launched in 2019, with support from the Pacific Financial Inclusion Plan (PFIP).

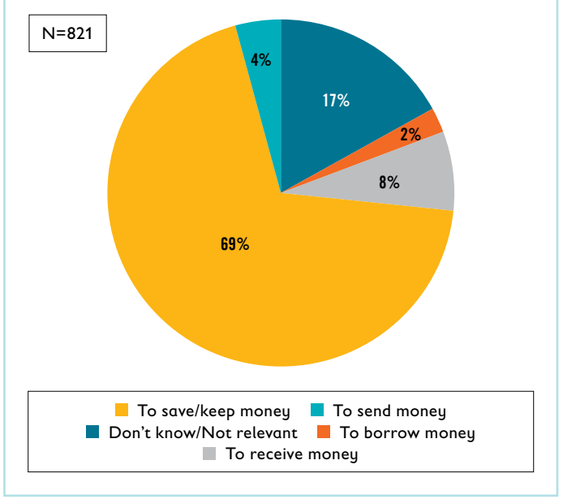


Figure 7: The national results from household question 4.3: Why do you use this financial service?

72 The Reserve Bank of Vanuatu, *'Financial Service demand side survey'*, Pacific Financial Inclusion Programme, 2016, http://www.pfip.org/wp-content/uploads/2017/05/VANUATU-DSS.pdf >
73 Reinhardt, op. cit., p. 4

Sending and receiving money between families

There is no social protection scheme in Vanuatu outside of employment-linked entitlements for wage and salaried earners, such as VNPF, which is an obligatory saving scheme for those employed in the formal labor market. Therefore, domestic remittances and other forms of support, including the giving of food or gifts, play an important role as informal social protection mechanisms in Vanuatu.

The general feasibility assessment revealed that it is quite common in Vanuatu for families to regularly send food and money to each other as a form of support, with 53% of households stating that they regularly receive support from family members. Though the majority of this support is in the form of food (51%), 25% of households that receive support reported receiving cash from their families. This would suggest that, firstly, there is a need for cash and, secondly, that families are able to access the cash. It also supports the high level of domestic remittances reported in CTP service provider capacity assessment, according to the money transfer providers who reported both a high rate of remittances and net outgoing cash from certain islands.[74] [75]

ACCEPTANCE

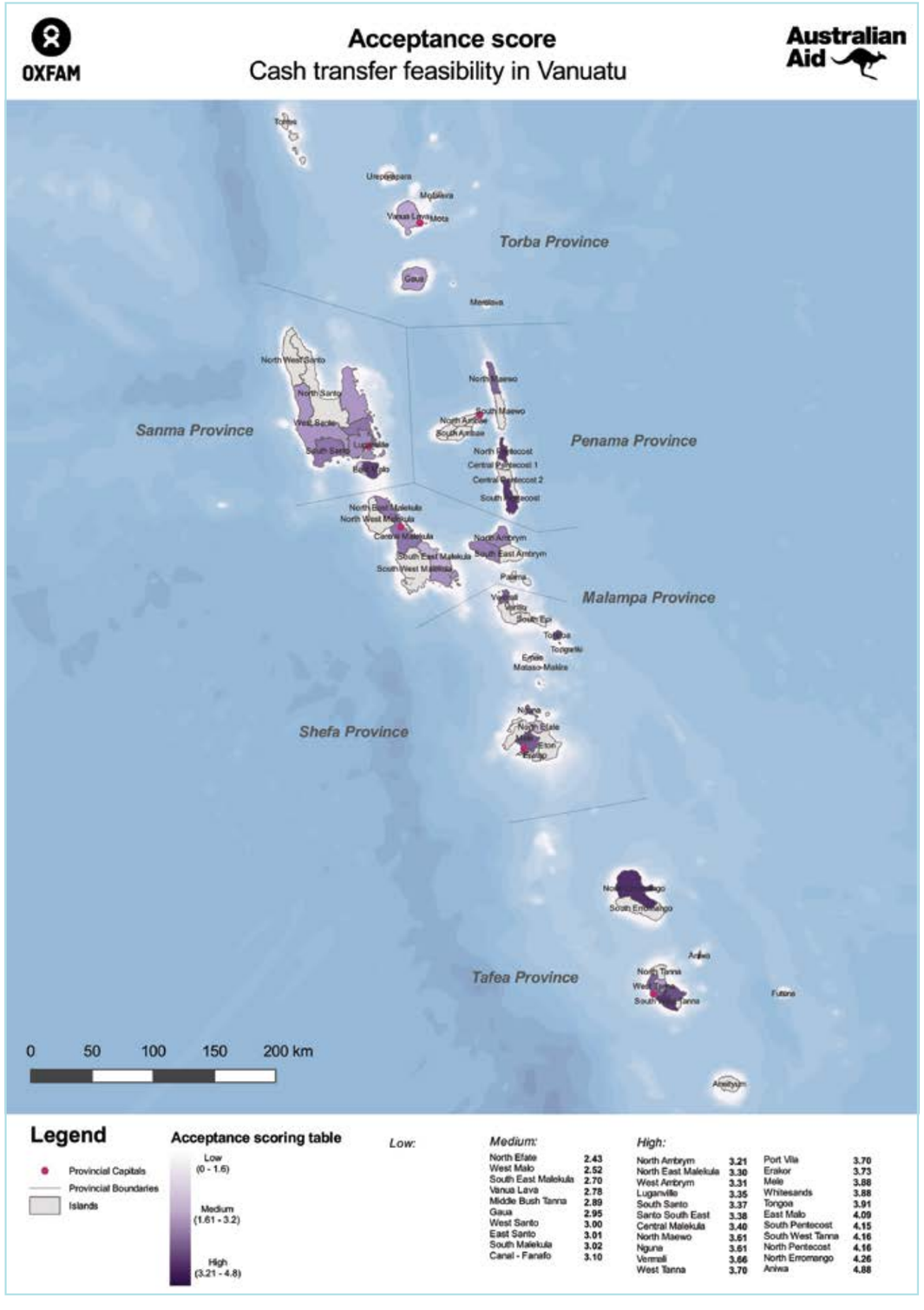
All locations received relatively high feasibility scores for this indicator. This is because all communities across Vanuatu had very positive perceptions of cash transfers as a possible disaster response modality and there were generally low levels of perceived risk among the communities.

There are slight variations between locations, for example, north Efate, west Malo, south-east Malekula and Middle Bush scored the lowest for acceptance. However, these locations all preferred cash or vouchers to in-kind assistance.

Luganville, Santo: VDPA volunteer Anna assists an Ambae evacuee at the ANZ distribution site. Photo: Sarah Doyle/Oxfam.

74 Ibid.

75 According to the HIES (VNSO, 2010), income from remittances, gifts and other miscellaneous sources accounted for about 3.6% of income in Port Vila and about 2% for Luganville and rural households. This amount is likely to have increased since the HIES as the number of temporary workers on the NZ Recognised Seasonal Employer (RSE) scheme has risen significantly over the last two years.



Data analysis

Disaster assistance preference

Unrestricted cash is the preferred way of receiving assistance after a disaster (see Figure 8), followed by vouchers, according to both household interviews and community group discussions. When broken down by province, this result is consistent with the overwhelming majority of people preferring cash to all other forms of assistance.

This is an interesting finding as the preference for cash does not seem to change despite some of the more remote provinces having less reliable access to a diverse range of markets, and 67% of households expressing concern that their market could run out of supplies after a disaster. Numerous factors are likely to have contributed to the preference for cash, including the fact that Vanuatu is proximately a cash-based economy, where people use cash on a daily basis and there are also high rates of saving. Accordingly, households may opt for cash over other forms of assistance because they can see how cash could benefit them after a disaster, regardless of whether they can immediately spend it when they receive it. Also, cash has not played a significant role in previous disaster responses so people may view cash as a form of assistance that could be an improvement on the in-kind assistance they have received in the past.

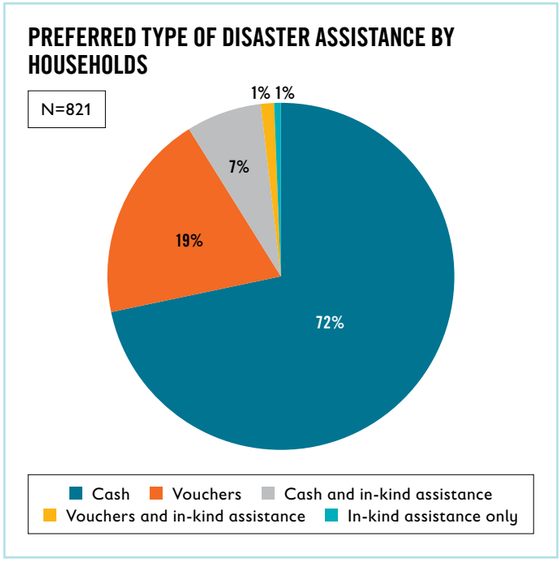


Figure 8: The national results from household question 5.7: Next time there is a disaster, would you prefer to receive cash or vouchers instead of in-kind assistance?

This tells us that households can see the benefit of receiving a cash transfer after a disaster, and they are open to receiving cash as a new form of disaster assistance. There is significant global evidence[76] indicating that community preferences are critical to consider in program design, and CTP in this case should be no exception. When programs are designed without consideration for community preference, there is an increased risk that goods or other assistance provided may be misused, sold or traded off for something else that is more useful.

Communities appeared to have a very favourable view of CTP, with the majority stating that they would be able to meet all their priority needs after a disaster with a cash transfer, see Figure 9. However, it is important to note that 25% stated they could fulfill only some of the their priority needs and in Torba, Vanuatu's most remote province, all community groups stated that only some of their priority needs could be met through CTP. This suggests that, while cash is preferred, a combined approach for cash and in-kind assistance might be necessary.

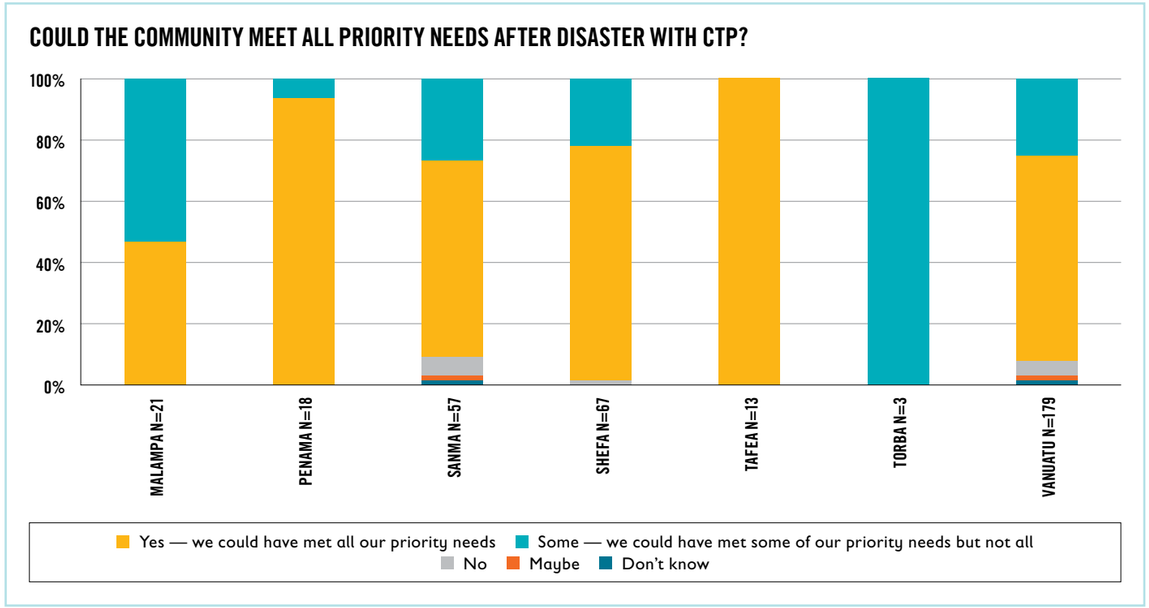


Figure 9: The national results from community group discussion question 3.2: Considering your priority needs following the last disaster (2015–2018), do you think you would have been able to meet those needs with cash and/or vouchers?

Perceived risks of CTP by the community

Despite the apparent preference for CTP, the communities could still see possible risks, with 37% of community group discussions expressing concerns, see Figure 10. Three concerns were frequently raised: the possibility that cash could be spent on the wrong things, it could be stolen, and it could cause tensions within the community if distributed unfairly.

Though there is little evidence internationally or in previous CTP in other Pacific countries, such as TC Winston in Fiji, that misspending is a significant problem in reality.[77] When looking at the risk of theft, it should be noted that it is quite common for people in Vanuatu to store large sums of money in and around their home. It was noted in the CTP service provider capacity assessment that many retirees, due to their mistrust in banks, cash out their whole pension fund at once, preferring to store the money in and around their homes. So although theft is a risk, the risk is not necessarily larger than during normal times or when using in-kind assistance.

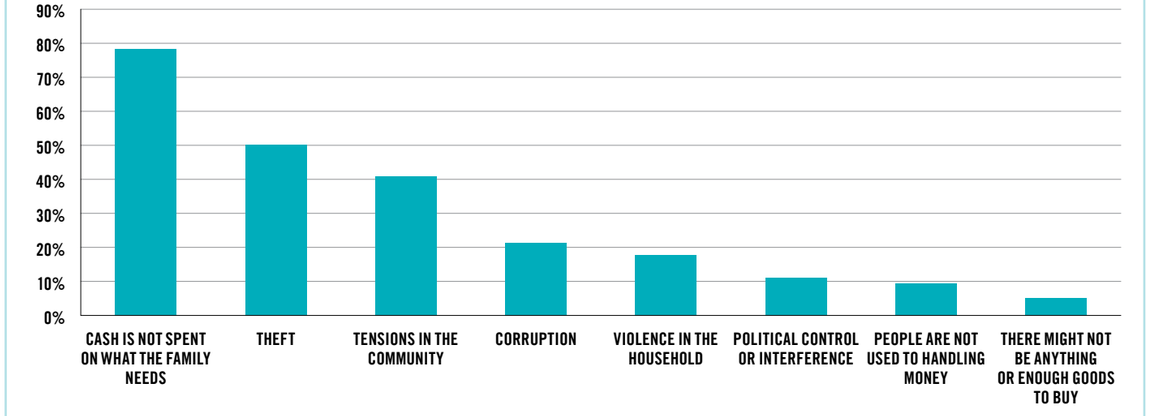


Figure 10: The national results from community group discussion question 3.8: What do you think the risks could be of receiving cash or vouchers?

Gender and protection concerns

Almost one third (29%) of all households saw the potential for possible risks with the introduction of CTP in the household and the community; this includes the possibility of causing tensions within the household. This concern was also raised in the CaLP Pacific Cash Feasibility Scoping Study, which found through interviews with humanitarian practitioners that they too expressed fears about

76 The 2016 Humanitarian Summit and the Grand Bargain Participation Revolution are key examples of international humanitarian conferences that are pushing for increased dialogue between humanitarian responders and the affected communities to improve the quality of humanitarian response. *"If we are to meet the growing needs of disaster-affected communities around the world, we must do more to truly listen to them and, crucially, to tailor our responses accordingly"* Internews, *'2017 Communication with Communities: Walking the Talk'*, UNHCR, https://www.unhcr.org/innovation/wp-content/uploads/2017/10/Internews_Humanitarian_CwC_PolicyPaper_2017.pdf

77 Doyle, Mansur & Ivaschenko, *'Cash Transfers For Disaster Response: Lessons From Tropical Cyclone Winston'*, Development Policy Centre at ANU, 2018

the possible risks and impacts that cash transfer could have on the already high levels of domestic violence in the country.[78] Thus, CTP is only feasible if protection concerns and pre-existing issues, such as gender-based violence, are not amplified and appropriate safeguards can be put in place.[79]

One half of household interviews found that, in normal times, men and women spend the household income together, whereas 25% stated that the male is the main spender, and the other 25% identified the female as the main household spender. Interestingly, when the households were asked hypothetically who in the family should be the recipient of a cash transfer after a disaster, this seems to change in favour of the male head of the household, as can be seen in Figure 11.

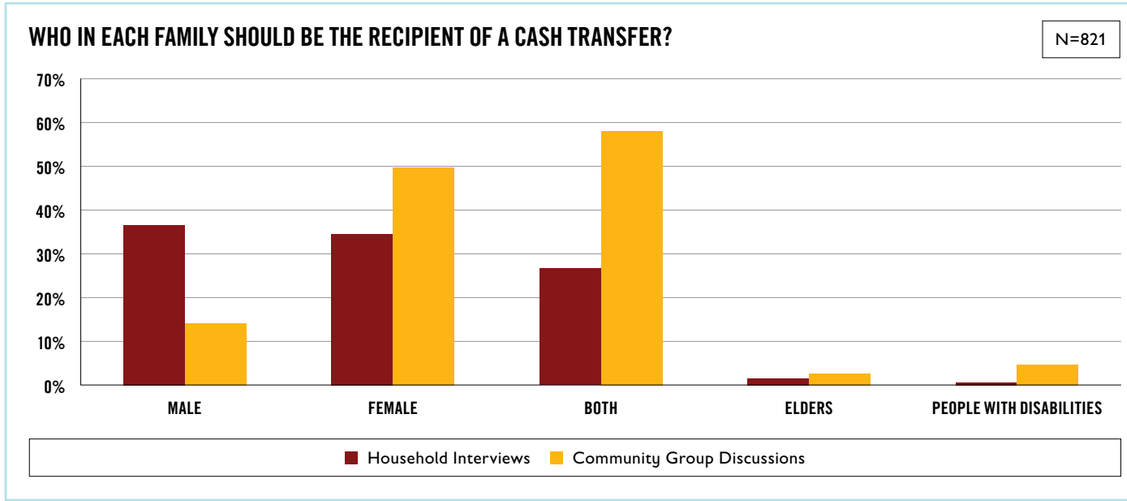


Figure 11: The national results comparing household question 5.8 and community group discussion question 3.9: If assistance is delivered in the form of cash, who in the family do you think should receive it?

There is a large difference between household interviews and community group discussions. When the same question was asked in community group discussions, discussions favoured both the male and female together, followed by the female head in the household.[80] [81] An even number of all-male and all-female community group discussions were conducted (50 and 52, respectively), as well as mixed-gender community group discussions, so the difference cannot be explained by the gender of discussion participants. It is difficult to accurately unpack this finding; the contradiction suggests that, collectively, communities believe that household decisions should be made together but, in reality, household results suggest that this might not be the case, especially in times of disaster.

Due to the discrepancy in the results above, during Oxfam's CTP on Santo — which targeted internally displaced persons (IDPs) from Ambae and their host families — the team let the households decide who would be the recipient of their household's cash transfers (given in the form of cheque). Interestingly, 58% of the program beneficiaries who received and cashed cheques were female.[82]

Due to Vanuatu's high prevalence of GBV, which increases during emergencies, further research needs to be done to fully understand household dynamics and how an injection of cash would impact those. Given the diverse social structures between the islands and the impacts of different natural hazards, it is also essential that key gender and protection questions are integrated into needs and market assessments, and that a gender and protection analysis is conducted in order to implement CTP in Vanuatu in a way that is safe, appropriate and accepted by everyone in the households.

78 Hobbs & Jackson, op. cit., p.57–58 Hobbs & Jackson, op. cit., p.57–58

79 Globally, one of the most common ways to address this concern is to give the cash grant or voucher to the female head in the household as opposed to the male as research and lessons learnt from other CTP around world have shown that it can give the women more status and greater decision making authority within the household. This is discussed in the Oxfam GB, *'Cash- transfer Programming in Emergencies'*, op. cit., 12–13

80 Please note: Though the households and the community group discussions were asked the same questions, the community groups were allowed to select more than one answer, and the households were only allowed to select one answer option. However, this does not seem to have contributed to the type of difference that can be seen between the responses in Figure 11.

81 Practically, the preference of "both female and male" would be implemented by putting the cash transfer or voucher in the names of both the female and male household heads.

82 Oxfam in Vanuatu, *'Ambae CTP Response Distribution Report'*, March 2019

APPROPRIATENESS

Overall, the majority of locations were found to have medium levels of appropriateness for CTP. This is because the households were found to use cash and interact with local markets on a daily basis to meet their needs, and the vast majority of locations have received external assistance between 2015 and 2018 in response to a disaster.

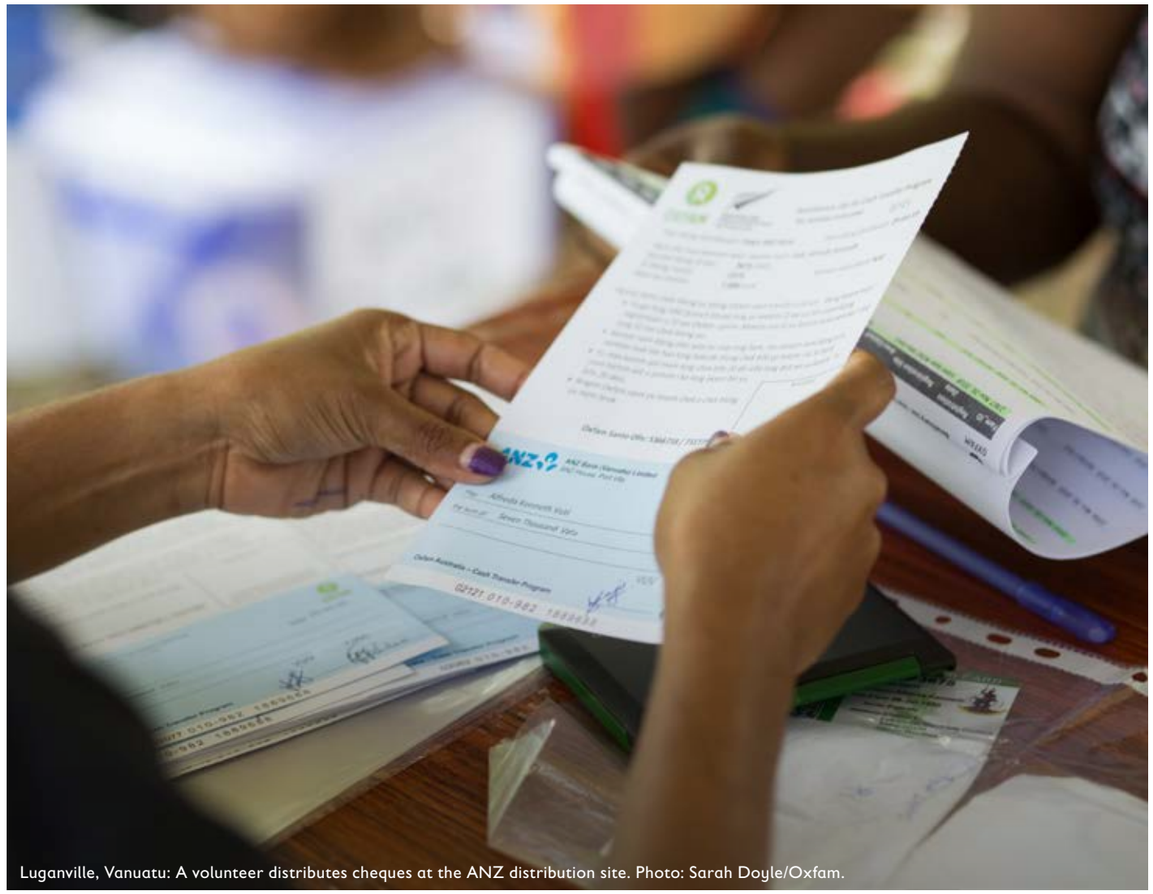
With the exception of Sanma Province, which has slightly lower levels of appropriateness overall due to the absence of large-scale disasters within the above timeframe.

Data analysis

This report considers that cash transfers alone are not an appropriate way to address problems such as malnutrition in children because it requires specialised medical and nutritional care.[83] Therefore, the assessment has investigated what the households' priority needs are before and during an emergency, and whether or not cash would be the best way to fulfill those needs.

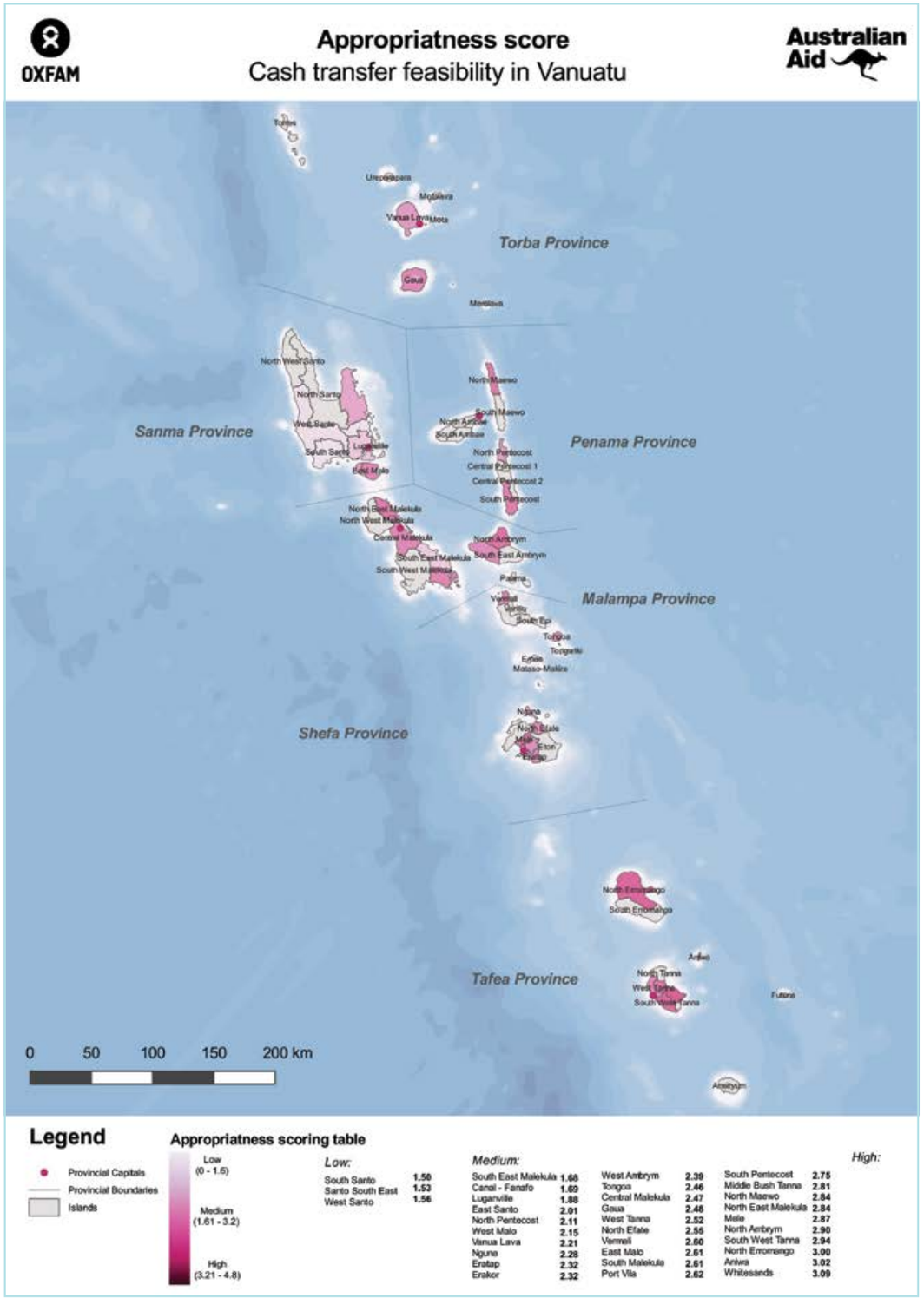
Household cash expenditure

As discussed in the Access section above, the top five weekly expenses overall were food for the family, school fees, clothing, travel and transport, and health needs. When disaggregating the results by sex, displayed in Figure 12, men and women both spend the majority of the money on food for the family and similar levels of expenditure on schools fees and materials. The reliance on cash to meet everyday household needs suggests that CTP could be an appropriate form of response assistance.



Luganville, Vanuatu: A volunteer distributes cheques at the ANZ distribution site. Photo: Sarah Doyle/Oxfam.

83 Oxfam GB, op.cit., p.16



Data analysis

This report considers that cash transfers alone are not an appropriate way to address problems such as malnutrition in children because it requires specialised medical and nutritional care. Therefore, the assessment has investigated what the households' priority needs are before and during an emergency, and whether or not cash would be the best way to fulfill those needs.

Household cash expenditure

As discussed in the Access section above, the top five weekly expenses overall were food for the family, school fees, clothing, travel and transport, and health needs. When disaggregating the results by sex, displayed in Figure 12, men and women both spend the majority of the money on food for the family and similar levels of expenditure on schools fees and materials. The reliance on cash to meet everyday household needs suggests that CTP could be an appropriate form of response assistance.

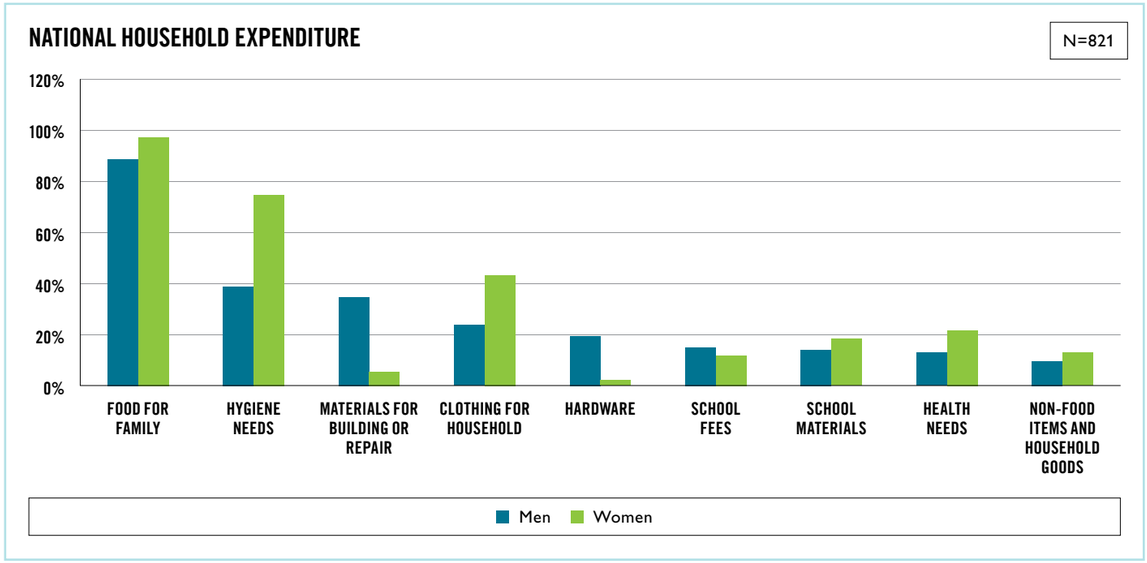


Figure 12: The national results comparing household questions 3.2 and 3.3: When men go to the market/store, what do they buy? When women go to the market/store, what do they buy?

The fact that food for family is the largest weekly expense during pre-crisis times suggests that there is a dependence on markets. In addition, 51% of households, mostly the females in the household, also sell goods at the market. This dependence on markets is a positive indication of the appropriateness of CTP because it implies that families would be able to fulfill their needs by purchasing goods at the markets and it also indicates that there are active markets nearby that the households are familiar with. Households on outer islands and in rural and remote areas, although they still interact regularly with markets, are able to supplement market consumption with a higher level of subsistence farming. This is supported by the HIES conducted in 2010, which found that households produced, on average, 58% of their own total food consumption with the proportion of household-produced food significantly higher in rural and remote areas than in urban areas.[84]

School fees are a consistent household need that requires cash. In the recovery phase of a disaster response, supporting families to send their children back to school by providing money to pay schools fees — regardless of whether they are located in remote or urban areas — could be appropriately met by CTP as long as this is done in conjunction with relevant government ministries, and the schools in the affected areas are functioning.

Past experience with disasters

As CTP is a relatively new form of assistance that comes with different benefits and challenges in comparison with in-kind assistance, it is also important to investigate whether gaps that were apparent in past disaster responses could be appropriately filled with cash. Accordingly, households and communities were asked about their past experience with disasters and receiving external assistance.

84 Vanuatu National Statistics Office (VNSO), *'Vanuatu's Household Income and Expenditure Survey'*, op. cit., p.27

More than two thirds of all communities surveyed (68%) had been impacted by a disaster in the last three years (2015–2018) where they received external assistance. Those households recalled their immediate needs were food, water and shelter. These needs closely correlate with the past assistance received by communities, which was predominately food, followed by materials and tools to repair their homes, seeds and tools for replanting crops and homes gardens, and water and sanitation products.

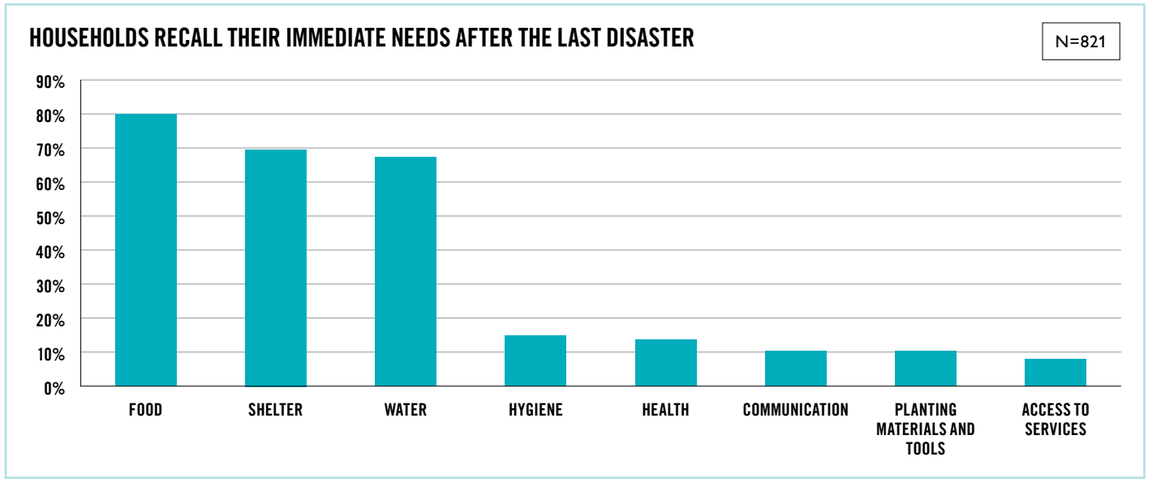


Figure 13: The national results of household interview question 5.3: After the disaster, what were the priority needs of your household?

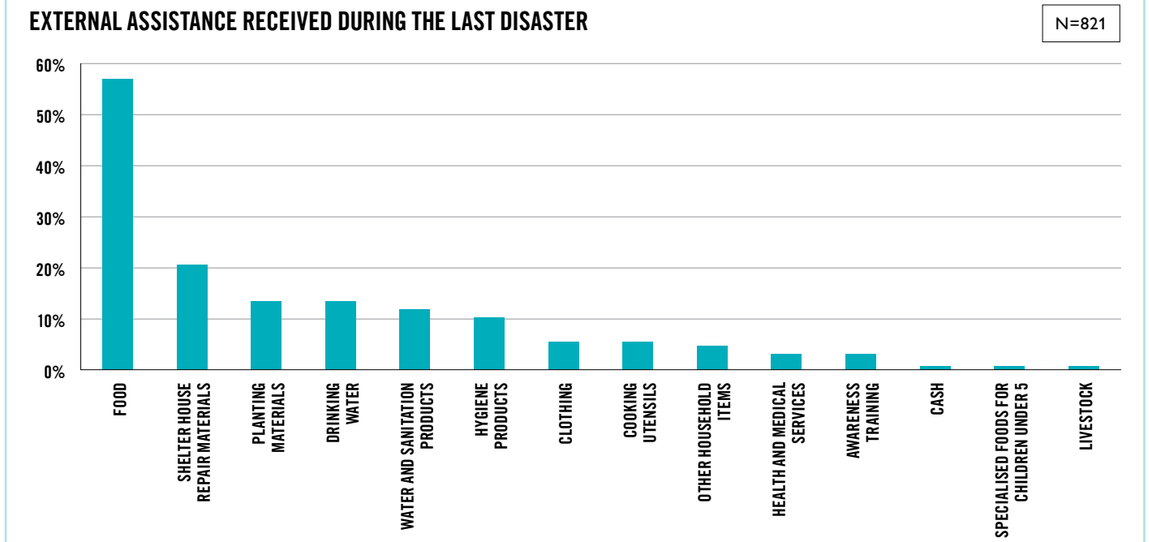


Figure 14: The national results of community group discussion question 2.12: If yes, what did the community receive?

However, according to the community group discussions, based on their experiences, the biggest problems with past disaster assistance relate to delivery challenges rather than the actual items that are delivered. Community groups predicted that the most likely challenges for future disaster assistance will be unfair distributions, not enough distributions for everyone, and concerns that the assistance is likely to come too late, see Figure 15.

The social importance of fairness and equal distributions in the community is highlighted here with communities expressing higher levels of concern regarding the targeting of the distributions despite the assessment finding that the average delay in the delivery of previous disaster assistance is more than three weeks. A reason for this could be connected with the social and cultural coping strategies employed in Vanuatu. The practice of sharing available resources between extended families and other community members acts as a traditional social safety net by reducing hardship and helping protect the poorer households from slipping into poverty, hence fairness and social cohesion is extremely important in all Vanuatu communities.[85] Therefore, it is essential that any new humanitarian intervention does not undermine this resilience and the collective social structure of communities in Vanuatu, and complaints regarding targeting of distributions need to be considered and addressed for CTP to be perceived as an appropriate and effective response modality. Community-based targeting or blanket targeting at household level may be the preferred approach in this regard.

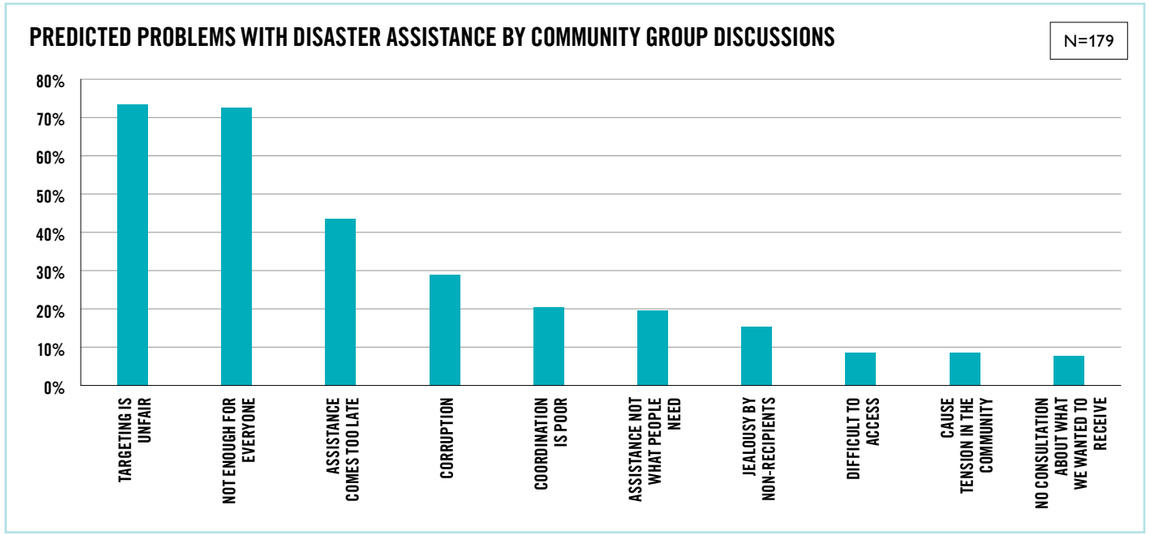


Figure 15: The national results of community group discussion question 2.14: Next time there is a disaster and your community receives assistance, what problems do you imagine could happen?

CTP is considered a more efficient programming option in comparison with in-kind assistance as it is likely to be cheaper and faster because there is less operational cost and the program works within existing markets and their supply chains.[86] Therefore, the logistical challenges that have been experienced in past disasters could be mitigated through CTP, particularly in urban and well connected rural areas. However, the efficiency is dependent on the type of CTP and the amount of preparedness work that has been done pre-crisis.

The households envisaged that they would be able to use a cash transfer to meet their needs, with the majority of community discussions stating that the money could go towards food for the family, repairing their houses, clothing and drinking water, see Figure 16.

85 Hobbs & Jackson, op. cit., p. 54–58
86 Oxfam GB, op. cit. p.28

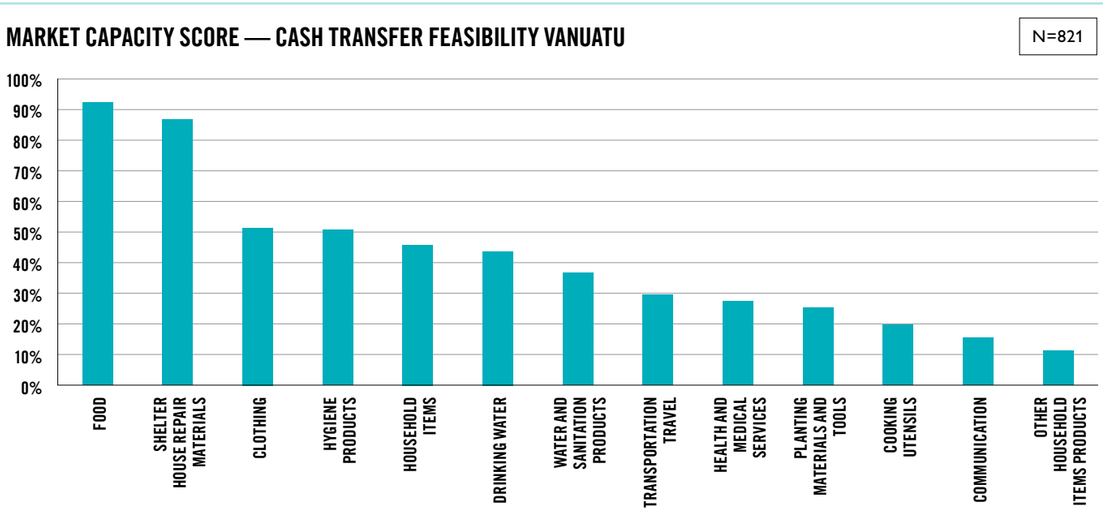


Figure 16: The national results of household interviews question 5.9: If you could receive cash or a voucher as a form of assistance after a disaster, what would you buy?

In addition to their own needs, households and community group discussions were asked who in the community they think is most at-risk during a disaster and thus, who requires the most assistance and/or additional specialised assistance. The results are quite consistent across households and community group discussions, and across locations, with elders, widows, people with disabilities, single mothers and children (girls slightly more than boys) identified as the most at-risk groups. Thus, for CTP to be appropriate they need to be able to successfully target and help these groups within the affected communities, and ensure that what makes them more affected by a disaster is not amplified by CTP.

People who are dependent on others to meet their daily needs, including children, elders, and people with disabilities, are more impacted by disasters, and are at greater risk of protection issues, such as violence and neglect. It is therefore more likely that some of the priority needs of these groups may not be met. *Disability Inclusion in Disaster Risk Reduction*, a joint report by CBM, Nossal, Oxfam, Ministry of Justice and Community Services (MoJCS) and national DPOs in Vanuatu, found that after TC Pam, people with disabilities were more than twice as likely to have been injured, and disability-specific services were the least available. Adults and children with disabilities reported worse wellbeing than people without disabilities.[87]

MARKET CAPACITY

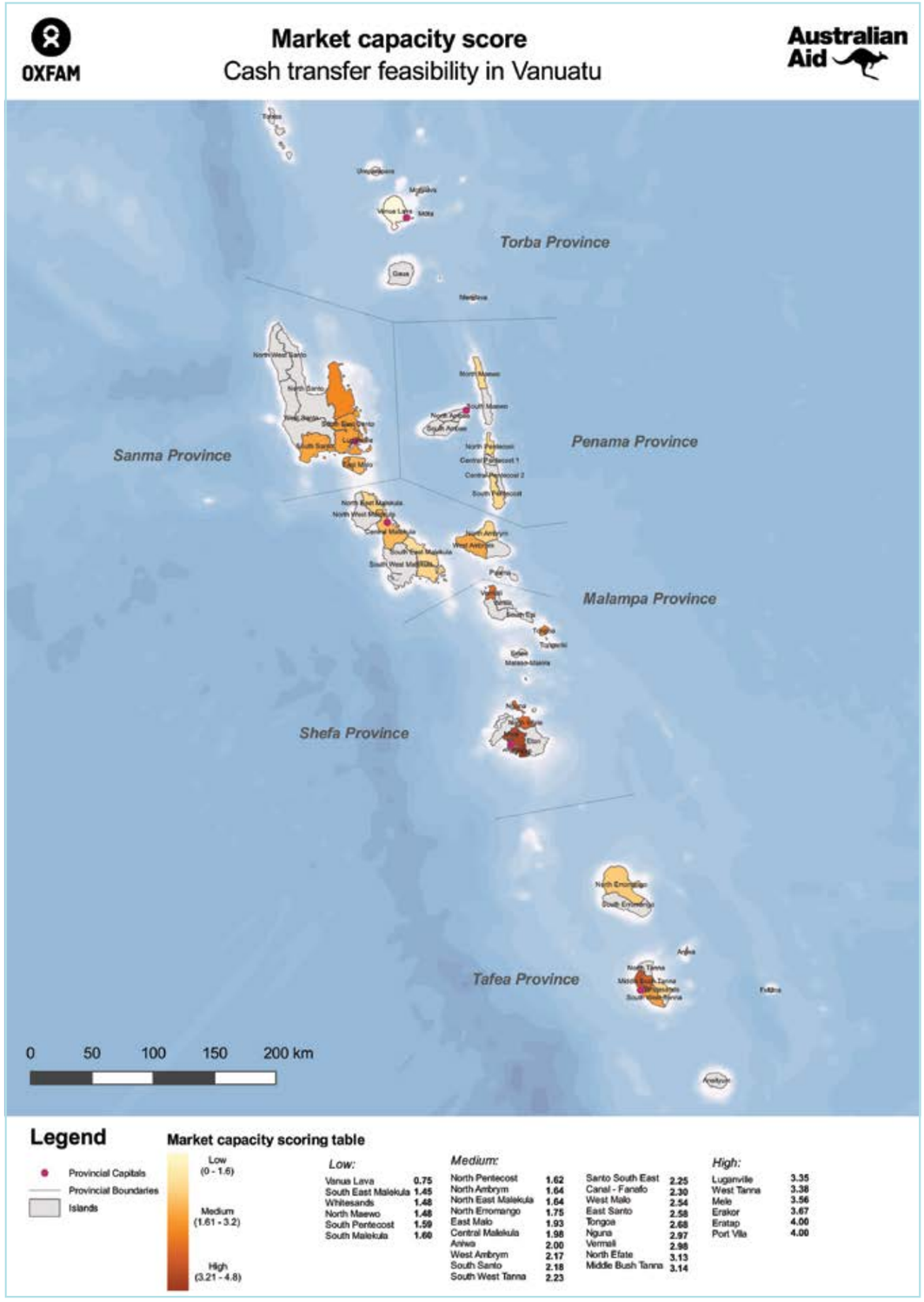
Overall, Vanuatu has generally low levels of market capacity outside of the large urban areas in and around Port Vila and Luganville, with the exception of the large regional provincial centre in Lenakel, Tanna, which also recorded a high level of market capacity.

Outer islands and locations that have a limited number of small stores and vendors in the provinces of Penama, Malekula and Torba were found to have low levels of market capacity due to a lack of critical infrastructure, distance from main commercial centres, and reduced variety of goods.

The results in Middle Bush, Tanna produced a surprisingly high market capacity score, despite their markets only having small stores and vendors. The score was skewed by the large volume of customers that vendors and shopkeepers reported receiving daily, which was comparable only to locations with a medium to high market capacity, which led to a higher than expected score for this indicator.

Notably, west Santo in Sanma and Gaua in Torba do not have market capacity scores because of insufficient data, due mainly to the lack of small vendors and stores present in those locations.

87 CBM — Nossal Institute Partnership for Disability Inclusive Development & et. al., *Disability Inclusion in Disaster Risk Reduction: Experiences of people with disabilities in Vanuatu during and after Tropical Cyclone Pam*, 2017, <https://mspgh.unimelb.edu.au/__data/assets/pdf_file/0011/2567576/WEB-DIDRR-Report-14112017.pdf>



Score calculation for market capacity: It is important to note that, in order to produce the market capacity score, the relevant variables for CTP feasibility were selected and those questions were used to calculate market capacity scores for both small vendors and shopkeepers. Though, when the scores were analysed and compared, it was revealed that there was little variation between the two surveys. Therefore, the scores displayed on the maps are based on the small vendor questionnaire because it more accurately portrays the reality of the overall market capacity for each surveyed location.

This is because when there is a lack of critical infrastructure and produce must travel long distances, it is a lot harder for small vendors to transport goods due to increased costs. Additionally, high levels of subsistence farming, as found in the rural and remote locations of Vanuatu, often reduce the demand for fresh produce, which is mainly what the small vendors reported they were selling. The opposite is found in active markets with good infrastructure; generally, the healthier the market the more small vendors will thrive.

This was confirmed when comparing the small vendor and the shopkeeper results. In highly developed areas, independent small vendors displayed a marginally higher score than storeowners, and small vendors in the most remote locations, such as Torba and outer islands, produced lower scores than their nearby local storeowners.

Data analysis

As a market-based approach, CTP is used to support local markets when and where they are functional after a disaster.[88] Thus, one of the most essential conditions that dictates the feasibility of this type of programming is whether or not the accessible market has the capacity and supply to withstand a sudden increase in demand and purchasing power.

Market analysis survey statistics

Number of market surveys conducted and % of the types of goods sold by vendors and stores

251 Shopkeeper/owner interviews

Mixed goods (perishable and non-perishable foods and non-food items)	78%
Fresh foods (fruits or vegetables, root crops)	31%
Clothing trader	30%
Cooked foods	23%
Meat	21%

254 Small vendors interviews

Fresh foods vendor (fruits or vegetables, root crops)	39%
Cooked food	32%
Mixed goods vendor	11%

49 market observations (includes small community markets, medium regional markets, large urban markets)

As previously mentioned, the main economic activity and services are found in Port Vila and Luganville, with secondary activity in the rural centres on Tanna and Malekula. The majority of the country's large wholesalers that receive international shipments are based in Port Vila. These wholesalers then distribute to affiliates in Luganville, who then dispatch to smaller retailers to the north of the country.[89] The south receives supply shipments from Port Vila. Though the CTP service provider capacity assessment concluded that Vanuatu is unlikely to experience a shortage of essential goods nationally, as they are relatively easy to supply and the local consumption is a small percentage of national imports, the challenge is getting the supply to markets that are accessible to rural and remote households.[90] This is because not all islands have active local markets. On the outer islands and in the more remote places on the larger provincial islands, like Big Bay in Santo, small stores and vendors tend to have less access to critical services and infrastructure, such as bulk transport and storage. For example, container shipping is not possible off the two main islands.[91] Thus, the transportation of goods that are not produced in the area is timely and costly.

Market profile

The provincial centres with a higher density of population have larger fresh produce markets and more variety of stores in comparison with the markets on outer islands that consist of mainly small-to-medium stores and small fresh produce markets.[92] Regardless of location or size, almost all stores reported being open daily across all provinces, and for small vendors it was reported that 59% sell their produce daily and 23% sell at least once a week. According to the stores, the average customer in Vanuatu spends between 1,000 and 5,000 VT in one transaction. Between January and April, they experience a drop in customers, which they say is due to cyclone season and these are also the months where people have less money, as it is after the Christmas and New Year holiday period.

88 H Juillard, '*Pre-Crisis Market Analysis (PCMA) guidance*', The International Rescue Committee, 2016 < https://www.emma-toolkit.org/sites/default/files/bundle/PMCA_FINAL_WEB.pdf>
89 Logistics Cluster Vanuatu, loc. cit.
90 Reinhardt, op. cit., p. 2–3
91 Ibid.
92 The stores were categorised into small store, medium store and large store based on the average amount of customers that they receive daily.

All stores and small vendors that were surveyed regardless of size, stock or location deal predominately in cash, and only 16% of stores reported having EFTPOS capabilities. About three quarters (76%) of stores and 48% of small vendors have a bank account for the business, and the vast majority bank with the National Bank of Vanuatu.

Market supply

Supplies are transported via large cargo ships throughout the islands. However, for the islands without ports — which is most of the outer islands — small boats with outboard motors and canoes transport the goods onto the island for the stores to then transport the items via small truck or carry them to their store. As can be seen in Figure 17, stores on islands with provincial centres were found to

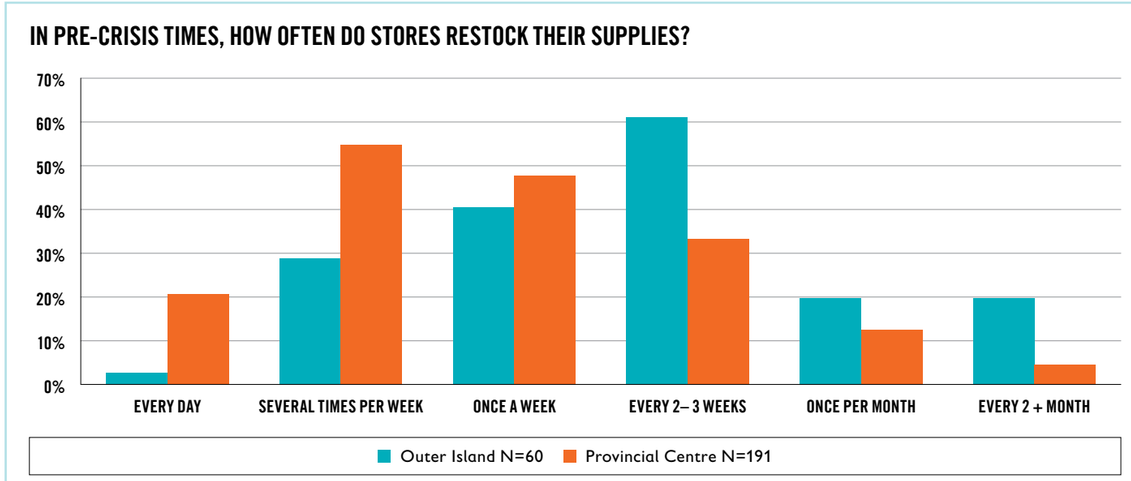


Figure 17: The national results of shopkeeper/owner interview question 4.4: In normal times, how often do you restock your supplies?

restock more often than stores on outer islands, with 31% restocking several times a week in comparison with stores on outer islands that commonly restock every 2–3 weeks.

More than half of stores stated that their supplies experience regular delays because of interruptions to shipments, mostly due to the weather. Though the length of time that stores have reduced supplies differs depending on store location. Generally, stores on outer islands experience longer delays than those on islands that have provincial centres, see Figure 18.

If there was a sudden increase in demand, 86% of shopkeepers predict that they could scale up, with 71% stating that it would take them less than two weeks to increase their supplies.

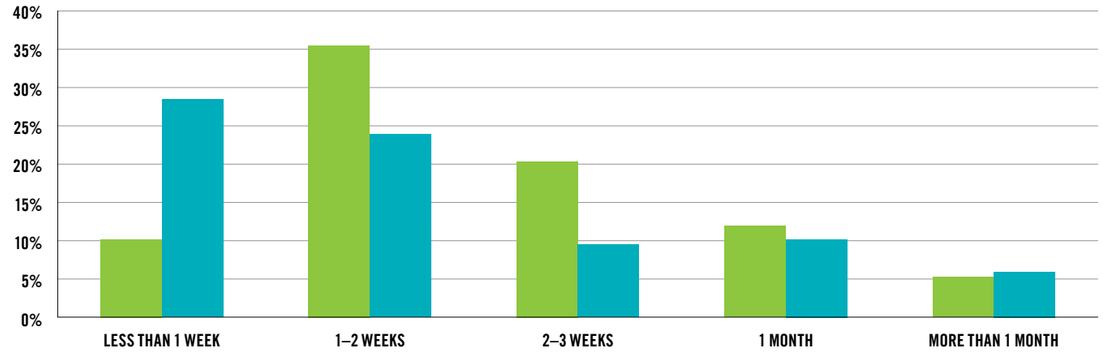


Figure 18: The national results of shopkeeper/owner interview question 4.6: In normal times, what is the maximum time when you have less supplies?

Market resilience and past disaster experience

The majority of stores have access to storage facilities, with 57% of shops storing additional supplies within their shop, and 18% of mostly large or medium-sized stores having a separate storage building or warehouse. This suggests that all stores, to a limited extent, are able to store additional stock if they were to anticipate an increase in demand. However, their ability to purchase very large quantities of goods quickly in order to scale up is constrained by not only the type of storage reported (only 18% have a warehouse or other storage structure), but also due to a lack of credit agreements, with only 26% of stores having credit agreements with their suppliers. Particularly for outer islands, limited infrastructure (transport, ports and large warehousing) further impacts their ability to scale up as this tends to cause delays, higher costs and loss or damage of goods. This highlights the critical need to introduce cash transfers gradually, so stores can cope with the increase in demand. It is also important to work with stores and wholesalers to improve their ability to scale up.

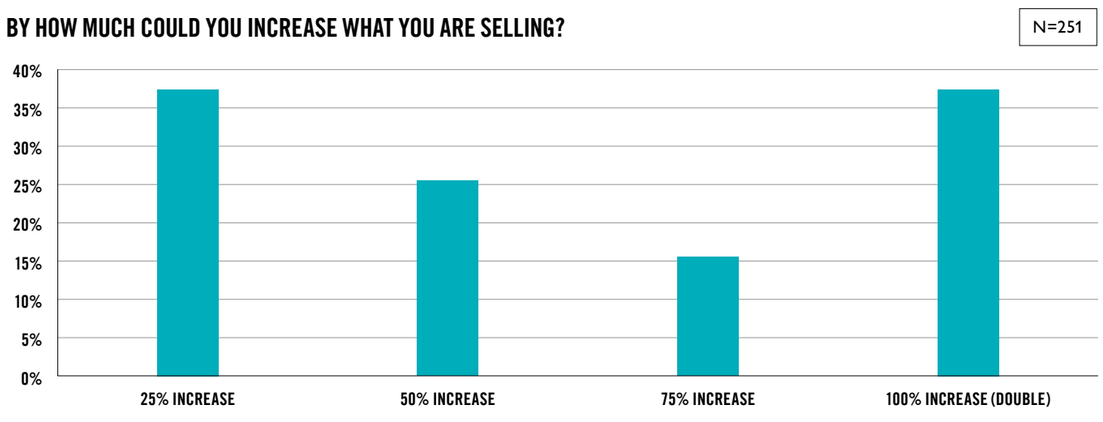


Figure 19: The national results of shopkeeper/owner interview question 7.11: If people increase how much they buy, how much more would you be able to sell?

Despite the lack of storage and constraints with the way stores replenish their stock, the assessment suggests that stores are able to bounce back relatively quickly after a disaster. Of the 125 stores that reported having to close immediately after the last disaster due mostly to damages, 71% stated that they were able to reopen less than a week later.

Regardless of size, 89% of stores report that they were able to meet the initial demand for rice, tinned meat and biscuits after the last disaster. The assessment did not dig deep enough to find out for how long they were able to meet this demand as 45% of stores stated that the slowdown of the supply chain is the biggest recovery challenge.

However, it should be noted the variety of items that are in highest demand represent what the stores sell and not necessarily what goods were in highest demand by the affected population. For example, the EMMA conducted on Maewo during the Ambae volcano response found that only a limited amount of stores sold building materials and agriculture goods despite households reporting these items in their top three priority needs.[93]

Two thirds of stores stated that the biggest impact they experienced during the last disaster was a lack of customers, see Figure 20. This could be a positive indication for cash-based approaches because it suggests that the suppliers were available and stores were seeking more customer volume. However, the reason why people were not purchasing the items may need to be further explored.

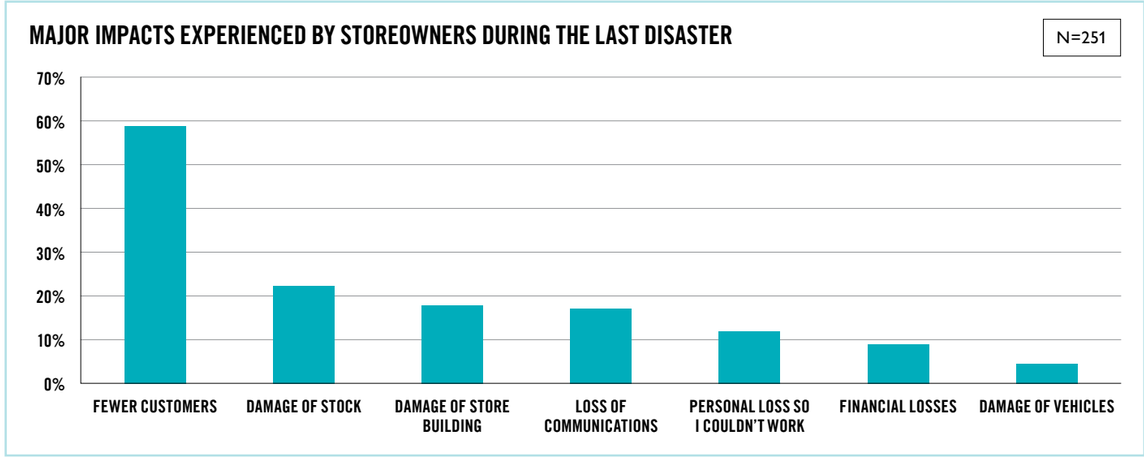


Figure 20: The national results of shopkeeper/owner interview question 7.3: The last time a disaster hit this area, how did it affect your business?

Only 4% of stores reported that recent disasters caused unstable prices. This appears to indicate that inflation risk due to limited supplies or price manipulation is low, however this would need to be verified with market price monitoring immediately after a disaster event, and of course depends on the size and scale of the event in question. Following TC Pam in 2015, price increases were widely reported, likely because the cyclone had national, multi-island impacts.

More than three quarters (78%) of stores stated that in-kind assistance by humanitarian agencies and the government after a disaster impacts their business by reducing the amount of customers. This is not uncommon, as the distribution of large quantities of in-kind assistance usually acts as a disincentive to purchase similar goods (such as rice and tinned fish) in stores when households are aware that these goods are available for free. Again, this would signify that vendors would benefit from cash-based approaches, as it would help with small business recovery via encouraging customer purchases with cash or vouchers.

The limited ability of small vendors — most of whom sell fresh produce from their crops or gardens and/or cooked food — to scale up and increase what they sell in a short amount of time is unsurprising, see Figure 21. Almost half (47%) reported that they cannot increase what they sell, and 38% stated that they could only increase a little. Further impacting their capacity to scale up, the assessment revealed that 76% of fresh produce markets have no storage facilities at all and only 8% of vendors reported using credit regularly to restock their stall.

93 Oxfam in Vanuatu, *'Emergency Market Mapping & Analysis (EMMA), Maewo Island'*, op. cit. p.17–18

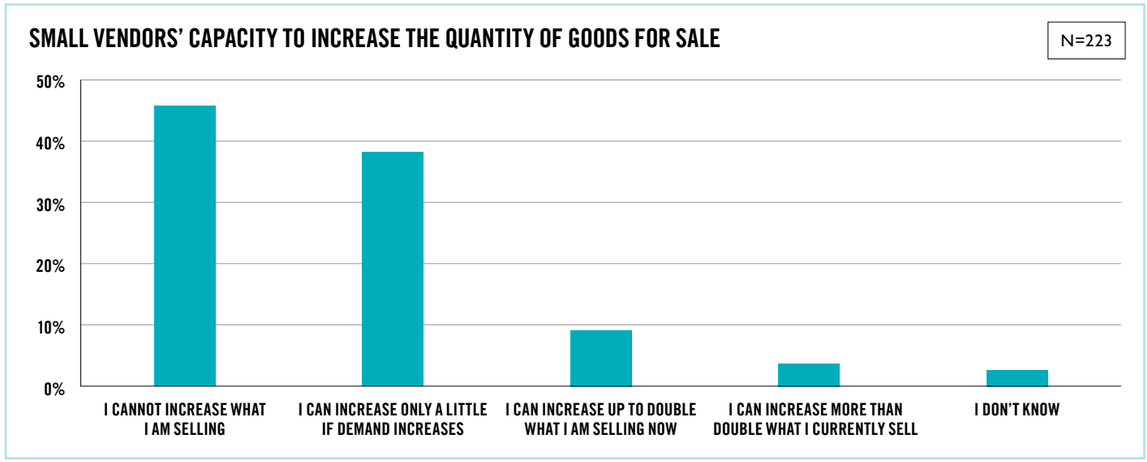


Figure 21: The national results of small vendor interview question 3.5: Suppose many more people wanted to buy from you, and you had to increase the amount of goods you are selling. By how much can you increase what you sell?

Stores are more likely than small vendors to accept credit (kaon) as payment, with 73% and 55%[94] respectively. One third of small vendors regularly accept credit and 25% sometimes accept credit.

Comparing the provinces, there is a higher usage and acceptance of credit in Penama (48%) and Tafea (60%), see Figure 22.[95] The average credit provided is around 1,000 VT but the average for Tafea is 2,500 VT.

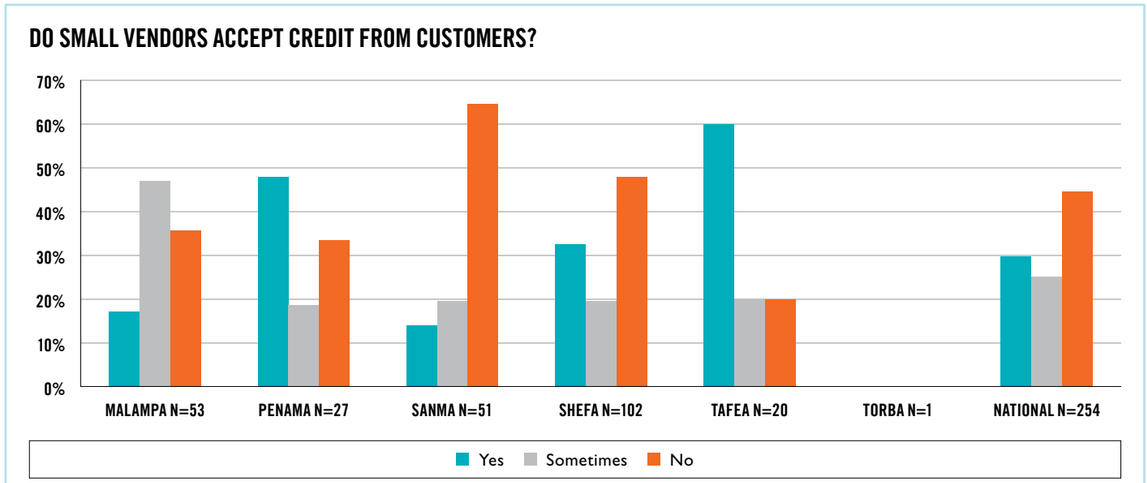


Figure 22: The national results of small vendor interview question 2.8: Do you provide credit to your customers?

Credit trends have both positive and negative implications for cash transfer design and implementation. While the capacity of stores and small vendors to offer credit to customers indicates that there is a healthy cash flow (and, therefore, a float that can be loaned out without affecting restock capacity), it may also put vendors at risk. In the case of a sudden-onset disaster, where a vendor may need extra cash for repairs or replenishment, it is highly likely that customers will be unable to repay their debts.

94 This includes small vendors that regularly and sometimes accept credit from their customers.

95 Torba's one small vendor information has been removed from the above table to prevent it skewing the data. The small vendors in Vanua Lava do accept payment in the form of credit.

E. FEASIBILITY RESULTS PER PROVINCE

The following section provides a detailed analysis for each of the six provinces in Vanuatu.

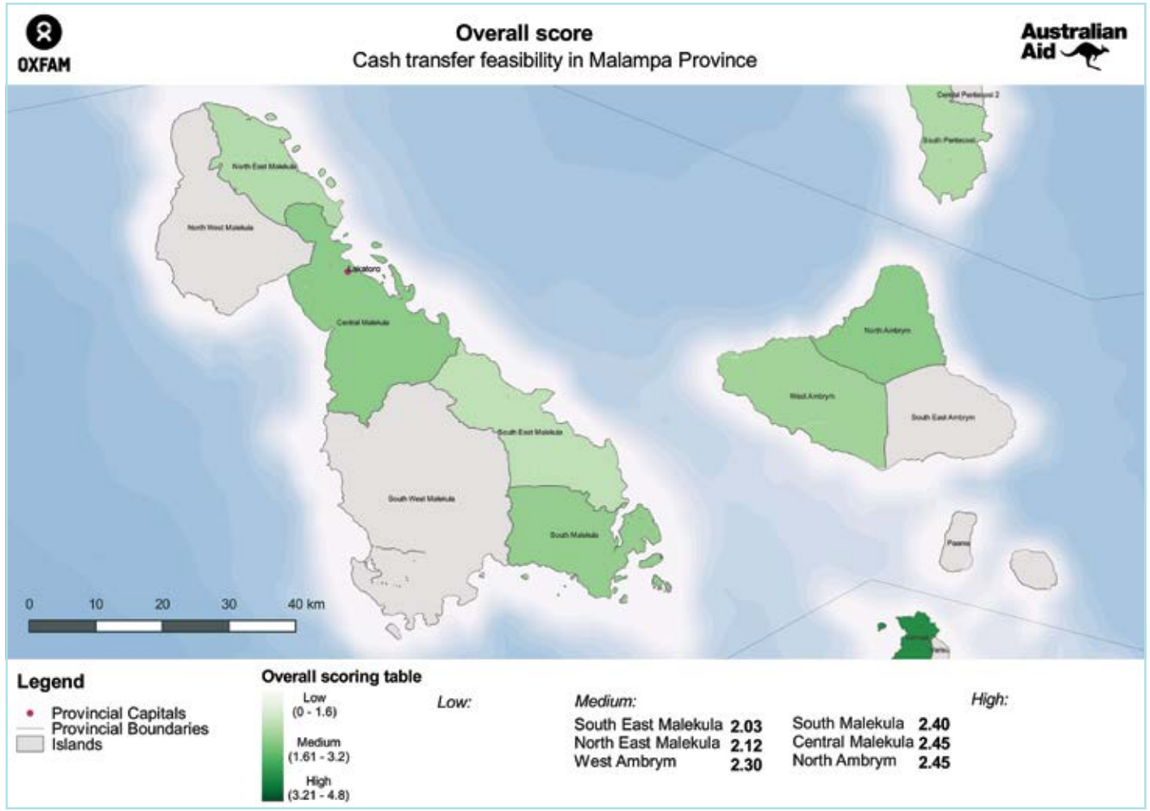
Each provincial analysis contains:

- a provincial snapshot that presents an overview of the province and its overall cash transfer feasibility.
- detailed data analysis, down to each surveyed area, is provided per indicator.

Eton village, Vanuatu: Efate Island resident Helena dries corn from her family garden. Six months after Tropical Cyclone Pam hit the region, she was able to grow enough to feed her family, but did not have enough excess to sell at the local market. Photo: Arlene Bax/OxfamAUS.

Malampa Province

OVERALL SCORE — CASH TRANSFER FEASIBILITY MALAMPA PROVINCE



SNAPSHOT

Malampa is located in the centre of the country and consists of three main islands — Malekula, Ambrym and Paama — along with smaller islands that surround the province's largest island, Malekula. Malampa Province has a population of 40,928.[96]

Provincial capital: Lakatoro, north-east Malekula

Infrastructure and services: Lakatoro has a small number of stores, a supermarket (LTC), a fresh produce market, NBV bank branch, ANZ GoMoney agent and a women's handicraft centre. There are three airstrips in Malekula and one on Ambrym and Paama. Both Norsup and Lakatoro, Malekula have 24-hour electricity and the provincial hospital is located in Norsup. Roads runs down the east side of Malekula, linking the south of the island with the north. On Ambrym, there is a road that connects the west of the island with the south. There are weekly shipping services from Vila (Efate) to Litzlitz (Malekula) to Luganville (Santo).

Main economic activities: The economy of Malampa is largely based on agriculture, with extensive copra plantations on the eastern coastal plains around Norsup and Lakatoro.

Natural hazards: The province is prone to numerous tropical cyclones, volcanic eruptions, droughts, earthquakes, tsunamis and flooding. Malampa has two active volcanos within the province: one is on Lopevi Island, an uninhabited volcanic island, and one on Ambrym Island.

96 Vanuatu National Statistic office, '*2016 Post – TC Pam Mini – Census*', Ministry of Finance and Economic Management, 2016, <https://vnso.gov.vu/index.php/component advlisting/?view=download&fileId=4542>

All locations in Malampa have been classified as medium feasibility for CTP, with north Ambrym and central Malekula scoring the highest and north-east Malekula and south-east Malekula scoring the lowest.

North Ambrym has a small sample size of only seven households, so this may have skewed its overall score.

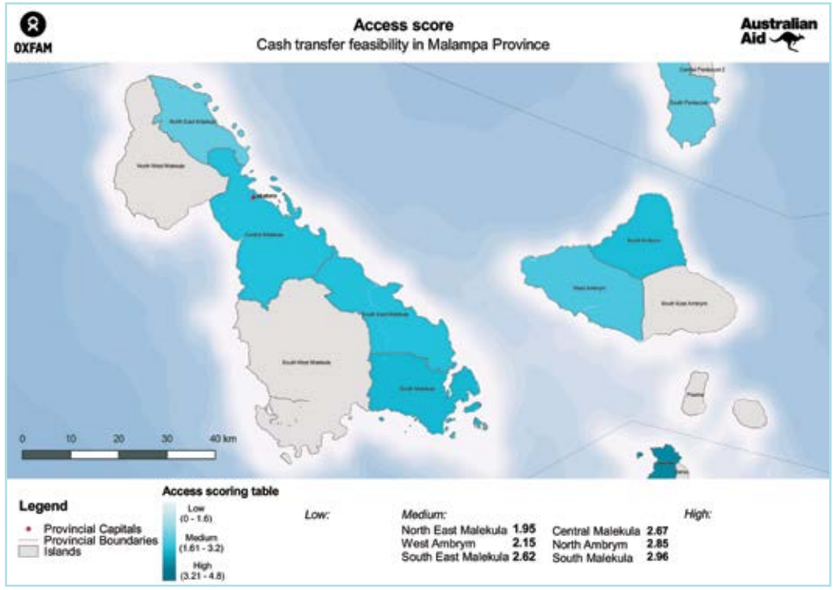
Cash transfer profile: Malampa	
ENABLING FACTORS	• High density of market activity in the provincial centre on Malekula • Strong household purchasing trends for basic goods • High levels of access to and use of FSPs • Import capacity from both Port Vila and Santo • High acceptance levels for cash-based programs
OBSTACLES	• High level of perceptions related to potential risks associated with CTP in the community • Smaller islands are very remote and limited in feasibility (Ambrym and Paama) due to limited market capacity • Communities predicted that not all their priority response needs could be met by cash transfers

Ambrym Province, Vanuatu: Monique and her baby daughter survived the Category 5 cyclone that hit Vanuatu in 2015. In the aftermath, Oxfam delivered hygiene kits to Monique's community in the south-east of Ambrym Island. Photo: Amy Christian/OxfamAUS.

DATA ANALYSIS

Access

Locations in Malekula received a generally low score because of their lack of access to markets and FSPs. The feasibility scores for access in Malampa are classified within the medium range. For CTP in Malampa, the scores suggest that access to markets and FSPs for the majority of the province is challenging.



Though central Malekula has the best access to large stores and big markets, north Malekula and south Malekula scored slightly higher for the access indicator. This is because south Malekula and north Ambrym have very small household sample sizes (three and eight, respectively), which have skewed their data. Also, all survey respondents for north Ambrym said "yes" to access to FSPs, and the majority of households thought there was enough variety in their local stores, which contributes to their high score.

Access to and use of markets

The majority of households in Malampa (82% of respondents) purchase goods from small stores, followed by small markets and big shops, with 40% and 42% respectively. When analysed by the different areas that were surveyed, it can be seen that communities closest to the provincial centre of Lakatoro have access to a more diverse market with the majority of households shopping at a combination of big and small stores and larger fresh produce markets, see Figure 23.

The more rural communities in Malekula and communities on Ambrym rely more heavily on small stores and small markets that are within walking distance of their homes. Communities living around Norsup and Lakatoro in Malekula report paying 100–500 VT to access their preferred markets in Lakatoro.

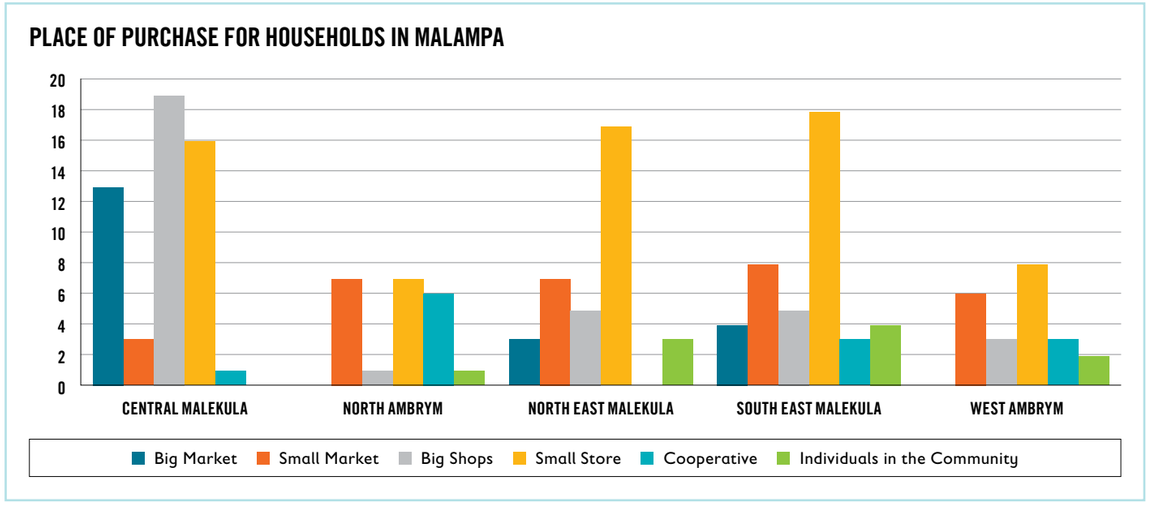


Figure 23: Malampa's results for household question 3.1: Where do you purchase your food and other household items?

Despite the slight variation in access to the different sized stores and markets, the purchasing habits of the 81 households across the province were relatively consistent. As can be seen in Figure 25, all areas have access to markets as they regularly engage with markets to fulfill at least some of their household needs. However, 54% of households stated that they do not think there is a wide enough variety of food and household items available to them at stores and markets, see Figure 24. A lack of variety in normal times could limit the scale and use of CTP as a response modality in Malampa, or require CTP to be accompanied by in-kind or agriculture interventions.

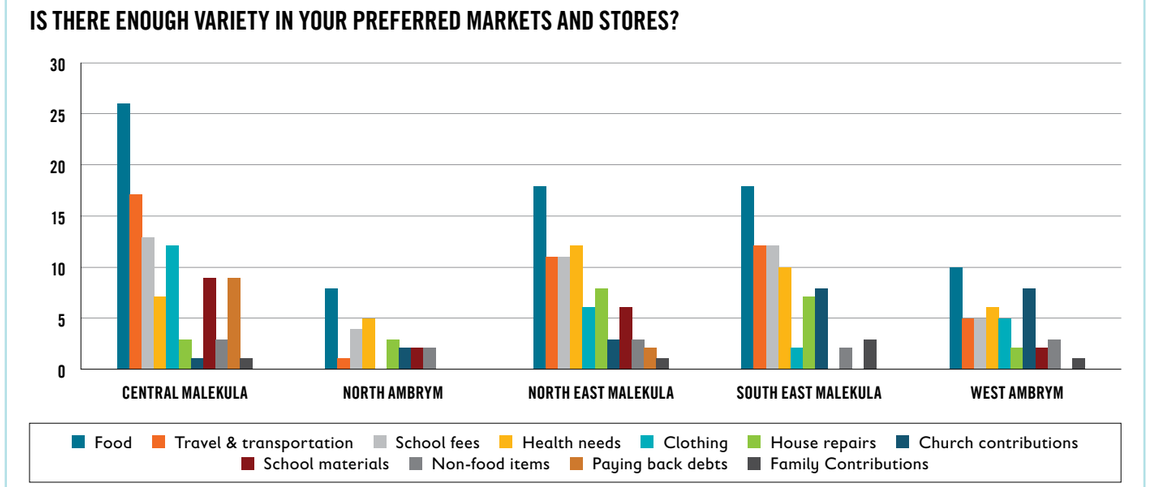


Figure 24: Malampa's results for household question 3.10: Do you think there is enough variety of food and other household items available in the market and store near to you?

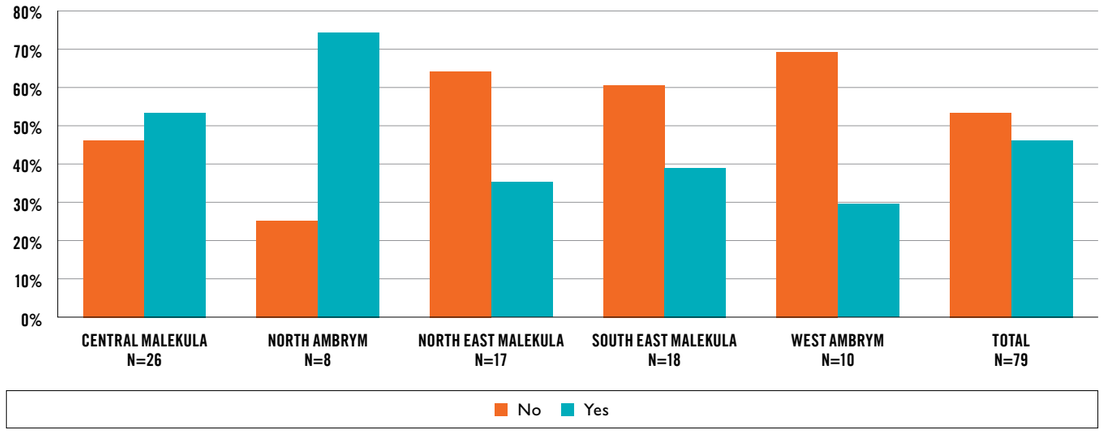


Figure 25: Malampa's results for household question 2.4: What household needs does your monthly income usually cover?

Access to and use of financial service providers

More than 80% of households stated that they have access to at least one FSP (see Figure 26); this is higher than the national level of 71%. When breaking the data down by surveyed area, access to finance services is consistent across all areas regardless of distance from the provincial centre. This is in contrast with what was found in other provinces, with the general trend of access reducing as the distance from the provincial centre increases.

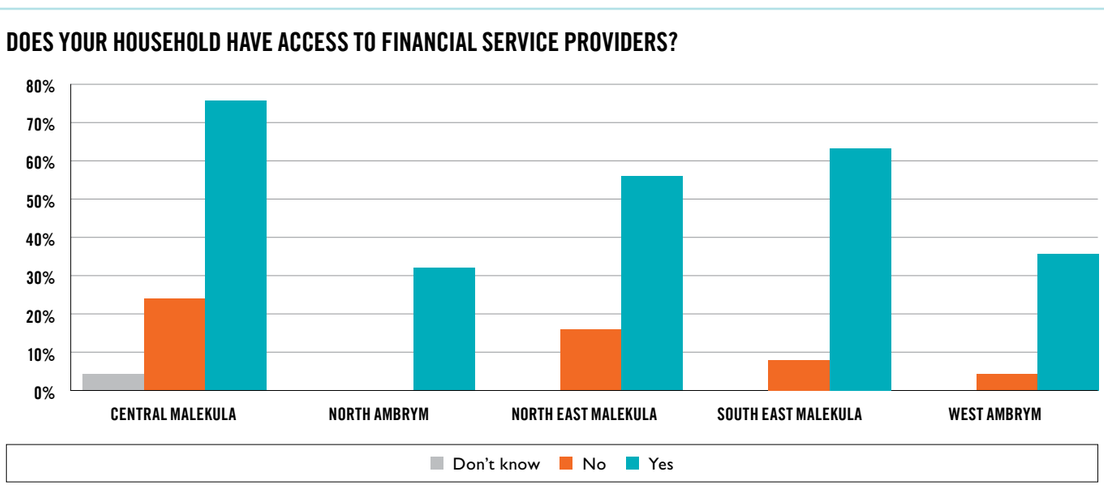


Figure 26: Malampa's results for household question 4.1: Do you have access to any formal or informal financial services?

The most popular type of financial service is banks, with 67% of households using banks, followed by 37% choosing money transfer through Western Union, and 16% using cooperatives. As seen in Figure 27, this is relatively consistent across the surveyed areas.

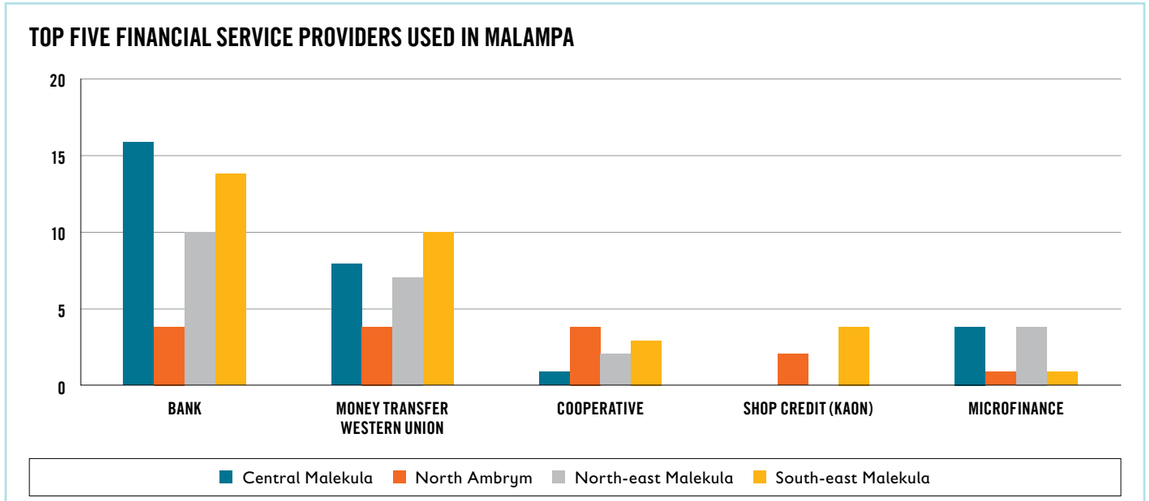


Figure 27: Malampa's results for household question 4.2: Which financial service do you use?

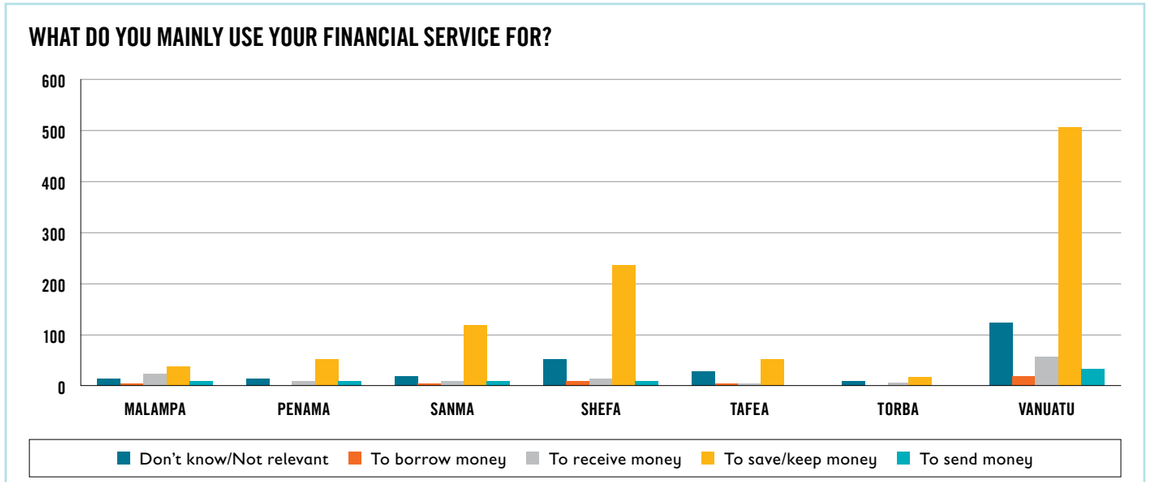


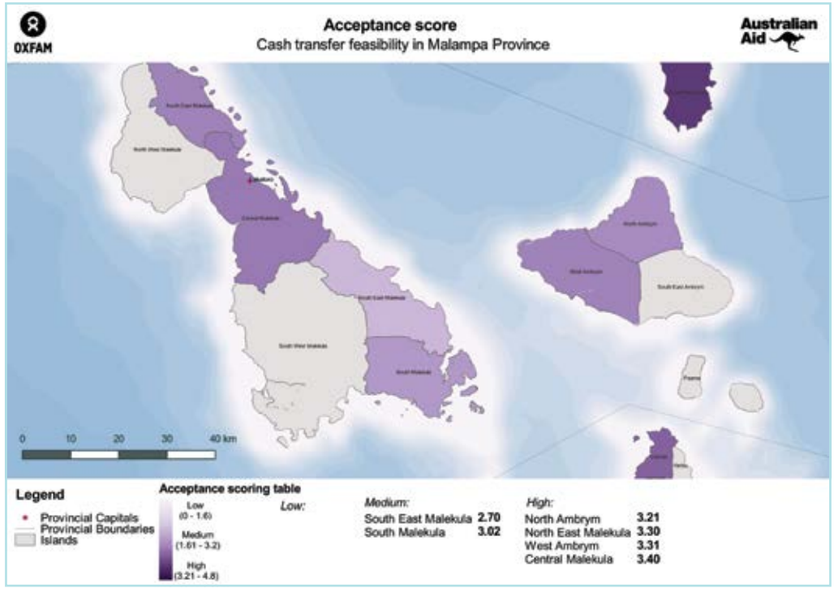
Figure 28: Malampa's results of household question 4.3: Why do you use this financial service?

Acceptance

The feasibility score for acceptance in Malampa is high, with communities closest to the provincial centre scoring slightly higher than those in the south of Malekula and on Ambrym.

South-east Malekula scored marginally lower for acceptance.

This overall acceptance of CTP and the low levels of perceived risks by the community is a positive indicator that the communities would deem this form of emergency response programming to be satisfactory.



Disaster assistance preference

Like all other provinces, cash was the most preferred type of disaster assistance by the communities and individual households, see Figure 29. However, where Malampa differs from others is the secondary preference for the combination of cash and in-kind assistance, with 28% of households expressing this preference, noting that the national comparison is at 8%.

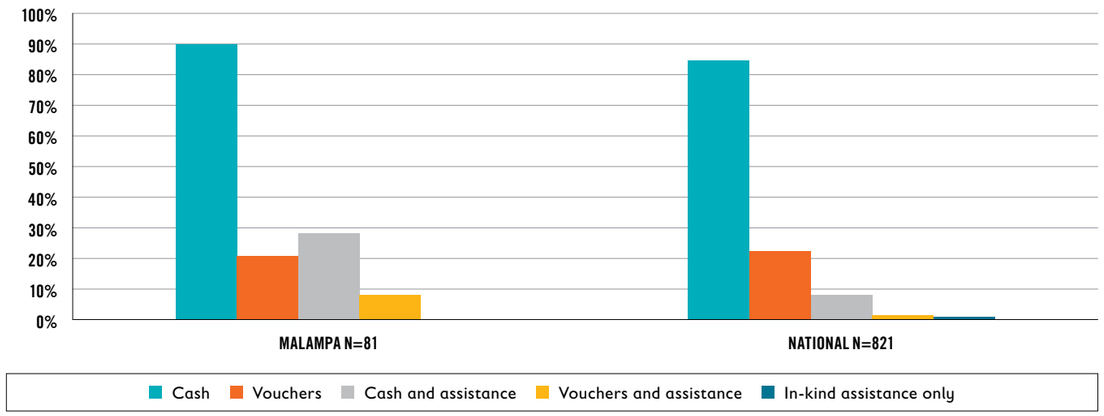


Figure 29: Malampa's results for household question 5.7: Next time there is a disaster, would you prefer to receive cash or vouchers instead of assistance?

When asked if they thought they would be able to meet all their priority needs during a disaster, more than half of the community group discussions thought they would be able to meet some of their priority needs with a cash transfer — hence, the secondary preference for a combined approached. When looking at the difference between the survey sites, the community group discussion closest to the provincial centre thought they would be able to meet all their priority needs with cash transfers, and communities located in more rural areas, particularly south-east Malekula and west Ambrym thought they would be able to meet only some of their priority needs. Interestingly, four out of the six surveyed communities in north Ambrym predicted that they would be able to fulfill all their priority needs through CTP.

Perceived risks of CTP by the community and household

Two thirds of surveyed households (62%) worry that there could be a shortage of goods during a disaster and this concern is consistent across all locations regardless of their proximity to the provincial centre, see Figure 30.

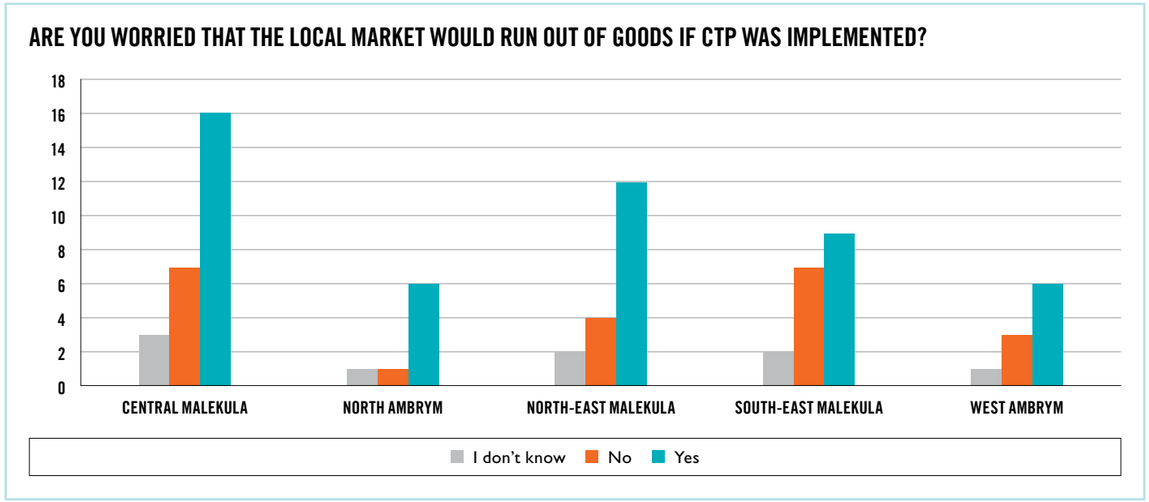


Figure 30: Malampa's results for household question 5.10: If you and others within your village/community receive cash or vouchers after the next disaster, are you worried that your local market/store might run out of goods?

Half of households (53%) in Malampa could see potential risks associated with the implementation of a CTP, see Figure 31.[97] More households in Malampa expressed concerns compared with any other province. There were three main concerns: theft, the possibility that the new approach could cause tensions in the community, and cash might not be spent on the response needs of the family.

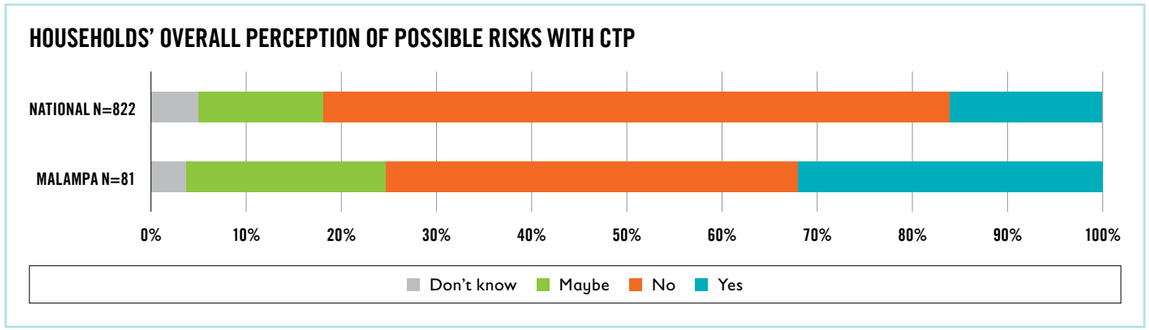


Figure 31: Malampa's results for household question 5.10: If you and others within your village/community receive cash or vouchers after the next disaster, are you worried that your local market/store might run out of goods?

97 The 53% includes respondents that answered "yes" and "maybe".

Potential recipient of a cash transfer within the household

Less than two thirds (59%) of household interviews found that, in normal times, men and women spend the household income together. However, when the households and communities were asked hypothetically who in family should be the recipient of the cash transfer, it does not necessary match pre-crisis spending (see Figure 32), with household opinions spread quite evenly across male, female and both. Community group discussions seem to align more closely with pre-crisis times, favouring the female, and both female and male together as the preferred recipients. The preference by the community group discussions for female recipients is very high when compared with the results of other provinces.

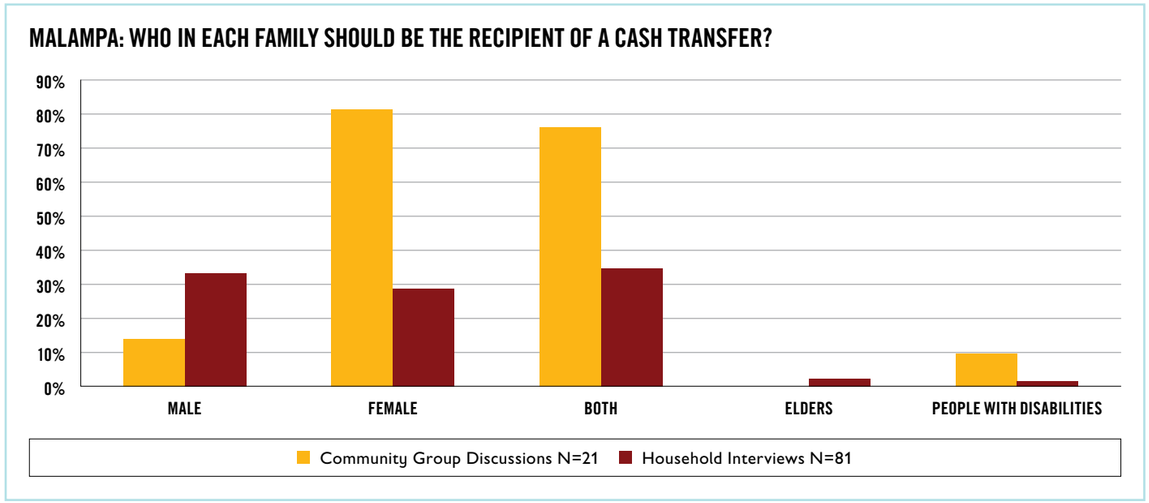
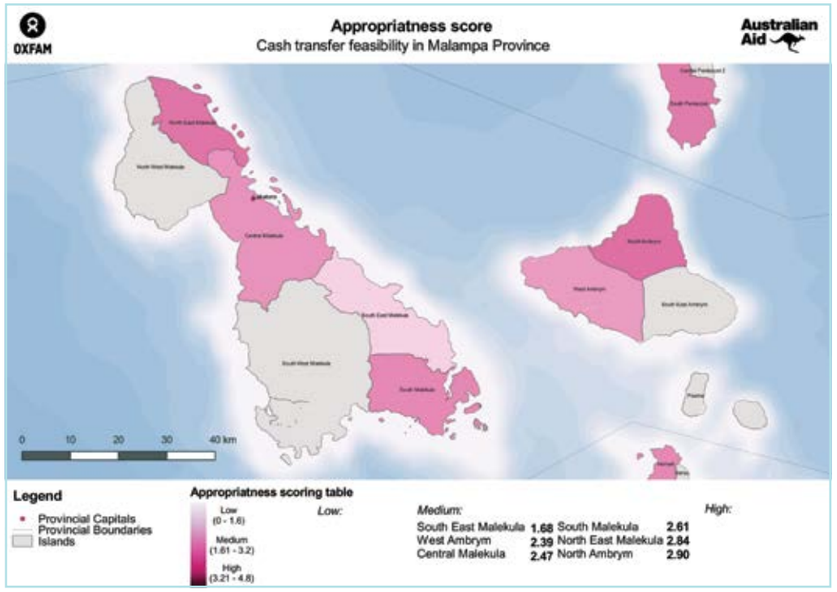


Figure 32: Malampa's results for household question comparing household question 5.8 and community group discussion question 3.9: If assistance is delivered in the form of cash, who in the family do you think should receive it?

Vanuatu: Community members welcome Oxfam to the Vanuatu-Wan Smol Bag Youth Center with a smile, three months after Tropical Cyclone Pam hit Vanuatu. Photo: Groovy Banana/OxfamAUS.

Appropriateness

The majority of locations in Malampa received a medium feasibility classification for appropriateness. The medium scores for this indicator stem from recent experiences with large-scale disaster; dependence on markets to fulfill household needs; and gaps, such as delays in emergency assistance delivery. The highest scores being in north Ambrym, and north-east Malekula, and the lowest scores are in west Ambrym and south-east Malekula.



Household expenditure and income source

When disaggregating the results by sex, the top expenditure for households in Malampa was food for the family, among both men and women, see Figure 33. Women reported spending a higher proportion on hygiene needs, health needs and non-food items for the household, whereas men spent more money on hardware and building materials. This suggests that both men and women in the region are familiar with using markets and handling cash to fulfill their needs.

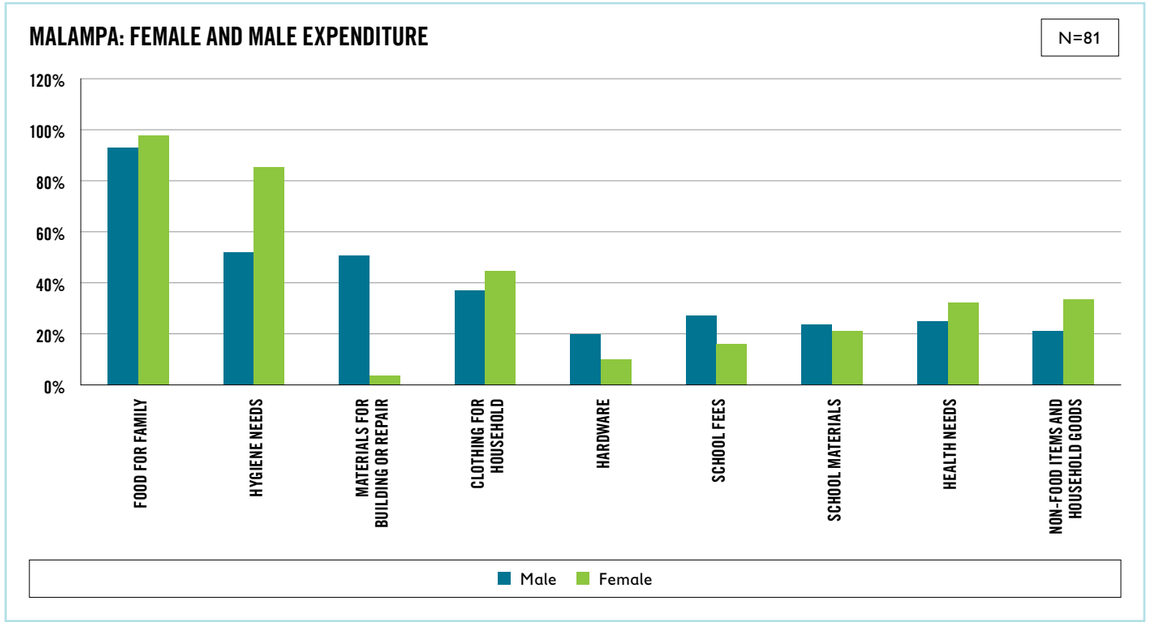


Figure 33: Malampa's results comparing household question 3.2 and 3.3: When men go to the market/store, what do they buy? When women go to the market/store, what do they buy?

The majority of households report earning a monetary income and at least two out five top income-earning activities for both males and females involve direct interaction with the market, slightly more so for women than men, see Figure 34. This reinforces the dependence on markets and the appropriateness of a market-based approach. Notably, 26% of households in Malampa report that the female does not earn an income; this is quite high in comparison with what was found in other provinces.

Figure 34: Malampa's results comparing household questions 2.1 and 2.2: What is the main source of household income for men in the household? What is the main source of household income for women in the household?

Past experience with disaster

All areas surveyed in Malampa had households that had received disaster assistance between 2015 and 2018, with households in south-east Malekula and central Malekula recording slightly lower numbers than what was found in other areas. Their main needs after a disaster were food, water and shelter, and this was consistent across the two islands, see Figure 35. The top three needs correlate with what the community groups recalled receiving as disaster assistance during past disasters. However, they do not recall receiving anything outside of those top three needs.

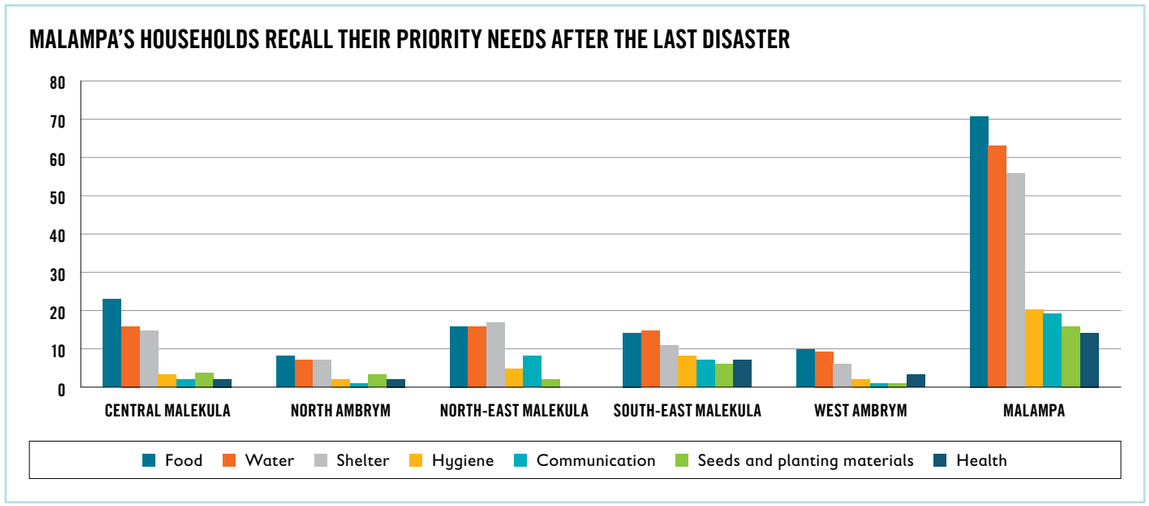


Figure 35: Malampa's results for household question 5.3: After the last disaster (2015–2018), what were the priority needs of your household?

When the households were asked hypothetically how they would spend a cash transfer during a disaster, food and shelter were the top two predicted expenditures, followed mainly by water and sanitation products, see Figure 36.[98]

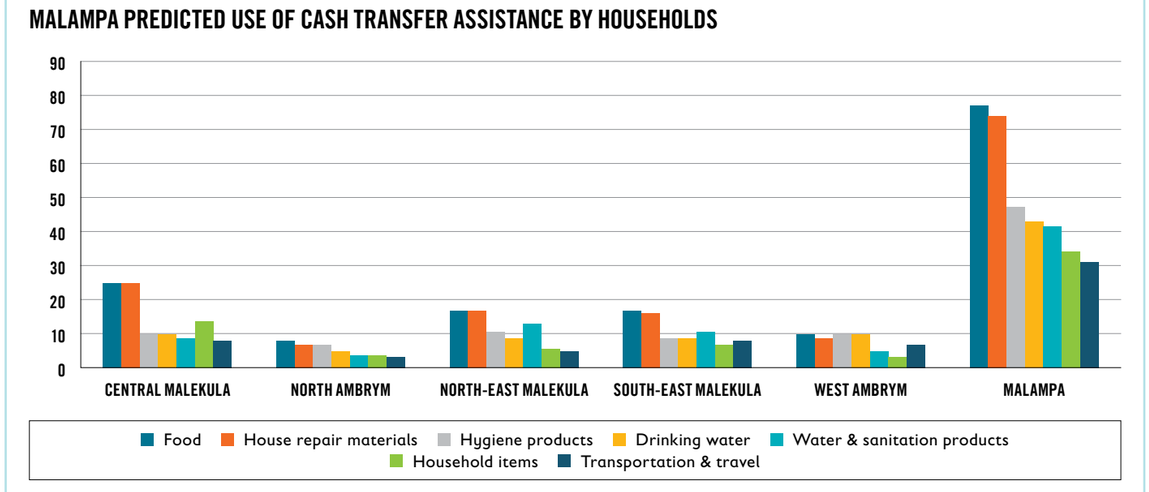


Figure 36: Malampa's results for household question 5.9: If you could receive cash or a voucher as a form of assistance after a disaster, what would you buy?

98 Due to doubling up of answer options for water and sanitation products (drinking water, water and sanitation, hygiene products) for the household interview question 5.9, it is difficult to measure which of those items the households project they will need more of, and it is also difficult to compare the answers as it would depend on the enumerator which option/s they used to classify the answer/s.

Based on their past experience, the communities predict that most likely issues with future disaster relief are unfair distributions, not enough distributions to meet everyone's needs, and delays in the delivery of assistance. They recall waiting on average one month for disaster relief in the past, sometimes longer. These results were consistent across all areas, with the additional issue raised in both north and west Ambrym of the paossibility of jealousy from households that might not receive the same amount of assistance as other households, see Figure 37.

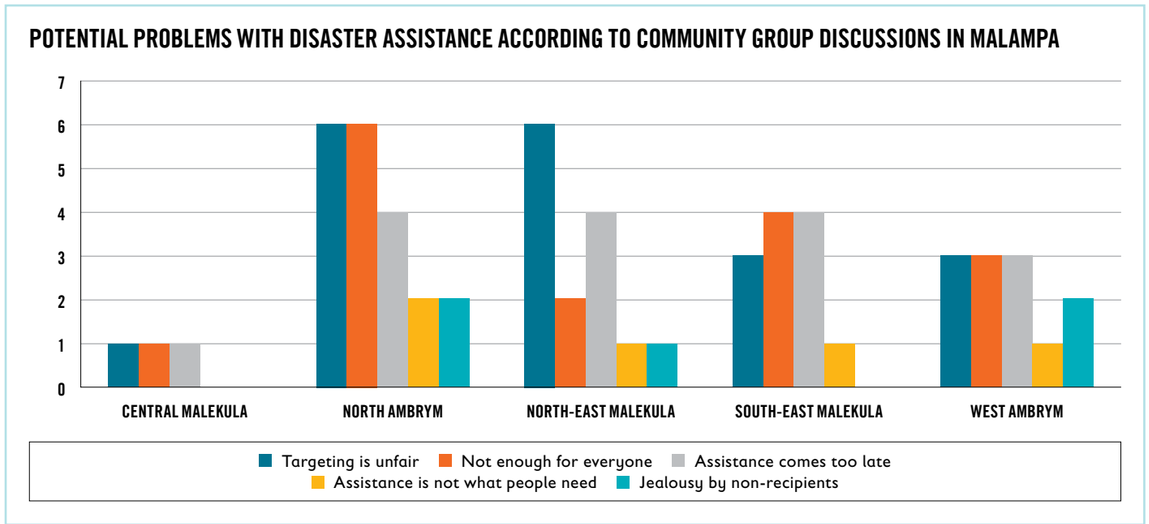


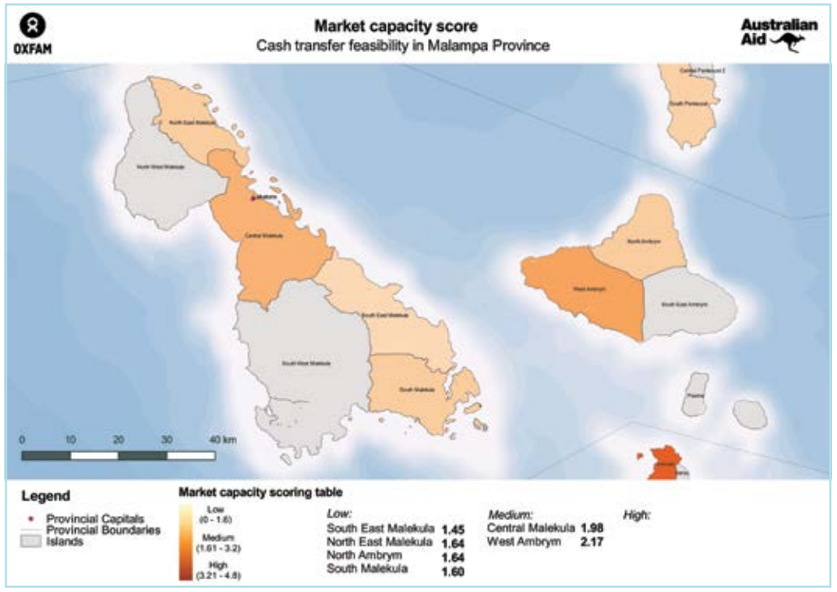
Figure 37: Malampa's results for community group discussion question 2.14: Next time there is a disaster and your community receives assistance, what problems do you imagine could happen?

Luganville, Vanuatu: Chief Reynold (pictured left) from Ambae meets with Oxfam CTP Teamlead Kalua Salerua to discuss how they can best inform the local communities of the ongoing cheque distribution. Photo: Sarah Doyle/Oxfam.

Market capacity

The most developed areas of Malekula and Ambrym received a medium feasibility score for market capacity with west Ambrym and central Malekula receiving the highest scores. The more remote areas of the two islands, which consist only of a small number of stores and small fresh produce vendors reveal very low levels of market capacity with south-east and south Malekula receiving between 1.45 and 1.60 out of 5.

For CTP, these scores currently suggest that the markets in the remote areas would have trouble absorbing the increase in pressure that CTP would place on their closest markets.



Market profile

The existence of various stores and large fresh produce markets in central Malekula is a positive sign of competition among traders, and therefore reduced risk of a single trader or group of traders to influence commodity prices. However, the existence of only small stores and small fresh produce vendors in the more rural and remote locations of Malekula and across Ambrym implies the need for a market assessment in the initial phases of an emergency response before considering CTP, as the risk of inflation is higher.

Malampa's market analysis profile	
SURVEYS	60 storeowners (17 on Ambrym and 43 on Malekula) sell a mix of non-perishable goods, both food and household items.
	53 small vendors (20 on Ambrym and 33 on Malekula) sell mainly agricultural products fresh fruit and vegetables, and cooked foods produced on the island.
	3 market observations (2 on Malekula and 1 on Ambyrm)
PAYMENT METHODS	Cash, with only 15% of stores in Malampa having EFTPOS capabilities
FSPS FOR VENDORS	82% of stores and 55% vendors have a bank account for the business, mainly with NBV.
CUSTOMER QUANTITIES AND HABITS	Stores are open daily and small vendors are open at least once a week. Majority of small stores receive 0–20 customers per day, with one large store on Ambrym and six on Malekula estimating upwards of 30–40 customers per day. 73% of stores report customers spent on average 3,000 VT or less in one transaction. 81% of small vendors report customers spend 100–1,000 VT in one transaction.

Market supply

Due to its central location, the province is able to import goods from both Santo and Port Vila. Among the stores that were surveyed, 80% get at least some of their supplies from Santo and 50% from Port Vila. During pre-crisis times, more than half of stores on Malekula restock at least once a week in comparison with the majority of stores on Ambrym who report restocking once every 2–3 weeks, see Figure 38. The majority of the province does not have ports so the goods must be transported from the ship to the island by small boats with outboard motors or canoes, which increases the vulnerability of damage to the stock and the time needed to transport the goods.

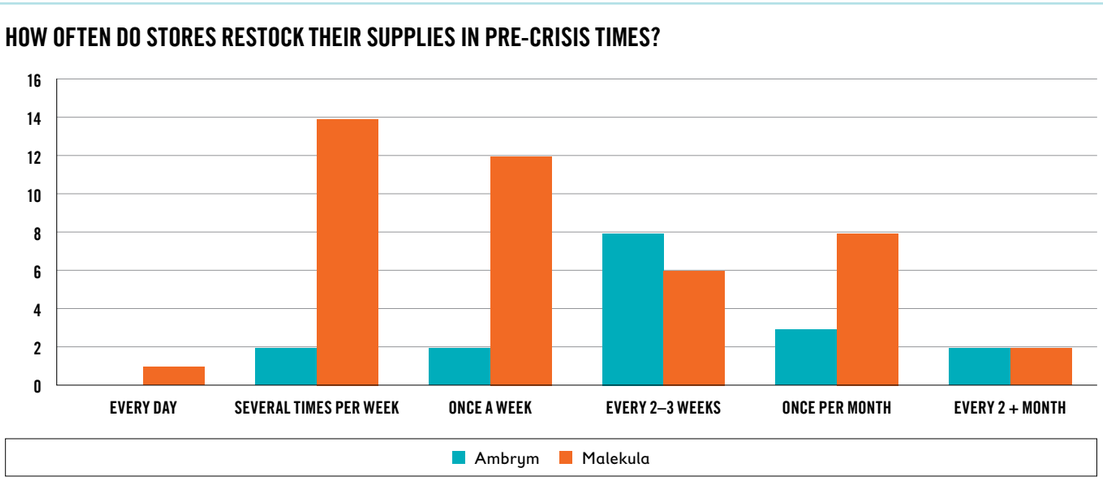


Figure 38: Malampa's results for shopkeeper/owner interview question 4.4: In normal times, how often do you restock your supplies?

More than two thirds (65%) of the stores surveyed sometimes run low on stock and this shortage usually last around 1–2 weeks, see Figure 39. The most common reasons for supply shortage is due to the weather causing delays in the shipment of goods.

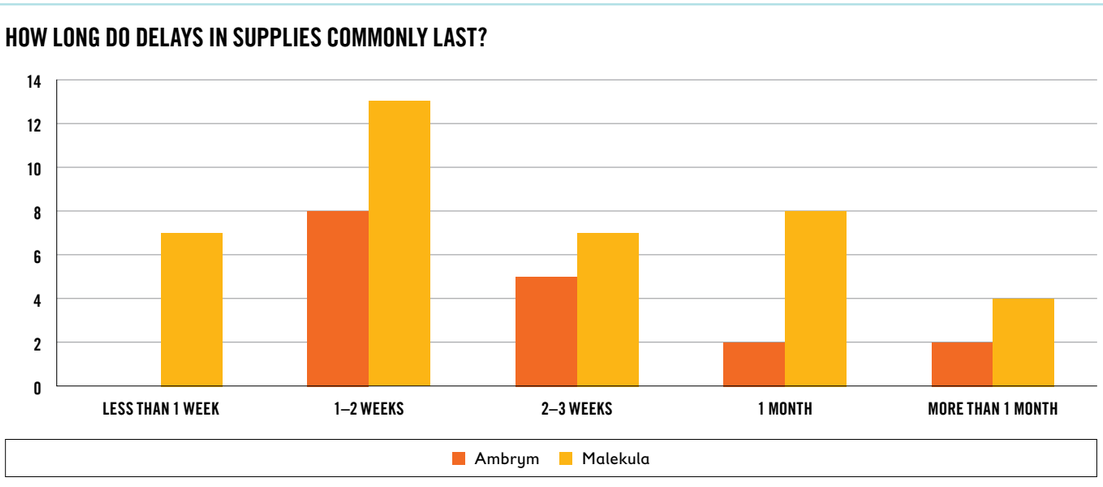


Figure 39: Malampa's results for shopkeeper/owner interview question 4.6: In normal times, what is the maximum time when you have less supplies?

If a sudden increase in demand was to occur, the majority of stores predict that they could scale up to meet a 25% increase within a two-week period. All stores reported having access to storage facilities, however, for the majority of stores the storage capacities are limited to storing extra supplies within their store, see Figure 40.

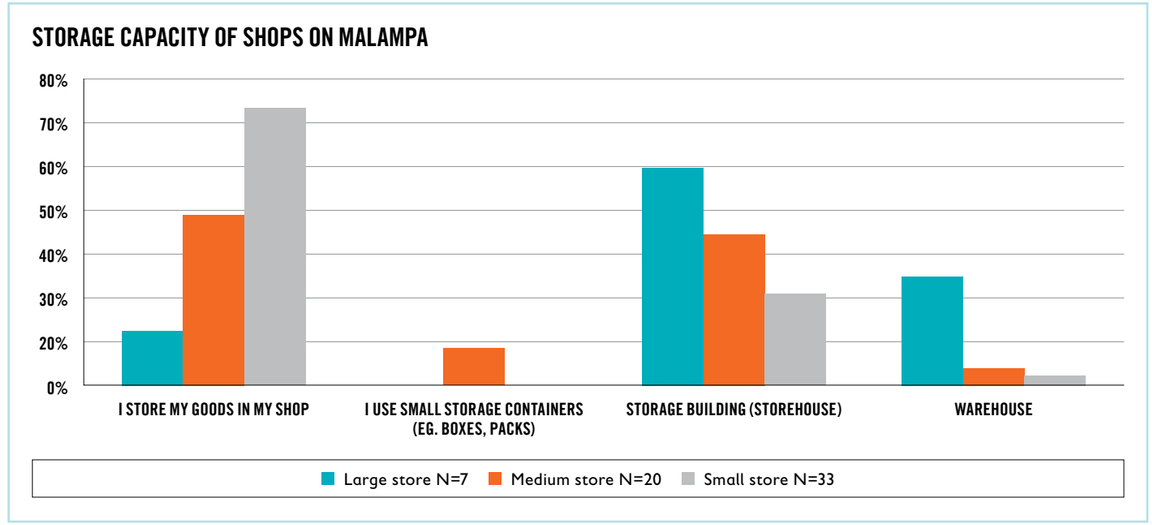


Figure 40: Malampa's results for shopkeeper/owner interview question 5.3: What type of storage do you use for your supply/stock?

More than half of the stores (57%) have credit agreements with their suppliers, see Figure 41. Therefore, the majority of stores are able to buy in bulk and store additional supplies. So despite sometimes running low on supplies, if a CTP was introduced at a pace that suited the stores that were surveyed, they could purchase additional stock to absorb the increase in demand.

Figure 41: Malampa's results for shopkeeper/owner interview question 3.3: Do you have a credit arrangement with your suppliers/ wholesalers for items that you purchase?

If demand increased, 58% of small vendors stated that they could increase the quantity of goods for sale only a little bit (see Figure 42), and 64% of small vendors reported having the ability to storage additional stock.

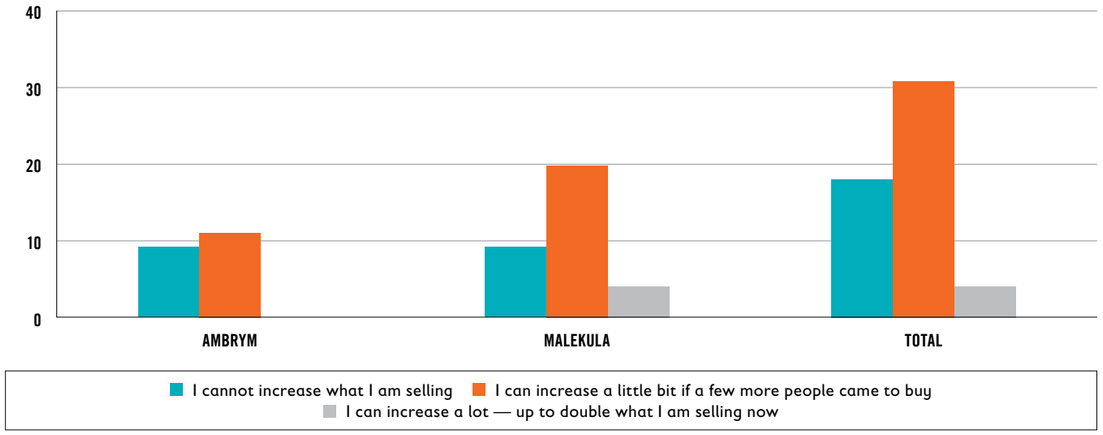


Figure 42: Malampa's results for small vendor interview question 3.5: Suppose many more people wanted to buy from you, and you had to increase the amount of goods you are selling. By how much can you increase what you sell?

Disaster resilience and past disaster experience

After the last disaster, stores report being closed for less than a week and, regardless of size, the stores were able to meet the demand, which they report was predominately biscuits, rice and tinned fish, see Figure 43.

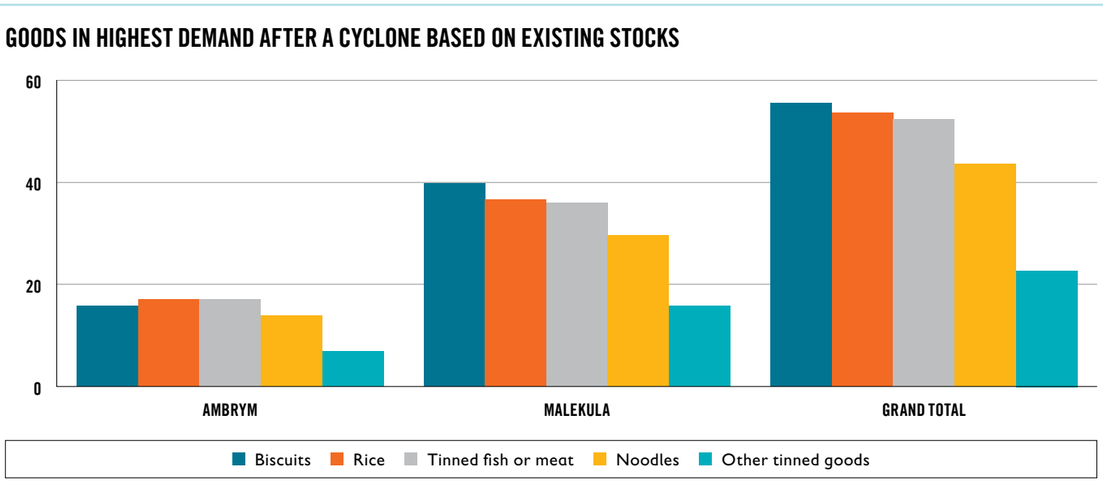


Figure 43: Malampa's results for shopkeeper/owner interview question 7.6: What items were in highest demand following the cyclone?

Almost all stores (90%) stated that in-kind assistance by humanitarian agencies and the government after a disaster impacts their business by reducing the amount of customers. The quick reopening of the stores after the initial impact of a disaster combined with reports that the distribution of goods impacted their business is a positive indicator for market-based approaches in Malampa. However, the recovery challenges reported by stores in Malampa, such as the unavailability of goods and a slow supply chain, are significant constraints.

For small vendors and fresh produce markets, the assessment results found that, after a disaster, the vendors are not able to bounce back as quickly as the stores. The fresh produce markets in Malampa report closing down for more than two weeks after the last large-scale disaster, with 78% of vendors reporting that their stall was still not operating two weeks after the initial impact of the disaster. This may have been due to TC Hola in 2018 (immediately before the assessment), which resulted in the closure of several major markets in Malekula for some months.

Penama Province

SNAPSHOT

Penama is located in the north-east of the country and consists of three major islands: Ambae (or Aoba), Maewo and Pentecost. At the end of 2017 and throughout 2018, extreme volcanic activity from Monaro volcano — also known as Mount Lombenben — on the island of Ambae forced evacuation of the entire island on more than one occasion.[99] As a result, the provincial capital has been relocated to north Pentecost. The remaining two islands, Pentecost and Maewo, have a combined population of more than 20,000 people.[100]

Provincial capital: Saratamata, east Ambae

Infrastructure and services: Due to the islands' close proximity to one another, inter-island travel is affordable and quick using small boats with outboard motors. The two islands rely mostly on small stores and small fresh produce markets. The NBV branch that was located in Ambae is now closed so the population currently relies on small NBV branches in Maewo and Pentecost.

Main economic activities: The communities mostly rely on subsistence farming, cash crops such as copra and kava, and handicrafts for their livelihoods. The land diving ceremonies in Pentecost also cause an annual spike in tourism.

Natural hazards: The province is prone to tropical cyclones, drought, earthquakes and tsunamis, volcanic eruptions, floods, and landslides.

All locations in Penama are classified as medium for overall feasibility. They are at the lower end of the medium classification, behind Malampa, because it has limited access to larger regional markets and FSPs. North and south Pentecost having slightly more active and access than North Maewo hence the slight variation in overall feasibility scores.

Taking into consideration the real time learning from the ongoing Ambae Volcano response, it is important to note that the feasibility is dependent on the disasters impact on the market and the needs of the affected population. As the EMMA conducted by Oxfam found that the sudden influx of IDPs to Maewo applied too much pressure to the market causing shortages in key commodities and inflation, and the FSPs did not have the capacity to support a CTP, and as such CTP was not the most appropriate programming option.

Cash transfer profile: Penama

ENABLING FACTORS	• Ability to import goods from both Santo and Port Vila • Community and household acceptance of CTP • Regular interaction with markets to fulfill household needs
OBSTACLES	• Reduced access to FSPs • Lack of stores that stock a variety of goods, particular on Maewo • Unpredictable restocking times • Lack of infrastructure to allow quick importation of goods.

99 Note that the assessment teams visited Maewo before the full island evacuation of Ambae. A surveyed team of five people visited North Maewo, and North and south Pentecost in Penama during April and May 2018.

100 Vanuatu National Statistic office, '*2016 Post – TC Pam Mini – Census*', Ministry of Finance and Economic Management, 2016, <https://vnso.gov.vu/index.php/component/advlisting/?view=download&fileId=4542>

DATA ANALYSIS

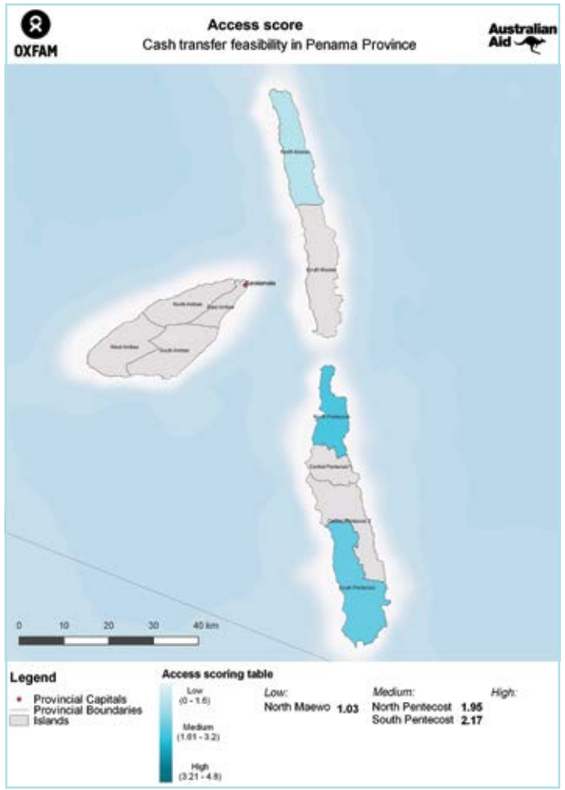
Access

The feasibility score for access in Penama is low, with households in the remote areas of north Maewo having more difficulty accessing FSPs and larger stores or markets than north and south Pentecost.

Access to and use of markets:

Penama Province does not currently have any big markets and has only a limited number of large stores. The previous provincial centre in Ambae, which had a regional market where households from surrounding islands travelled to sell produce, is now closed, and the province centre has been relocated to north Pentecost. Consequently, at the time of this survey, 94% of those surveyed relied on subsistence farming and small stores to meet their household needs. Along with small stores, there are a small number of people who also buy from small fresh produce markets, cooperatives, and directly from individuals in the community, see Figure 44. Though there are fewer store types and large markets, access to the islands' markets and stores is relatively good, with most households walking to their preferred stores, which reportedly takes less than 30 minutes each way on average.

The top five household expenditures across the province, in order, are food, school fees, health needs (services and medicines), clothing and transport. This is very close to what was found overall for Vanuatu, with the exception of health needs (services and medication). The province records a higher expenditure on health, with 59% of households in comparison with 42% overall, see Figure 45. This suggests that all locations interact regularly with markets to fulfill their daily needs, regardless of location. However, it can be assumed that markets play a secondary role to subsistence farming, which is used to fulfill the majority of household food needs.



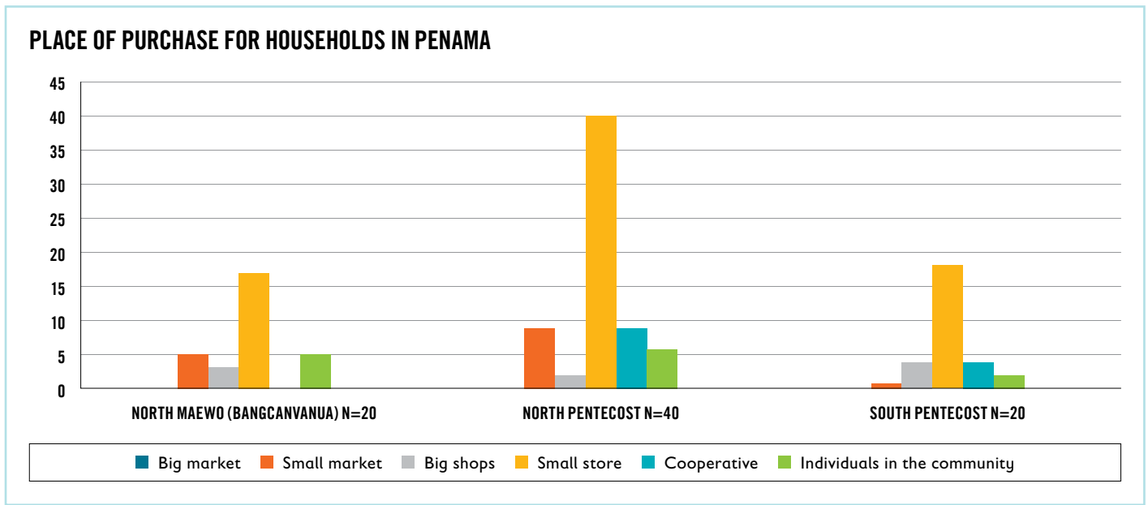


Figure 44: Penama's results for household question 3.1: Where do you purchase your food and other household items?

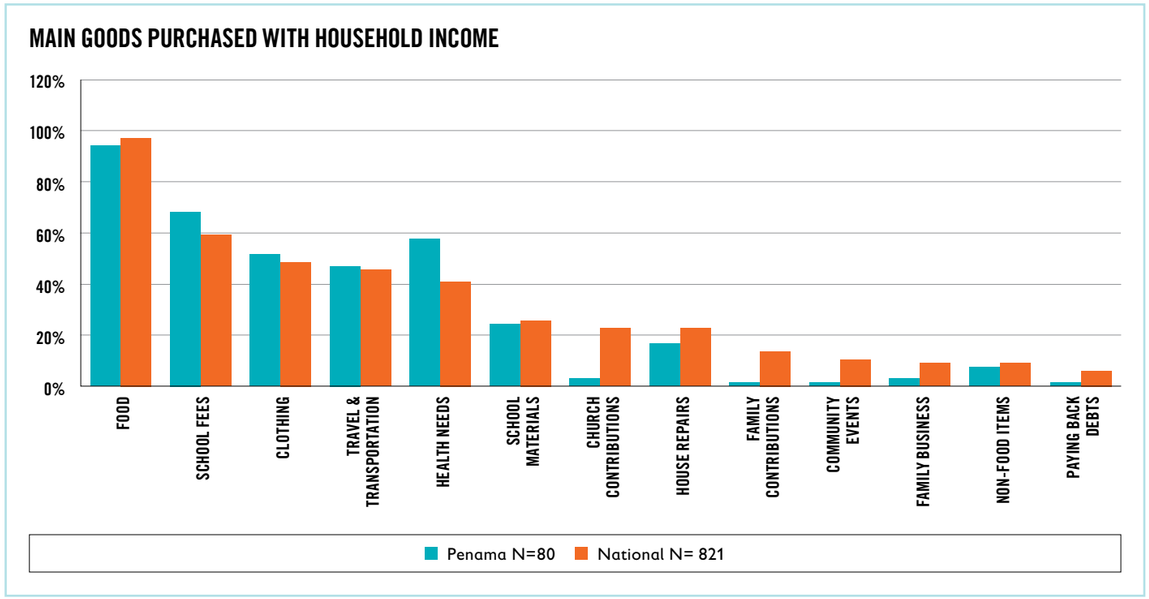


Figure 45: Penama's results for household question 3.10: Do you think there is enough variety of food and other household items available in the market and store near to you?

The overall majority (55%) of households stated that there was not enough variety of food and other household items available at their preferred market and stores, compared with 75% of households on Maewo, see Figure 46. This suggests that, although there is access to stores and fresh produce markets, they lack variety and may not stock everything that people need. This finding is supported by Oxfam's EMMA on Maewo in December 2018, which found that the lack of variety of goods available on Maewo during the disaster was a key constraint when wanting to implement CTP.[101]

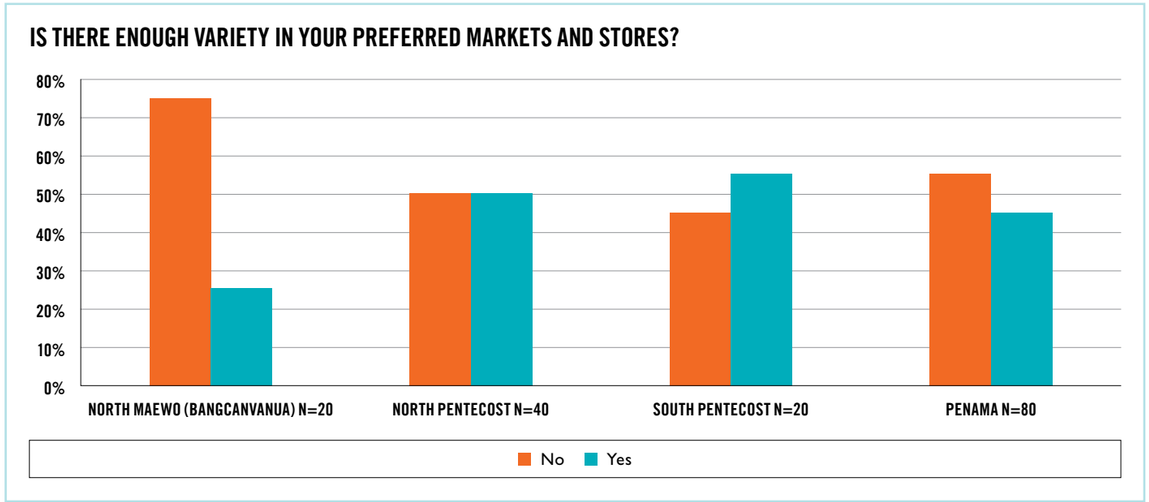


Figure 46: Penama's results for household question 2.4: What household needs does your monthly income usually cover?

101 Oxfam in Vanuatu, *'Emergency Market Mapping & Analysis (EMMA), Maewo Island'*, op. cit., p.6

Access to and use of financial service providers

Almost three quarters of the surveyed households (74%) have access to FSPs. When breaking this down by island, it seems that Pentecost has more access and is more likely to use financial services than Maewo, with 82% of households in Pentecost having access, compared with only 50% in Maewo, see Figure 47.

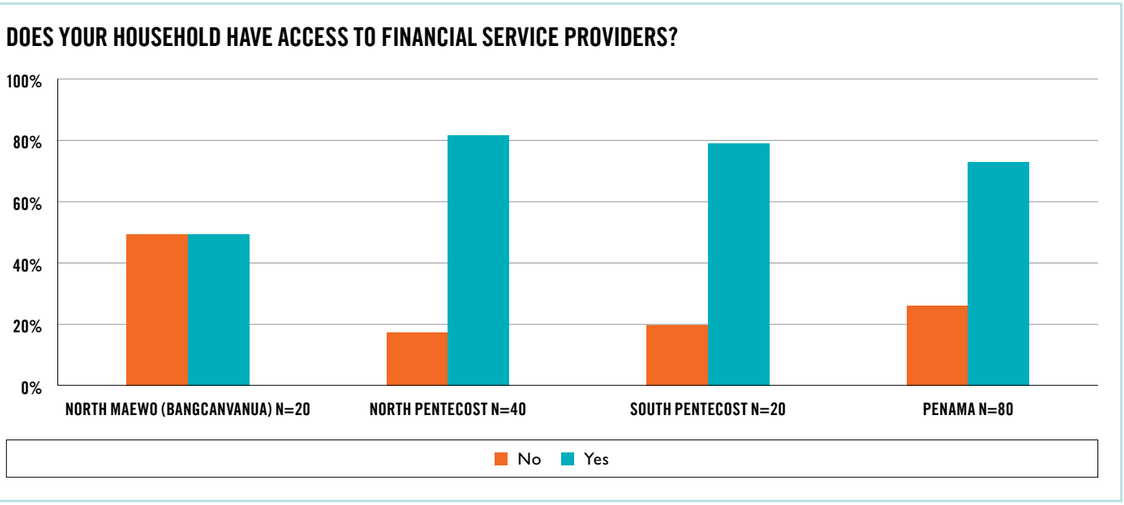


Figure 47: Penama's results for household question 4.1: Do you have access to any formal or informal financial services?

Of those with access to financial services, 60% use banks, 31% use community savings groups, and 14% transfer money through Western Union. This is consistent across the two islands, which both have a small NBV branch. According to the EMMA conducted on Maewo Island, the NBV branch does not currently have the financial service capacity for CTP due to "limited liquidity (cash) limits, limited services/hours/days, and the small size of the NBV Maewo branch".[102]

The households state that it takes one hour on average to reach their preferred financial service, noting that north and south Pentecost seem to have better access than the survey area in Maewo, with the majority reporting it takes less than 30 minutes, compared with 1–2 hours in Maewo. The data is inconsistent with how much it costs to access their preferred FSPs, with "I don't know" recorded as the most frequent response. Of those who did answer, the costs range from 1,000 to 5,000 VT, which is quite expensive. Additional investigation is needed to confirm this.

On average, households in Penama use their FSPs mostly to save money, and they use their providers once every two and half months, which is the lowest frequency in comparison with all other provinces. The seemingly long distance that people have to travel might be a contributing factor to this difference, with the most common reason — excluding the response "I don't know" — as to why people report not using a FSP is that it is too far away.

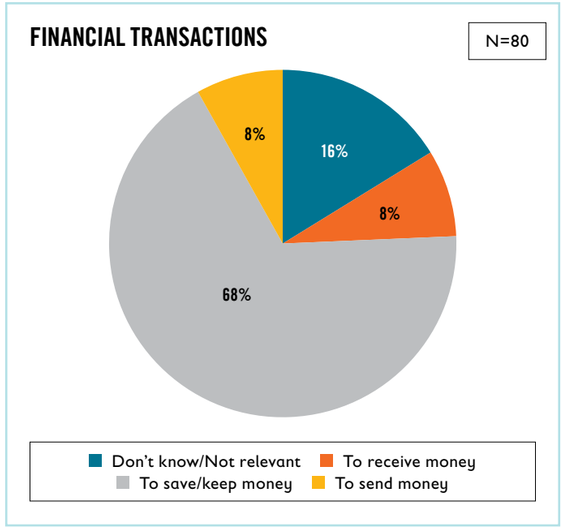


Figure 48: Penama's results for household questions 4.4–4.6: In general, how much money do you send, receive and borrow each month?

Despite households in Penama not accessing their FSPs as often as households in other provinces, the average amounts of money that they send, receive and borrow are higher than the national averages, see Figure 48.

102 Oxfam in Vanuatu, *'Emergency Market Mapping & Analysis (EMMA), Maewo Island'*, op. cit., p.22

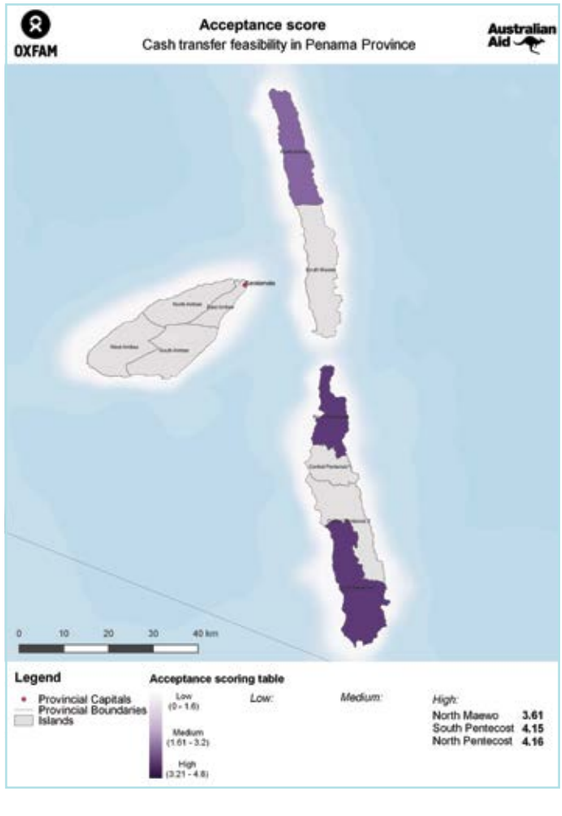
Acceptance

The feasibility score for acceptance in Penama is very high due to the overall preference towards cash as a response modality — by households and also at community level — and low concerns about the potential risk of CTP. The households in Maewo were more concerned about the possibility of their markets running out of essential goods after an emergency, which marginally reduces their score.

Monthly average	Penama	Vanuatu
SENT PER HOUSEHOLD	11,924 VT	7,897 VT
RECEIVED PER HOUSEHOLD	17,456 VT	9,859 VT
BORROWED PER HOUSEHOLD	5,709 VT	3,919 VT

Disaster assistance preference

When the households were asked what form of disaster assistance they would prefer, across both islands, 94% preferred cash (see Figure 49). All community group discussions on Pentecost and all but one on Maewo stated that they could meet all their priority needs during a disaster with cash.



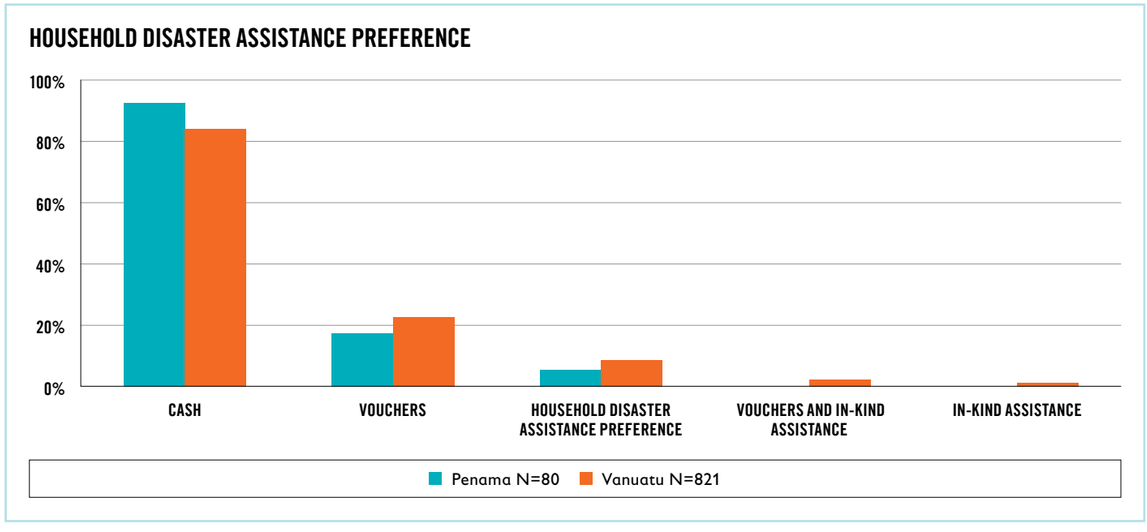


Figure 49: Penama's results for household question 5.7: Next time there is a disaster, would you prefer to receive cash or vouchers instead of assistance?

Perceived risks of CTP by the community and household

The majority of households also expressed concerns that the stores could run out of goods after a disaster, with north Maewo households showing the most concern, see Figure 50.

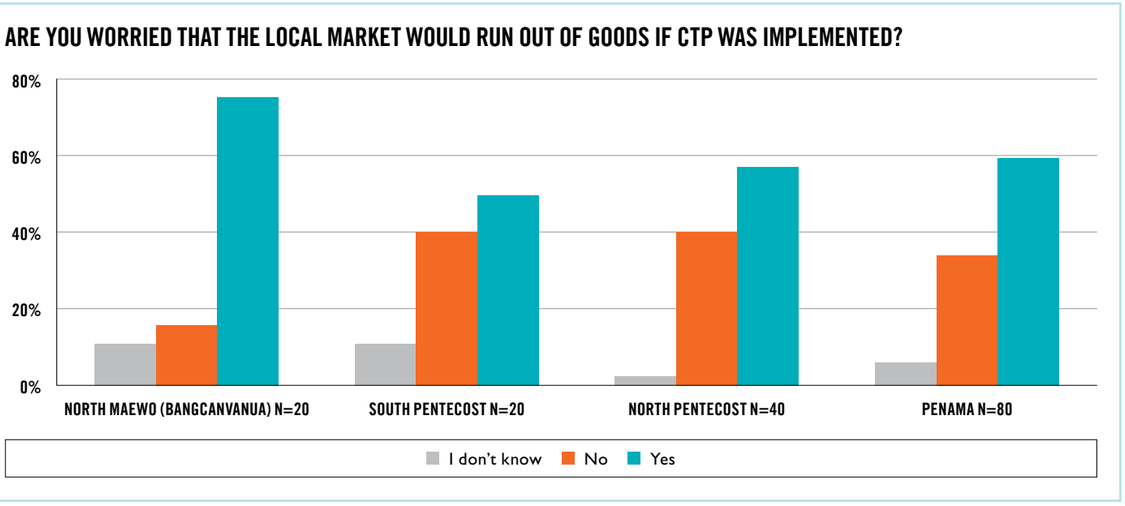


Figure 50: Penama's results for household question 5.10: If you and others within your village/community receive cash or vouchers after the next disaster, are you worried that your local market/store might run out of goods?

The overall perception of risk among households in Penama was slightly lower than the national level, with only 20% seeing risks[103] that could result from this form of assistance, see Figure 51. The main concerns were theft, the potential for households to spend the money on the wrong things, and the potential for an increase in tensions within the household.

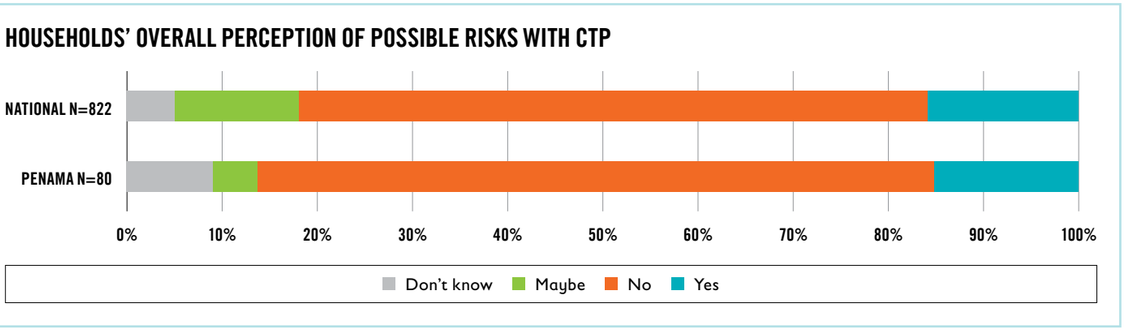


Figure 51: Penama's results for household question 5.11: Do you think there could be risks associated with cash or vouchers? (Considering gender dynamics in the household, child-specific risks, etc)

103 The 20% percentage includes respondents who stated "yes" and "maybe".

Potential recipient of a cash transfer within the household

Almost half of household interviews (49%) found that, in normal times, men and women spend the household income together, compared with 29% stating that men are the main spenders, and the other 25% reporting that women are the main household spenders. However, when the households and community group discussions were asked to nominate who in the family should be the recipient of a cash transfer, group discussions favoured the female head of the household while the household interviews were more evenly spread, with the most popular response being both the female and male together, see Figure 52. Compared to other provinces, the community group discussions in Penama have one of the highest preferences for the female head of the household.

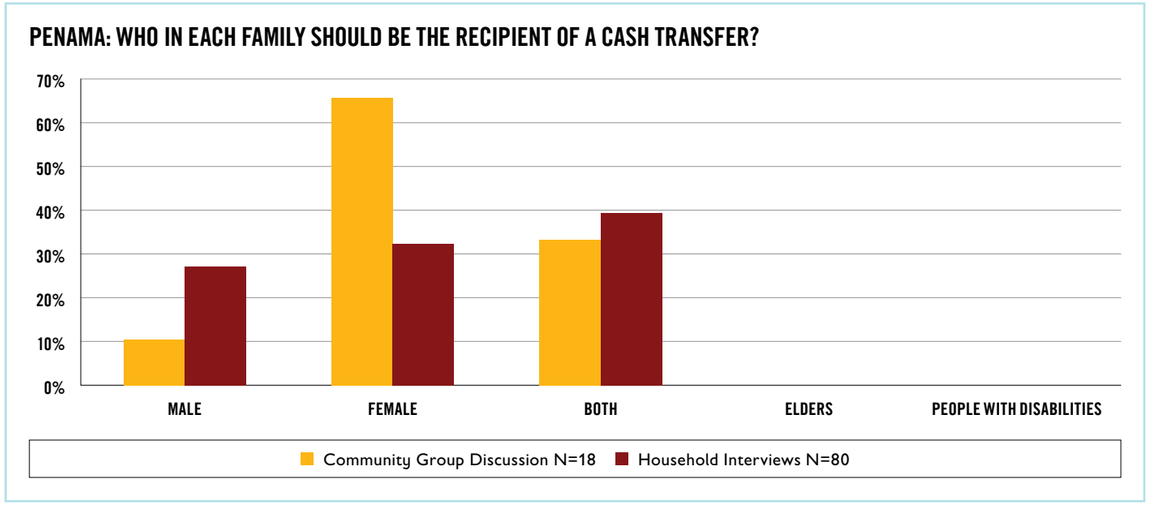


Figure 52: Penama's results for household question comparing household question 5.8 and community group discussion question 3.9: If assistance is delivered in the form of cash, who in the family do you think should receive it?

Luganville, Vanuatu: Ambae evacuees Chief Ken Vuvu and his wife Erima inside the bush kitchen at the camp. The cash assistance they received from Oxfam's cash transfer program enabled them to buy food and clothes for their family. Photo: Sarah Doyle/Oxfam.

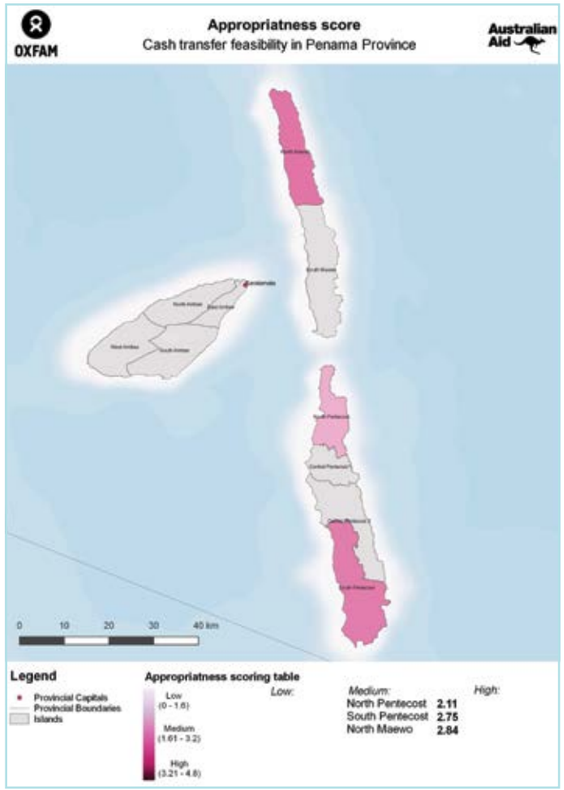
Appropriateness

The feasibility scores for appropriateness in Penama are medium, with the more remote locations of north Maewo and south Pentecost scoring slightly higher than locations in north Pentecost. This suggests that CTP is an appropriate response modality option in Penama.

north Pentecost has recorded fewer gaps in the past emergency responses, particularly with slightly reduced wait times for external assistance in comparison with north Maewo and south Pentecost.

Household cash expenditure and income source

The assessment found that both female and male heads of households report regularly interacting with markets, and both spend the majority of the money on food for the family, see Figure 53. However, in Penama, it is the women who spend more money on hygiene needs, clothing for the household, health needs and school materials. The men spent a higher proportion on hardware and building materials.



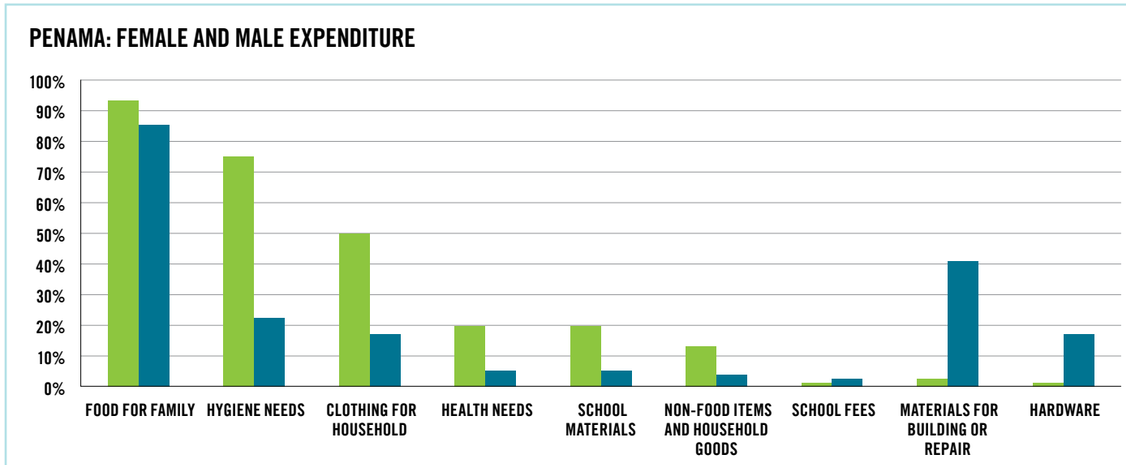


Figure 53: Penama's results comparing household questions 3.2 and 3.3: When men go to the market/store, what do they buy? When women go to the market/store, what do they buy?

Data about female and male household income source suggests that both the men and women in the household are familiar with handling cash and regularly interacting with markets. In Penama, the majority of women earn an income from selling in the market, and men through cash crops, see Figure 54. The majority of females earning an income through the market also support the appropriateness of a market-based approach as a way to support livelihood regeneration.

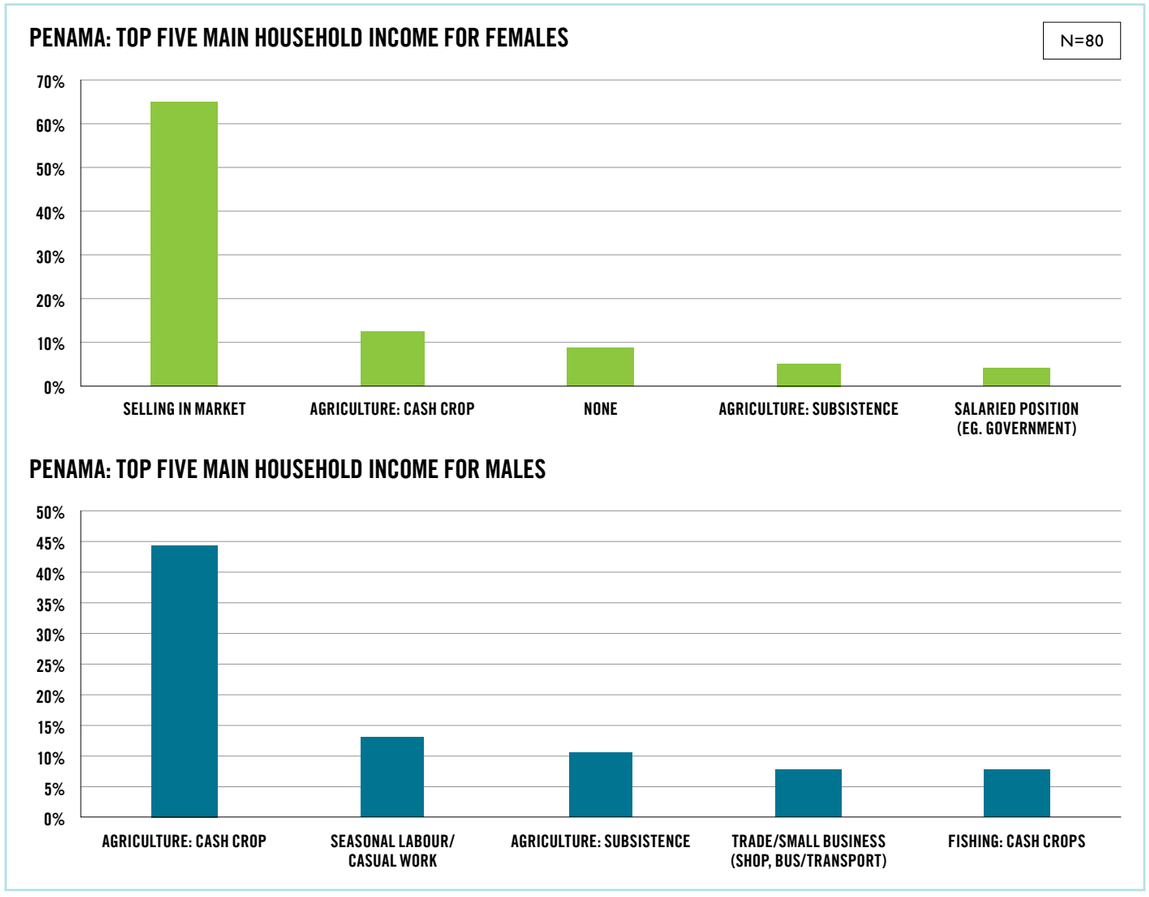


Figure 54: Penama's results comparing household questions 2.1 and 2.2: What is the main source of household income for men in the household? What is the main source of household income for women in the household?

Past experience with disaster

A majority of 90% of community group discussions recalled receiving humanitarian assistance between 2015 and 2018, as a result of a large-scale disaster. Their priority needs as a result of the disaster, in order, were food, water, shelter and health, see Figure 55. These priority needs are consistent across the two islands, with the exception of south Pentecost that had greater health needs than water needs.

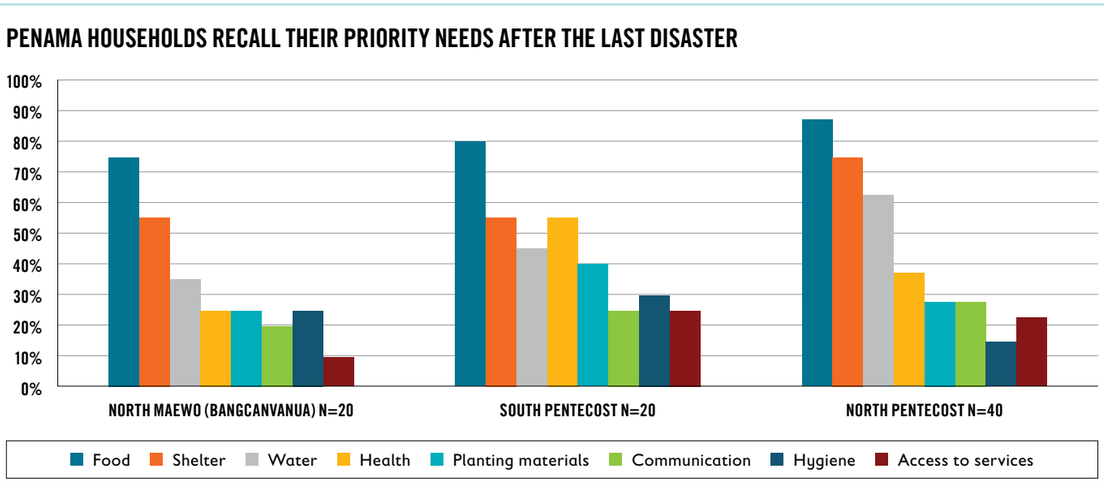
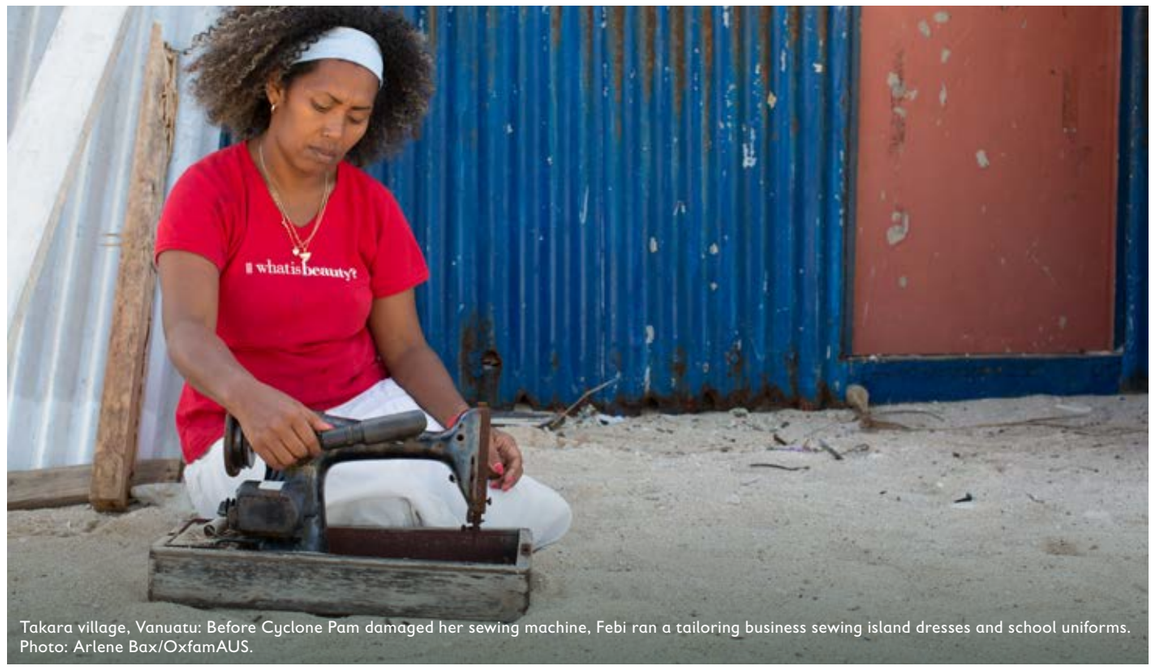


Figure 55: Penama's results for household question 5.3: After the last disaster (2015–2018), what were the priority needs of your household?

When comparing their needs with what they recall receiving after the disaster, 83% recall receiving food, 39% received shelter support and 17% received seeds and planting materials. They report receiving very low levels of water and sanitation support and health support, despite including those in their top five priority needs after a disaster.

The community group discussions predicted that, based on their experience during past disasters, the most likely problems to occur in the future are unfair distributions, not enough distribution for everyone and long wait times for assistance. The communities recall waiting an average of one month or more for disaster assistance. As can be seen in Figure 56, this is consistent for the most part with findings at the national level, with concerns about potential delays in assistance being greater than concerns about poor coordination and corruption.



Takara village, Vanuatu: Before Cyclone Pam damaged her sewing machine, Febi ran a tailoring business sewing island dresses and school uniforms. Photo: Arlene Bax/OxfamAUS.

Luganville, Vanuatu: CTP Coordinator Jill Wai supports the response in Santo Province in the wake of a volcano eruption in Ambae, which forced residents from their homes. Photo: Sarah Doyle/Oxfam.

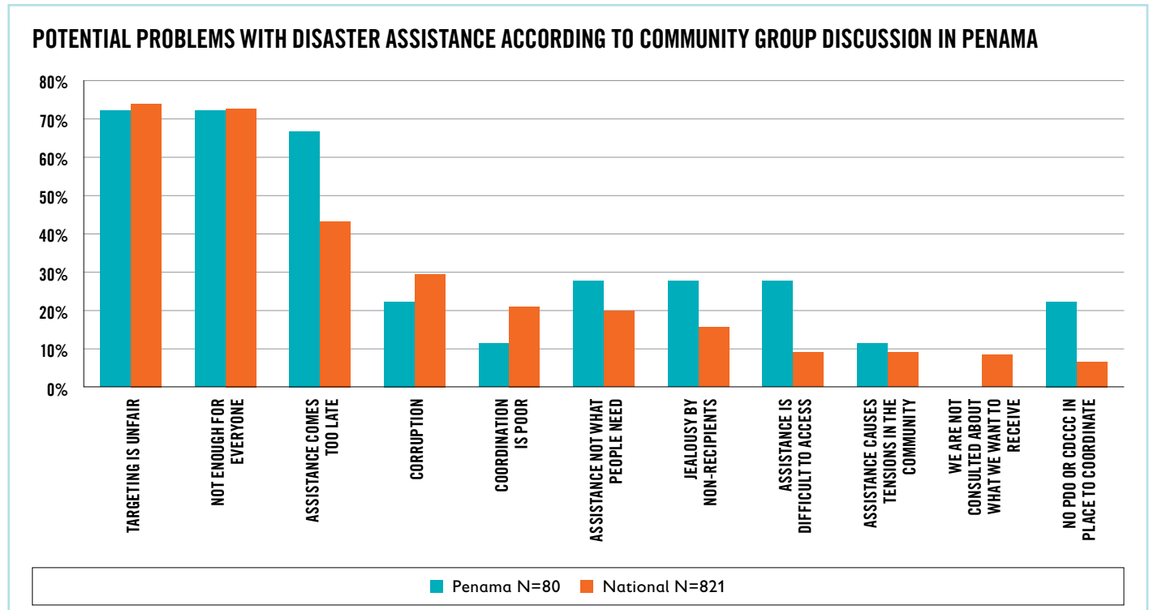


Figure 56: Penama's results for community group discussion question 2.14: Next time there is a disaster and your community receives assistance, what problems do you imagine could happen?

Households across the province predict that they would be able to use a cash transfer after a disaster to purchase food, shelter materials, health and medical services, and transport. This was consistent across the two islands, with the exceptions of Maewo placing more importance on seeds and tools for planting, and Pentecost placing more importance on health services.

Market capacity

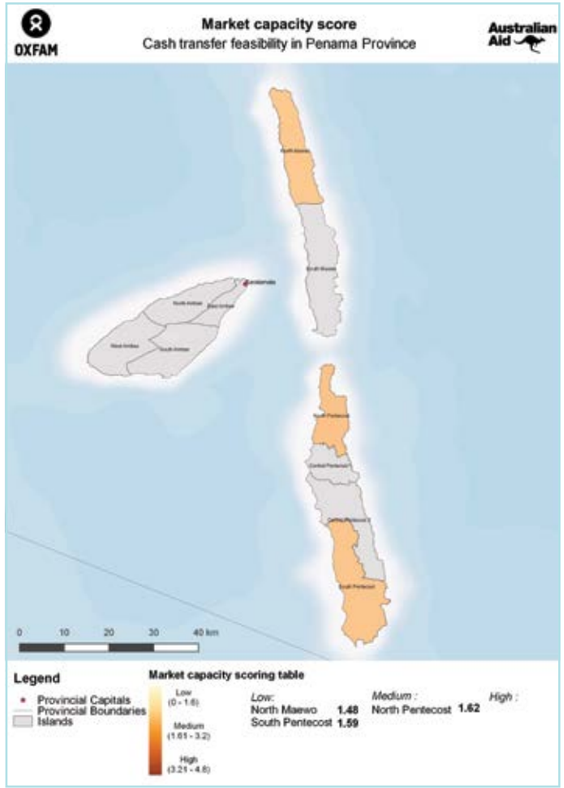
Market capacity feasibility scores for Penama are the second lowest compared with other provinces, with Pentecost — particularly north Pentecost — more feasible than Maewo. The locations in Penama scored such low market capacity scores because, without a developed provincial centre like Malampa or Tafea, there is a distinct lack of stores and markets close by with the ability to import the quantity and variety of goods needed to meet a surge in demand and purchasing power brought on by CTP.

Market profile

The results from the Emergency Market Mapping Analysis (EMMA) conducted in Maewo in response to Ambae volcanic emergency reinforced the market capacity limitations that were evident in the feasibility assessment. The markets on Maewo were not resilient enough to cope with the sudden influx of 2,500 IDPs and the EMMA revealed high levels of supply- and demand-side inflation, as well
as the inability of the market on Maewo to meet the needs of the population.[104]

Market supply

The province's central location, between the two commercial centres, enables it to import from either Port Vila or Santo, with 79% of stores sourcing a proportion of their supplies from Santo, and 61% from Port Vila. However, despite this flexibility, 68% of the surveyed stores stated that they sometimes run low on supplies for around 1–2 weeks, see Figure 57. The most common causes of supply shortages are the weather and delays with shipment of goods.



Malampa's market analysis profile	
SURVEYS	28 storeowners (6 on Maewo and 22 on Pentecost) sell a mix of non-perishable goods both food and household items.
	27 small vendors (3 on Maewo and 24 on Pentecost) sell mainly agricultural products, fresh fruit and vegetables, and cooked foods produced on the island.
	3 market observations (1 Maewo and 2 Pentecost)
PAYMENT METHODS	Cash, with only 11% of stores in Penama having EFTPOS capabilities
FSPS FOR VENDORS	93% of stores have a bank account for their business, the vast majority banking with NBV. However, the opposite is the case among small vendors, with 62% not using banks.
CUSTOMER QUANTITIES AND HABITS	Stores are open daily, and small vendors are open at least once a week. There are only small stores on Maewo and 15 surveyed on Pentecost, which receive 0–20 customers per day. The seven medium-to-large stores on Pentecost receive at least 20–40 customers per day on average. 64% of stores report customers spend 3,000 VT or less in one transaction on average. Small vendors report customers spend 1,000 VT in one transaction on average.

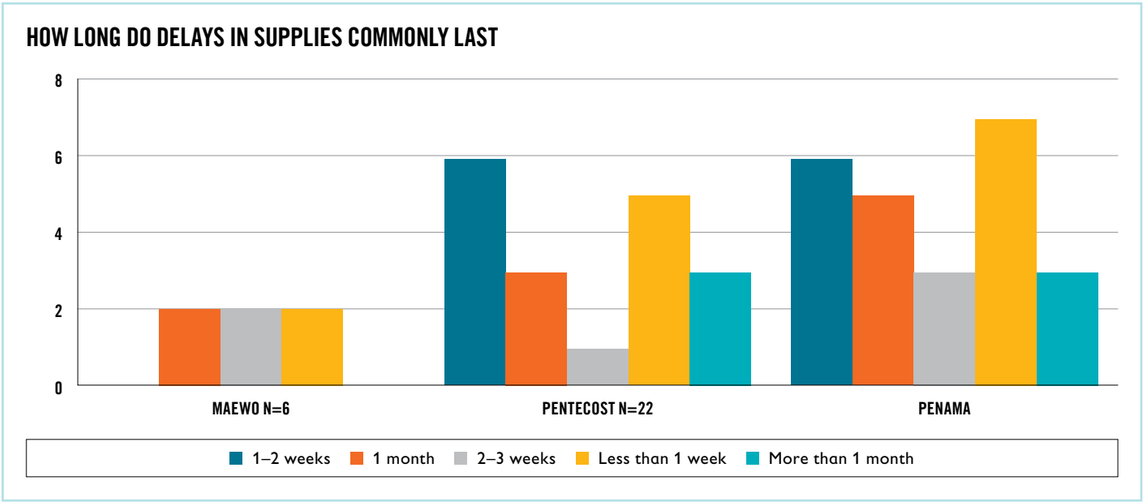


Figure 57: Penama's results of shopkeeper/owner interview question 4.6: In normal times, what is the maximum time when you have less supplies?

In pre-crisis times, more than half of the stores surveyed restock once every 2–3 weeks; 29% restock several times a week; and 19% restock once a month or less, see Figure 58. Neither island has ports, so goods must be transported from the ship to the island by small boats or canoes, and then transported by small truck, which increases the risk of damage and the time needed to transport goods.

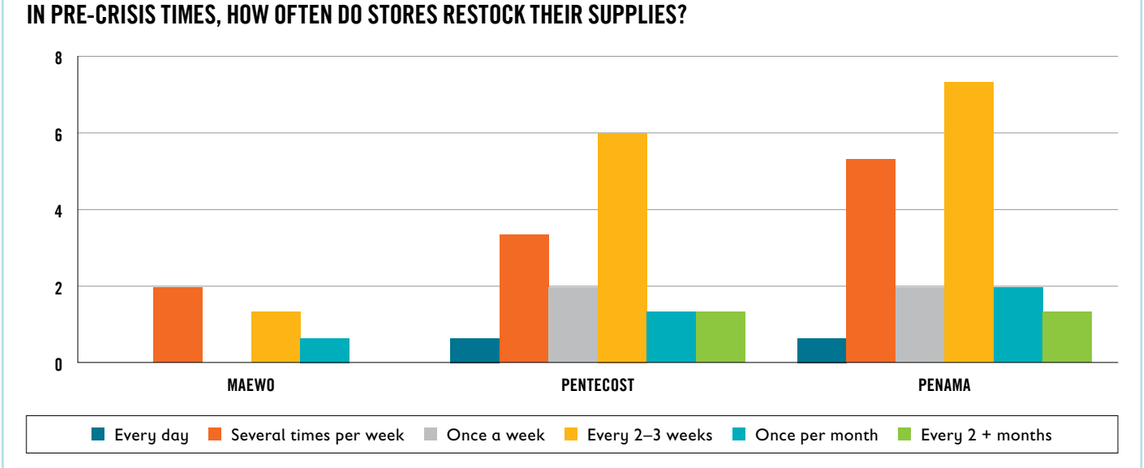


Figure 58: Penama's results for shopkeeper/owner interview question 4.4: In normal times, how often do you restock your supplies?

104 Oxfam in Vanuatu, *'Emergency Market Mapping & Analysis (EMMA), Maewo Island'*, op. cit., p.5-6

However, despite these challenges, all stores that were surveyed stated they could increase their selling capacity if demand was to rise. Stores varied when predicting by how much they could increase their supply, some predicting 1–2 weeks and others in similar locations predicting less than one week. Coinciding with how often they restock in pre-crisis times, the majority of stores predict they would need up to two weeks to increase their stock, see Figure 59.

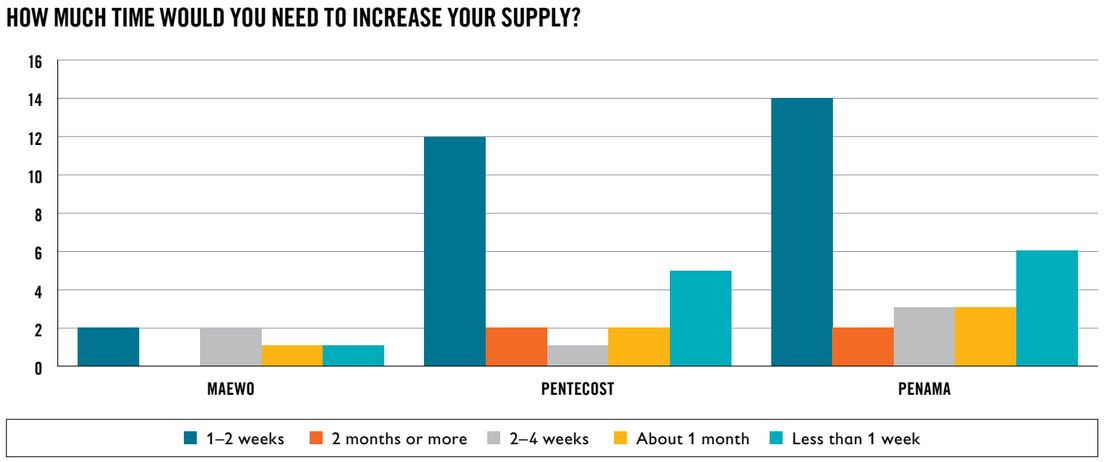


Figure 59: Penama's results for shopkeeper/owner interview question 7.11: If yes can increase your supply, how much time would you need to get ready to sell this much more?

The stores are restricted by how rapidly and by how much they can increase their stocks above their pre-crisis capacity due to their limited additional storage capacity and their inability to purchase supplies using credit. The assessment found that the majority of stores can only store items within their small store (32% reported having no storage at all), and only 21% reported having credit agreements with their suppliers, see Figures 60 and 61. These supply limitations in pre-crisis times greatly reduce their feasibility for CTP, particularly in the emergency phase of a response.

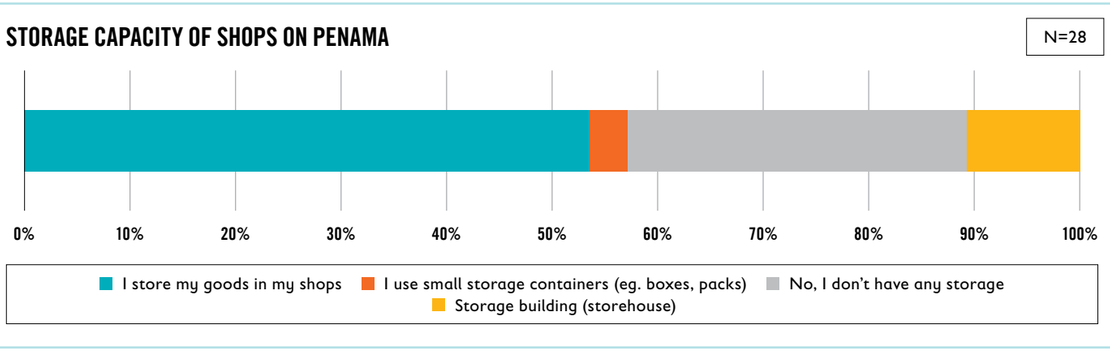


Figure 60: Penama's results for shopkeeper/owner interview question 5.3: What type of storage do you use for your supply/stock?

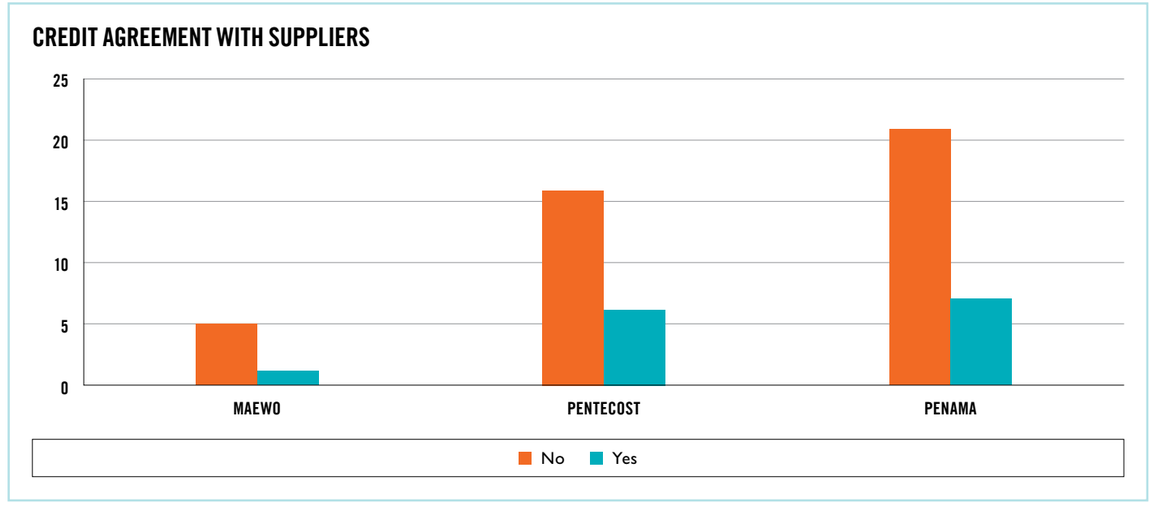


Figure 61: Penama's results for shopkeeper/owner interview question 3.3: Do you have a credit arrangement with your suppliers/wholesalers for items that you purchase?

Disaster resilience and past disaster experience

Three in five stores (61%) reported being closed for less than a week after the last disaster due to damages to the stores, personal losses and a reduction in customers, see Figure 62. However, despite being impacted by the disaster, 85% of stores (regardless of size) reported that they were able to meet the initial demand from the local population selling mainly rice, tinned fish or meat, noodles, biscuits and other tinned goods.

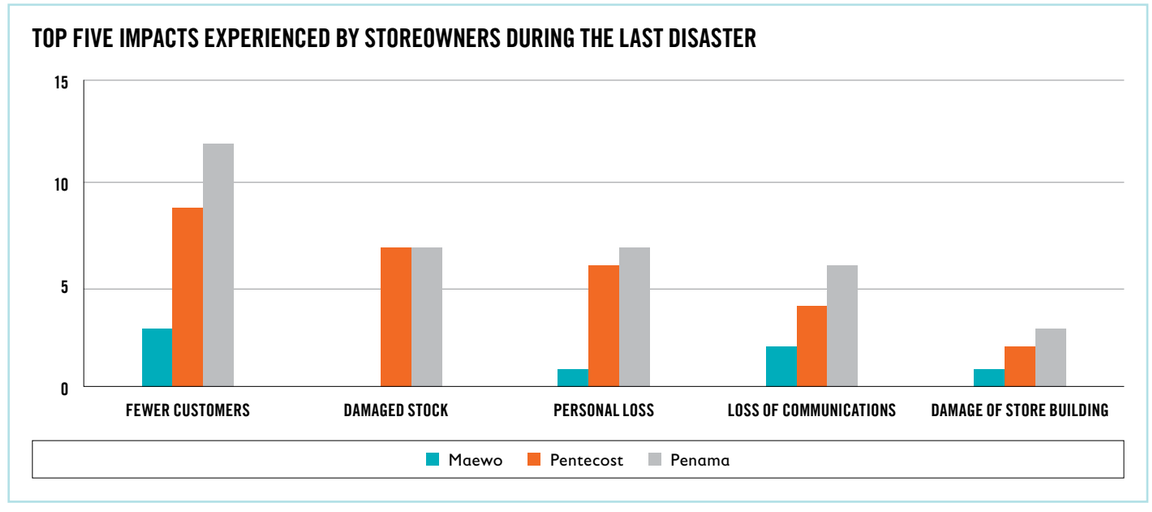


Figure 62: Penama's results for shopkeeper/owner interview question 7.3: The last time a disaster hit this area, how did it affect your business?

For small vendors and fresh produce markets, the assessment results revealed that markets closed down for more than two weeks after the last disaster, with 81% of vendors reporting that they remained closed for two weeks, see Figure 63. This suggests that fresh produce markets in Penama are very susceptible to disasters, and will most likely not be functioning in the initial phases of a disaster response. This makes Penama market capacity very vulnerable after an emergency because, without fresh produce markets, the island needs most of its essential items to be imported by ship. And according to storeowners, after a disaster, the biggest recovery challenge for the market as a whole is the unavailability of ships to enable stores to restock.

The EMMA conducted in Maewo reported that all fresh produce markets were closed, which means that the islands were relying heavily on imported goods. However, due to delays in shipping and the limited variety of goods stocked by the stores, the majority of vendors did not have enough goods to meet consumers' needs.[105]

However, despite these challenges, 71% of stores stated that in-kind assistance after a disaster negatively impacted their business by reducing the amount of customers. Thus, greater understanding is needed by humanitarian agencies and government around how to mitigate the negative impact of emergency assistance on markets in Penama, regardless of the modality type.

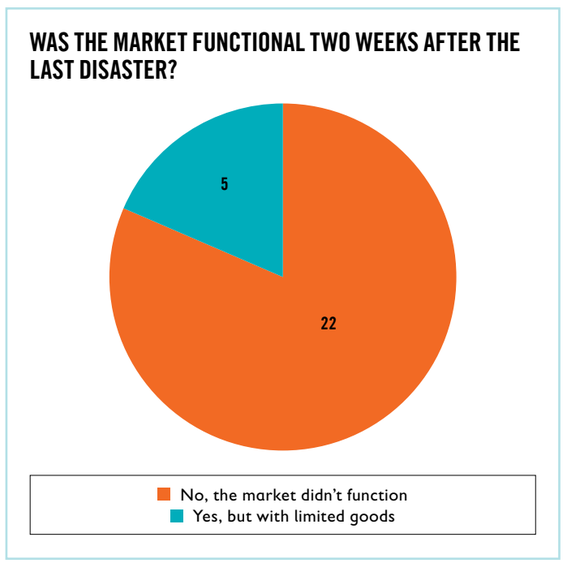


Figure 63: Penama's results for small vendor questions 6.2: The last time when a disaster hit this area, did your shop/stall function in the first two weeks after the last disaster (2015–2018)?

Ambrym Province, Vanuatu: Community members survey the damage from Tropical Cyclone Pam. Photo: Amy Christian/OxfamAUS.

105 Oxfam in Vanuatu, *'Emergency Market Mapping & Analysis (EMMA), Maewo Island'*, op. cit., p.15–18

Sanma Province

SNAPSHOT

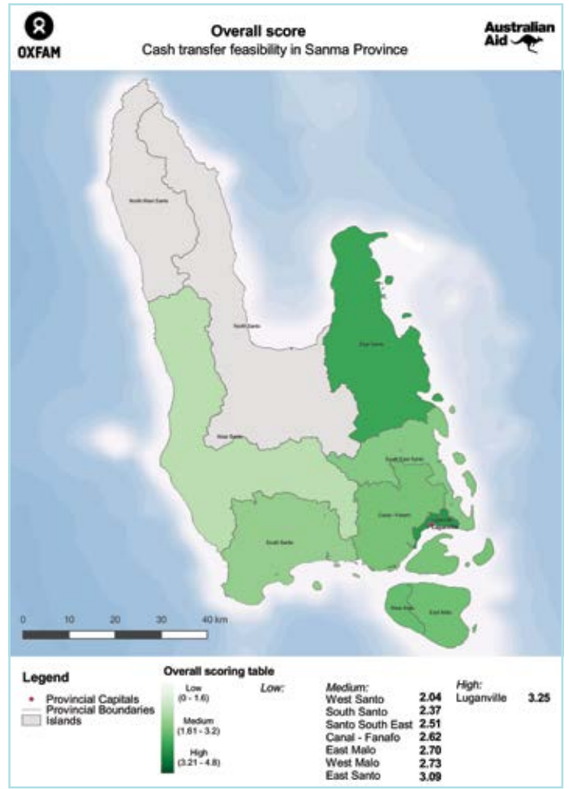
Sanma Province is located in central Vanuatu and consists of nine main inhabited islands; the largest two islands are Espiritu Santo (also referred to as Santo) and Malo. The province has a population of 54,000 people, making it the second most populous province of Vanuatu.[106]

Provincial capital: Luganville, on Santo Island, is the second largest urban area in Vanuatu.

Infrastructure and services: Luganville boasts large markets including supermarkets, large fresh produce markets, and large hardware stores, as well as a hospital and an array of hotels and resorts due to the growing tourism industry.[107] Luganville also has one international airport and an international cargo port and wharf infrastructure for direct receipt of imported shipments.[108] The province has sealed roads that connect the east coast to Luganville, and dirt roads that connect Luganville to the south.

Main economic activities: The economy of the province is fuelled by tourism and supplying goods to the north of the country, as well as copper mining and agriculture commodity exports, such as copra, cocoa and beef cattle.[109] The most common household livelihoods include subsistence farming, handicrafts and growing produce to supply the large markets.

Natural hazards: Sanma is prone to tropical cyclones, landslides, droughts, earthquakes, tsunamis and flooding.



Cash transfer profile: Sanma	
ENABLING FACTORS	• Remote areas, such as south Santo and west Santo, are hard to access so they have limited access to large markets and FSPs. • Low appropriateness scores due to limited experience receiving external disaster assistance between 2015 and 2018
OBSTACLES	• High density of market activity in the provincial centre of Luganville • Strong household purchasing trends for basic goods • High levels of access to and use of FSPs • Infrastructure to import a range of goods domestically and internationally • High acceptance levels for cash-based programs • Successful implementation of CTP by Oxfam targeting Ambae IDPs in Luganville

106 Vanuatu National Statistic office, *'2016 Post – TC Pam Mini – Census'*, Ministry of Finance and Economic Management, 2016, <https://vnso.gov.vu/index.php/component/advlisting/?view=download&fileId=4542>

107 Sanma Provincial Government, *'Sanma Provincial Disaster & Climate Response Plan'*, National Advisor Board and National Disaster Management Office, 2017, p.3–15 < https://ndmo.gov.vu/resources/downloads/category/19-disaster-response-plans>

108 Ibid.

109 Ibid.

Sanma has a diverse range of locations in regards to CTP feasibility, with survey locations ranging from medium to high feasibility. The east side of Santo was found to be more feasible, with Luganville being the most conducive for CTP due to its high- functioning and accessible markets and variation of FSPs. The least feasible locations in Sanma are in south and west Santo, with west Santo scoring lower than south Santo due to its remoteness and low market capacity.

The preliminary results of the Feasibility Assessment have helped to successfully implement the (as to date) largest multipurpose cash grant in the Pacific in Sanma Province.

As of March 2019, the impacts of the assessment include:

- Assessment data was used to mobilise more than 2.2 million NZD from MFAT.
- Information collected through the FSPs and capacities building were used to establish partnerships with two major banks in Vanuatu: NBV and ANZ.
- More than 13,000 individuals have been supported, including evacuee families from Ambae who have relocated to Sanma Province, as well as their host families.
- The program is being implemented in partnership with five government departments and two civil society organisations, and is also supported by the National Disaster Management Office, Civil Registry and Ambae Council of Chiefs.
- A Vanuatu Cash Working Group has been established and capacity has been built around implementation of CTP in Vanuatu.

The ongoing results and lessons from this program feed into the discussion below.

Luganville, Vanuatu: Ambae chiefs meet at the Oxfam office in Santo Province. Photo: Sarah Doyle/Oxfam.

DATA ANALYSIS

Access

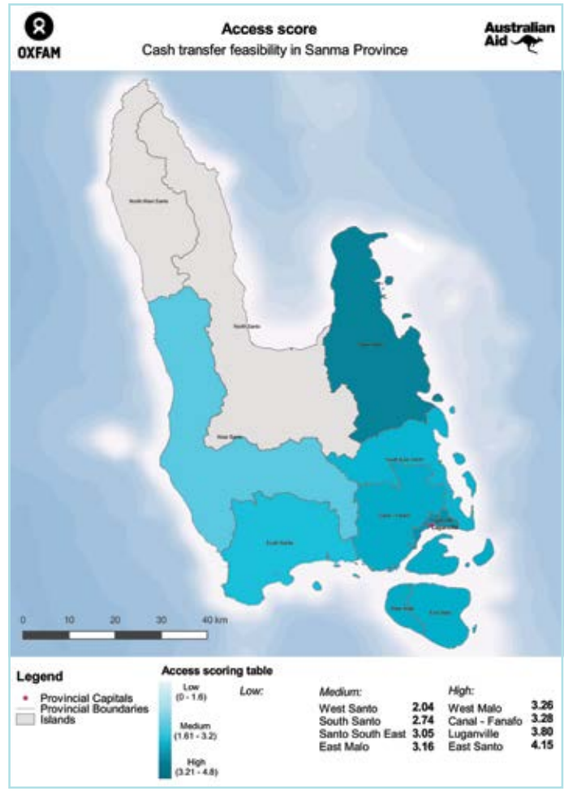
Santo's size and its mountainous terrain means that feasibility scores for access in Sanma range from medium to high feasibility, with areas that have better access to the province's capital, such as east Santo and Luganville, scoring higher than communities in more remote areas, such as west and south Santo.

Access to and use of markets

In terms of access to larger more diverse markets, the most accessible locations are those that have reliable and affordable access to Luganville. Because the island of Santo is relatively well connected with sealed roads and small sea transport availabe, more people in Sanma purchase goods from big markets and big stores than at the national level, with 72% in Sanma compared with 62% nationally, see Figure 64.

However, when comparing the different survey sites in Sanma, it can be said that access to a range of different stores and larger markets decreases the further away the community is from Luganville. This can be attributed to households that are only 30 minutes from Luganville having more access to a larger variety of goods, compared with communities in west Santo that are a day's boat ride away and rely exclusively on small stores and co-ops to fulfill their needs outside of subsistence farming.

Though east Santo and south-east Santo have travel times of up to one hour, they still have access to the larger markets, with 54% and 66% respectively. Households can access big markets to fulfill some of their needs because of the availability and affordability of transport to Luganville, via sealed roads that connect the east coast to Luganville, see Figure 65. As availability and affordability decrease, the use of larger markets also decreases for surveyed households in south Santo and west and east Malo, where travel times and costs are above the provincial averages of 750 VT and 40 minutes, and less than a third of households regularly engage with the large markets and stores in Luganville — the majority instead relying on big stores, small stores and cooperatives outside of Luganville.



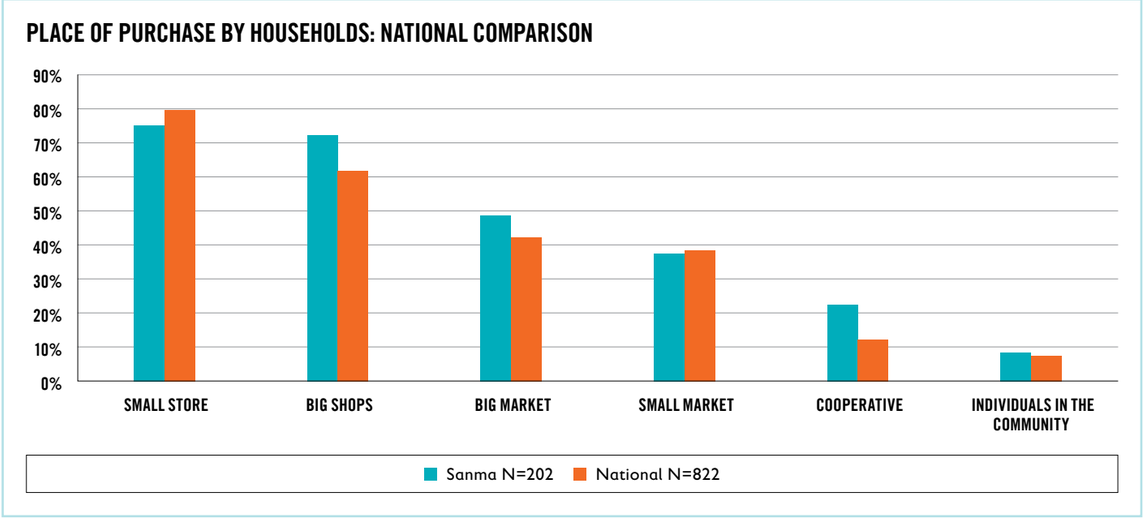


Figure 64: Sanma's results for household question 3.1: Where do you purchase your food and other household items?

Figure 65: Sanma's results for household question 3.1: Where do you purchase your food and other household items?

The assessment found that household purchasing habits were relevantly consistent across all survey sites, with the top five household expenses being food (99%), school fees (54%), clothing (42%), travel and transport (43%), and health needs (33%). This suggests that all locations have regular access to some form of fresh produce markets and/or stores that they use to fulfill their household needs.

When asked whether they have access to enough variety of goods through their local markets and stores, the less accessible Luganville is from the location, the less households believed they have enough access to the required variety of goods, see Figure 66.

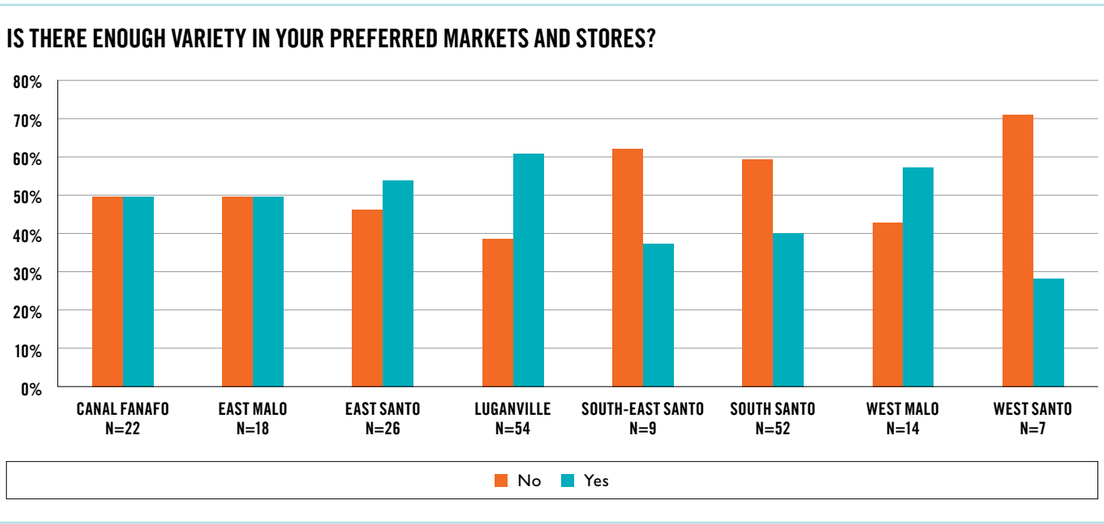


Figure 66: Sanma's results for household question 3.10: Do you think there is enough variety of food and other household items available in the market and store near to you

Access to and use of financial service providers:

When looking at households' use of and access to financial services, 64% of households reported having access to FSPs. When looking at FSP access across the different survey sites (see Figure 67), similarly to their access to markets, it can be said that the further away from Luganville, the less likely a household is to have access to FSPs, with the majority of providers located in Luganville only. The average cost and travel time for households in Sanma to access their preferred FSPs was around 700 VT and one hour, which is slightly higher to what was found at the national level. The majority of households in west Santo — the surveyed area furthest from the provincial capital — do not have access to FSPs. Among the communities in south Santo, more than half have access to FSPs, compared with 78% of households in Luganville. Thus, the results suggest that distance from FSPs, such as banks, is a major barrier for use. Interestingly, despite their relatively close proximity to Luganville, 50% of surveyed households in Canal Fanafo did not have access to FSPs. This also suggests that, as well as distance, financial literacy may be an issue and the types of services offered by FSPs might not suit the communities in rural and remote areas.

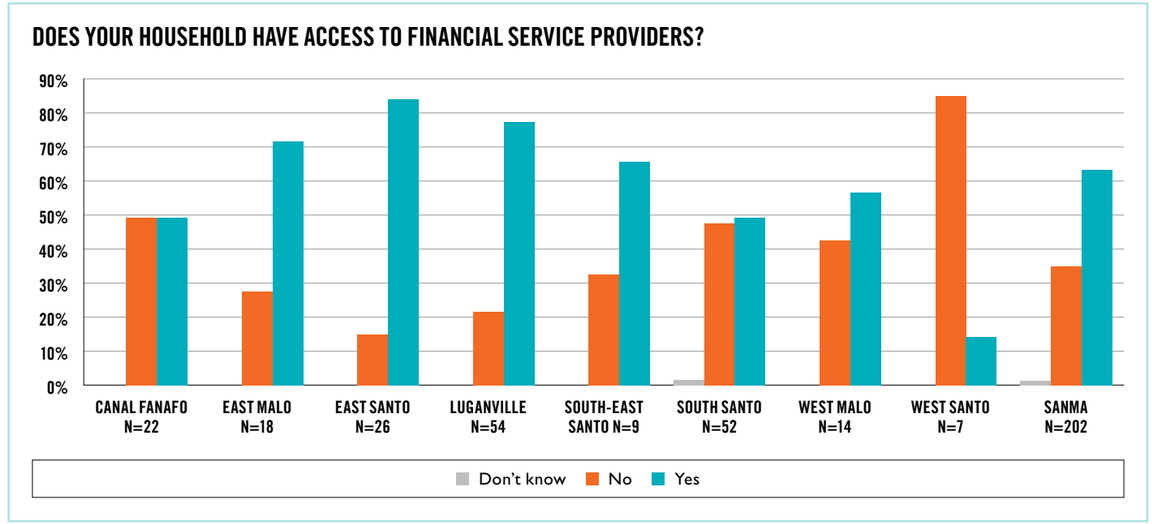


Figure 67: Sanma's results for household question 4.1: Do you have access to any formal or informal financial services?

Banks are the most frequently used financial service by the surveyed households across Sanma, followed by money transfer via Western Union and cooperatives, with some households using more than one FSP. NBV is the main bank that has agents outside of Luganville and money can be transferred through Western Union via agents located across the province. However, they are restricted in their capacity to give out large quantities of cash.

In line with what was found nationally, the majority of households across all locations (76%) stated that they predominately used FSPs to save money, and their frequency of use is once every two months on average.

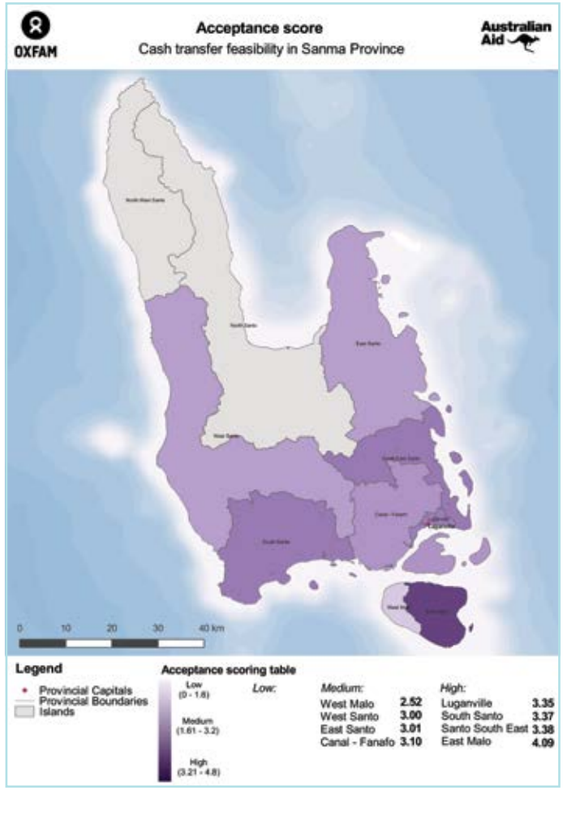
Acceptance

All areas that were surveyed in Sanma expressed a strong preference for CTP as a disaster response modality and thus score within the high feasibility range for this indicator, with east Malo showing the greatest levels of acceptance.

Disaster assistance preference

When households and community groups were asked what type of disaster assistance they would prefer based on previous experience, the overwhelming majority preferred cash, with 78% preference among households and 86% in the community group discussions across Sanma. This preference was followed by vouchers. Interestingly, the option for a combination of CTP and in-kind assistance overall was not popular. When looking at the results per area, the preference for cash and vouchers over in-kind assistance is consistent, regardless of location, see Figure 68.

When community groups were asked to what extent they thought CTP could meet their post disaster needs, the majority believed that all their needs could be met. The results per survey area were fairly consistent regardless of location, except for Luganville. Interestingly, of the 18 community group discussions conducted in Luganville, only half thought they would be able to meet all their needs with CTP after a disaster. The other half thought they would be able to fulfill only some of their needs with cash transfers.



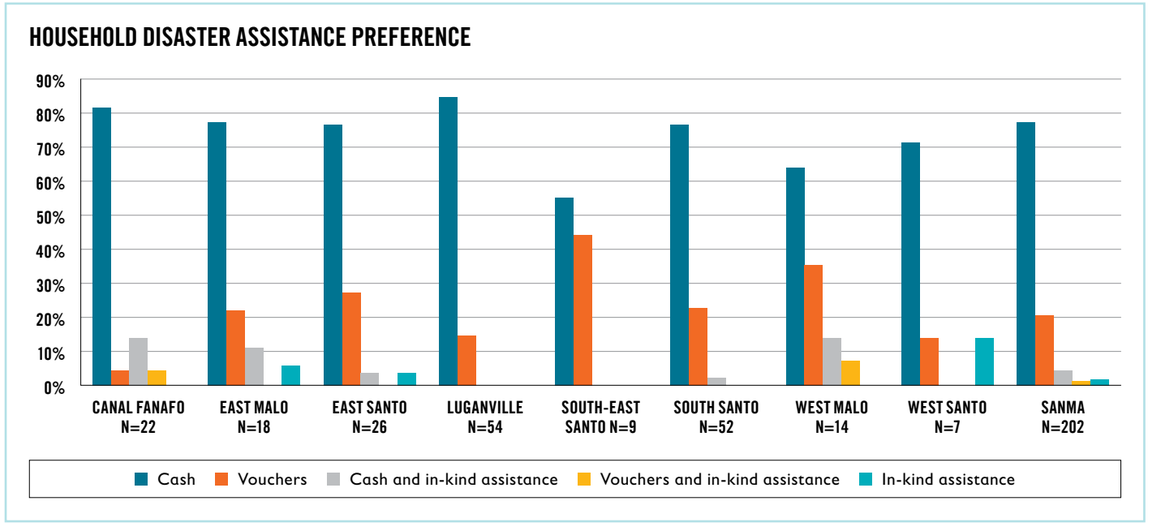


Figure 68: Sanma's results for household question 5.7: Next time there is a disaster, would you prefer to receive cash or vouchers instead of assistance?

Perceived risks of CTP by the community and household

Both community groups and households could see potential risks with this new form of assistance. The three risks of greatest concern across Sanma were the chance of cash being spent on things other than priority household needs, the risk of theft, and the potential to cause tensions within the community. All locations also expressed concerns that their local markets may run low on goods after a disaster if CTP was implemented; even respondents in Luganville — the second largest commercial centre in Vanuatu — shared this concern, see Figure 69.

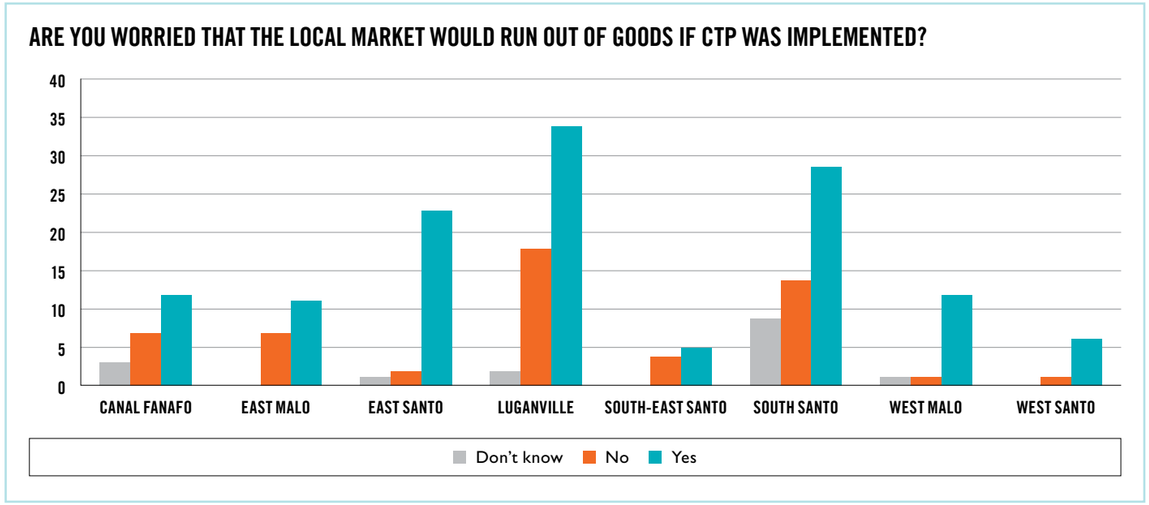


Figure 69: Sanma's results for household question 5.10: If you and others within your village/community receive cash or vouchers after the next disaster, are you worried that your local market/store might run out of goods?

Potential recipient of a cash transfer within the household

Less than half (45%) of household interviews found that, in normal times, men and women spend the household income together, compared with 29% who identified the male head of the household as the main spender and 25% who reported the female head of the household. Interestingly, this seems to change slightly during an emergency, and the answers seem to differ between household and community group discussions, see Figure 70.

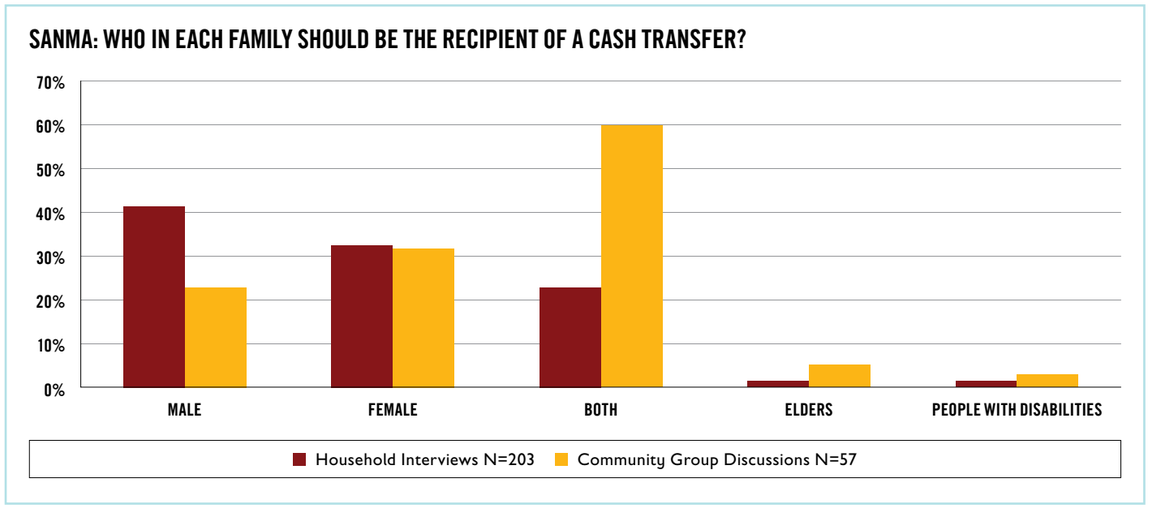


Figure 70: Sanma's results for household comparing household question 5.8 and community group discussion question 3.9: If assistance is delivered in the form of cash, who in the family do you think should receive it?

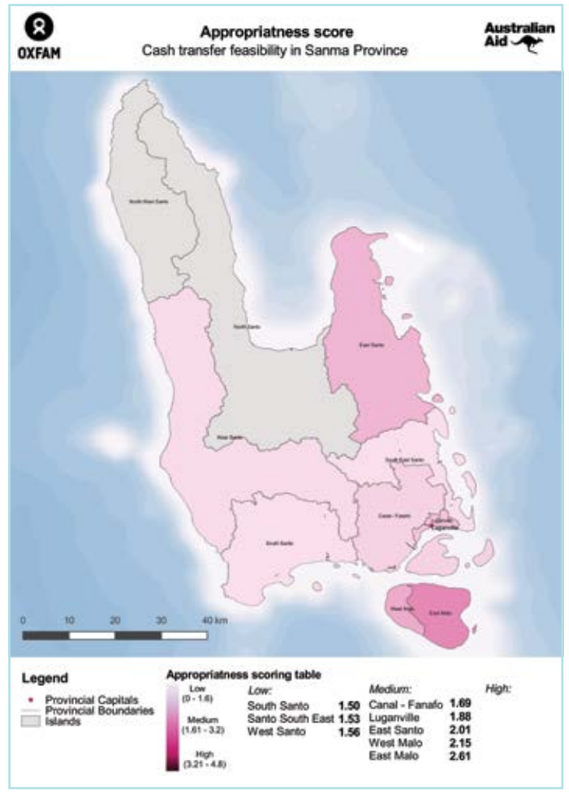
When households and community groups were asked who in the family should be the recipient of the cash transfer or voucher during a disaster, overall, households in Sanma favoured the male in the household (41%) and community group discussions preferred that both the male and the female of the household should receive the cash or voucher together.

Efate Island, Vanuatu: Maggaret walks through Pang Pang village, which was badly damaged by Tropical Cyclone Pam. The cyclone destroyed Maggaret's house and garden. Photo: Vlad Sokhin/Panos/OxfamAUS.

Luganville, Vanuatu: Ambae evacuee Marsden Vuvu sits outside his current residence in the Chapuis area. Photo: Sarah Doyle/Oxfam.

Appropriateness

Sanma's appropriateness levels are low to medium, despite regular engagement with markets, because the province has not been impacted by large-scale disasters in recent years to the extent experienced by other provinces. Only 14% of households in Sanma Province have received external assistance in the past three years (2015–2018), compared with 63% of households at the national level, see Figure 71. This includes TC Pam in 2015, where the province was not classified as a priority area for assistance, and where the major infrastructure, such as the port and airport, were unaffected.[110]



110 This is due to the way in which questions for this indicator were indexed and weighted. Among other things, the appropriateness score takes into account the area's exposure to disaster and its experiences receiving humanitarian assistance in the last three years.

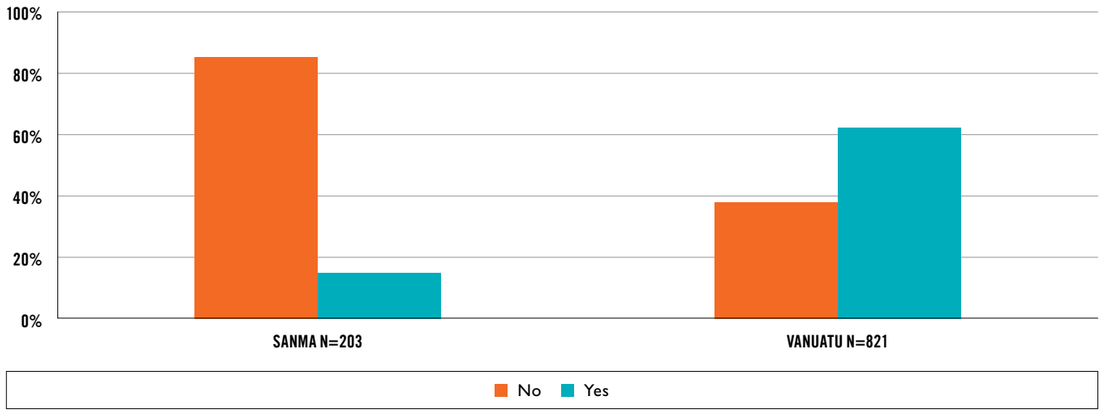


Figure 71: Sanma's results of household question 5.2: Did your household receive emergency assistance after any disaster in the last three years (2015–2018) disaster?

Household cash expenditure and income source

When looking at the positive signs for CTP in terms of appropriateness, Sanma households regularly interact with markets to meet their daily households needs. Both men and women reported spending the majority of their money on food for the family, and school fees and materials. As seen in Figure 72, women spend more money on hygiene needs and clothing needs, and men spent a higher proportion on hardware and building materials.

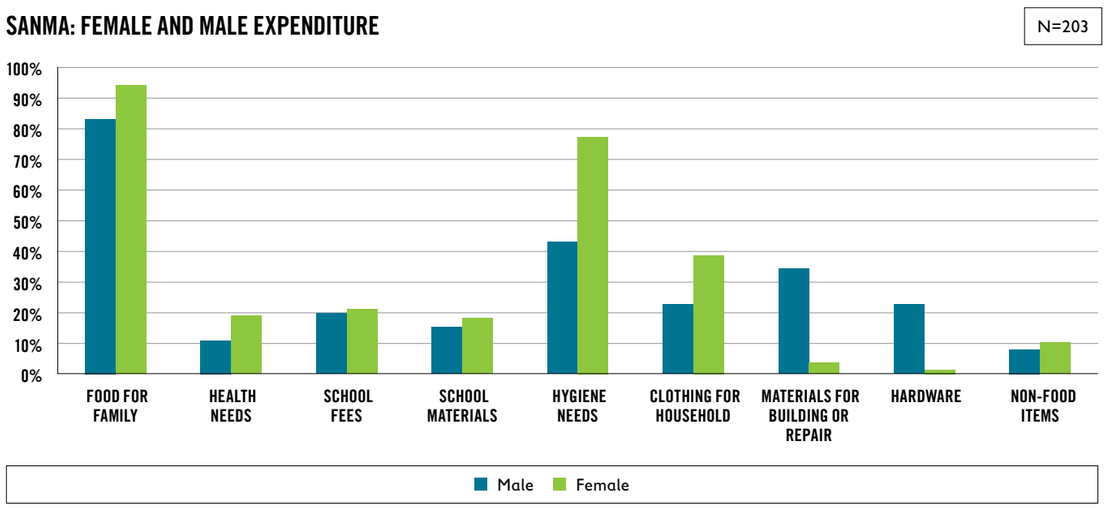


Figure 72: Sanma's results comparing household questions 3.2 and 3.3: When men go to the market/store, what do they buy? When women go to the market/store, what do they buy?

Household income source disaggregated by sex (Figure 73) helps to explain this dependence on and regular interaction with markets, as only 23% of males and 34% of females in the surveyed households do not earn cash-based income. More than 30% of women and 15% of men rely on the markets to earn income for their household, which also increases the appropriateness of CTP.

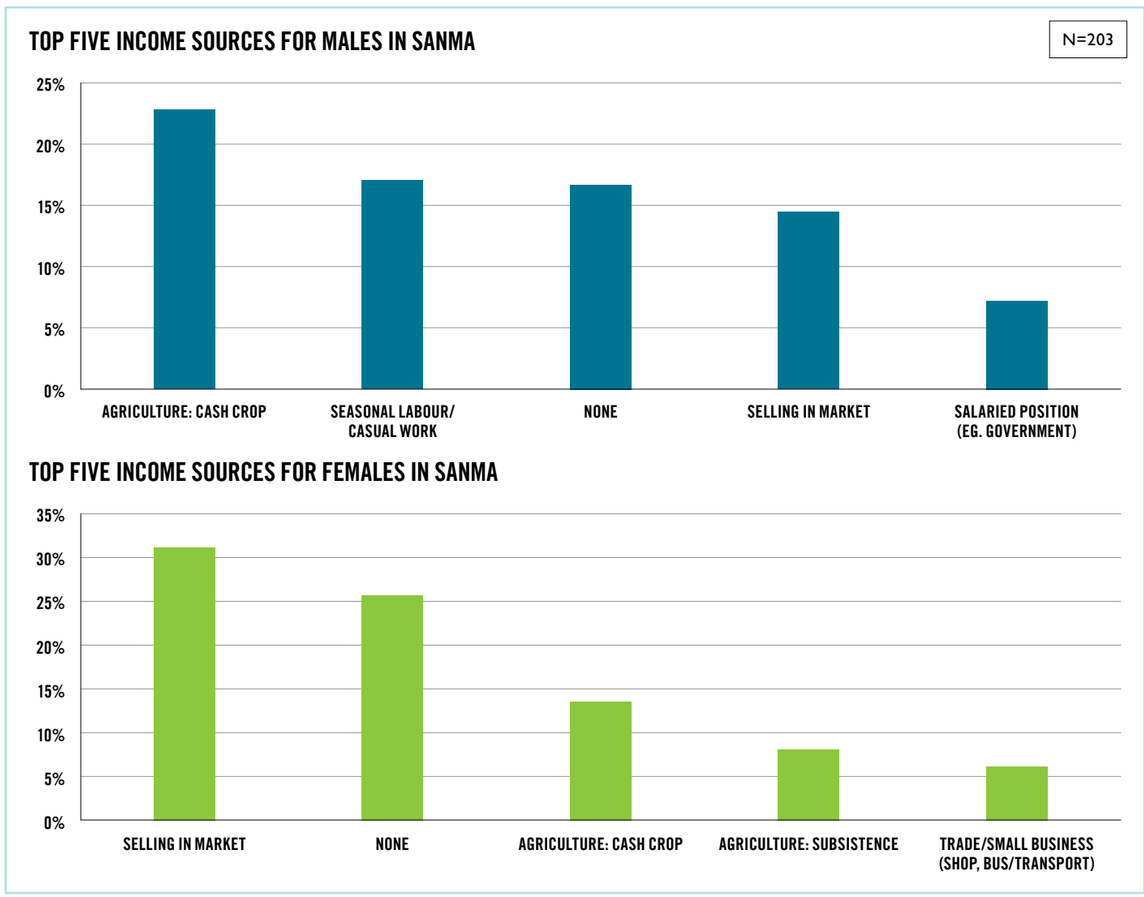


Figure 73: Sanma's results comparing household questions 2.1 and 2.2: What is the main source of household income for men in the household? What is the main source of household income for women in the household?

Past experience with disaster

After a disaster, food, water and shelter were generally identified as the three main priority household needs, see Figure 74. When comparing their needs with what they have received during previous responses, the top three items were food, shelter materials and water and sanitation, which correlates with the priority needs listed above.

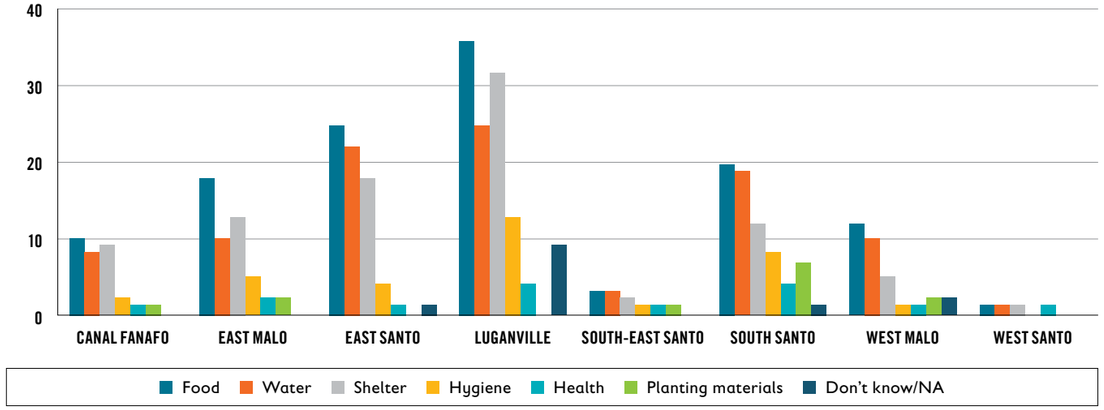


Figure 74: Sanma's results household question 5.3: After the disaster, what were the priority needs of your household?

Based on their past experience with disasters, households envisage they would mainly spend an injection of cash after a disaster on food, building materials, hygiene items and clothing, which correlates with what households report that they commonly receive after a disaster. Community group discussions revealed that the biggest issue with the delivery of disaster assistance is not the type of items that are received, but the way assistance is delivered. The groups explained that the targeting of assistance is a problem that is most likely to occur in the future — either assistance will be unfairly distributed or there will not be enough to go around, see Figure 75.

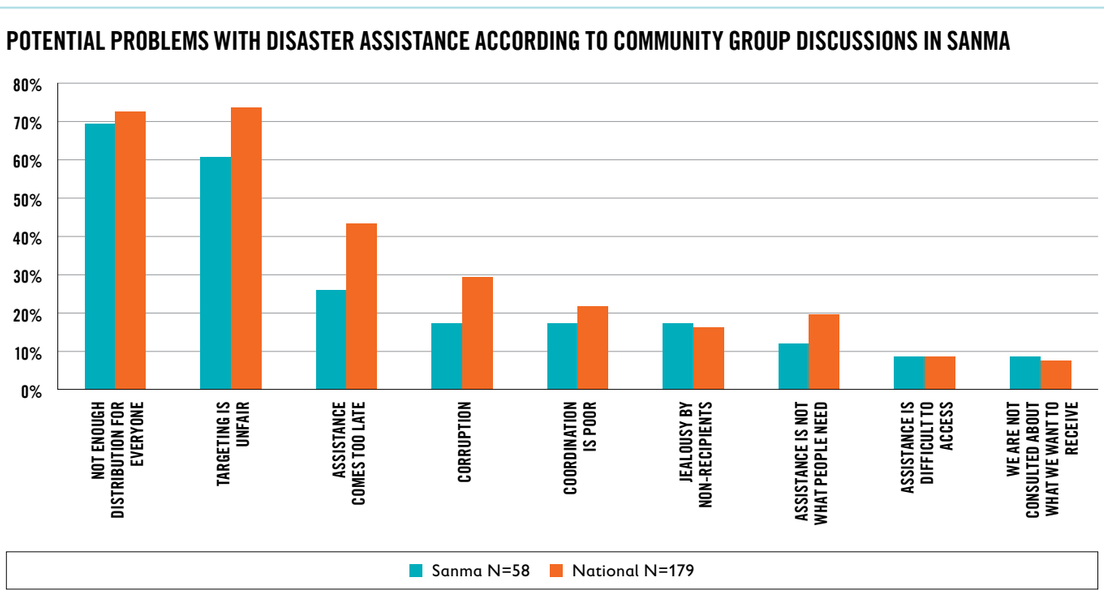
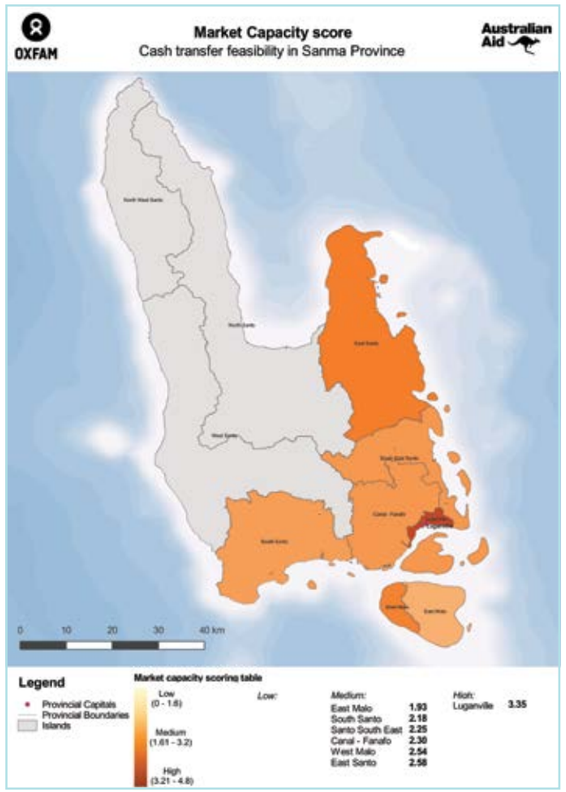


Figure 75: Sanma's results of community group discussion question 2.14: Next time there is a disaster and your community receives assistance, what problems do you imagine could happen?

Market capacity

The feasibility score for market capacity in Sanma ranges from medium to high feasibility, with Luganville, east Santo and west Malo more feasible for market capacity than south Santo, south east Santo, east Malo and Canal Fanafo. The scores suggest that locations that are well connected to the provincial centre and those with higher populations and tourism levels, such as east Santo, have the market capacity for CTP. West Santo does not receive a market capacity score because of insufficient data, due partly to the limited number of small vendors and stores found in West Santo.



Market profile

Luganville is the commercial hub for the northern half of the country, featuring a major food market, wholesalers and retailers that rarely experience shortages. Producers for the large fresh produce market come from communities across the province, travelling variable distances to reach the market, with the main feeder markets located in Malo and west Santo. Prices rarely fluctuate and key staple commodities (taro, sweet potato, bananas and manioc) are available year round.[111] Large wholesalers and retailers have the most turnover in rice and dried food commodities, and they supply all small community stores across Sanma, as well as the north of the country. They are well connected to their parent companies or wholesalers in Port Vila so they can increase their supply if necessary. Though delivery delays are common, the stores report always having enough supply in storage to count for those delays.[112] However, the price and availability of petrol is a factor that affects the supply of goods. Given that the majority of goods come to market by road or by boat, this can cause fluctuations in timing and pricing. In emergencies, this challenge is only amplified.

In the large fresh produce markets in Luganville, there is no formal warehousing. In all but one large market,[113] vendors must sleep with their goods at their stall, which is typically situated out in the open. The majority of vendors are women so an increase in demand may cause the vendors to stay for weeks in unprotected areas with no bathing or sleeping facilitates with their children.

The market in Luganville has the capacity to absorb an increase in demand and purchasing power, as long as the disaster has not severely damaged the town and stores on impact. However, targeted preparedness programs need to be developed to address protection issues for small vendors at the fresh produce markets, and also to address the potential for fuel storage to mitigate delays.

111 F. Reinhardt, '*CTP Service Provider Capacity Assessment, Luganville*', Vanuatu, Oxfam, 2018

112 Ibid.

113 The new fresh produce market that opened in the last 12 months has sleeping and bathing facilities for the vendors. However, the main fresh produce market does not have these facilities.

Malampa's market analysis profile	
SURVEYS	74 storeowners (60 on Santo and 14 on the outer islands of Malo, Araki and Tangoa) sell a mix of non-perishable goods, both food and household items.[114]
	51 small vendors (42 on Santo and 9 on the outer islands) sell mainly agricultural products, fresh fruit and vegetables, and cooked foods produced on the island.
	15 market observations (14 on Santo and 1 on Malo)
PAYMENT METHODS	Cash with 27% of stores in Sanma having EFTPOS capabilities Note: Interestingly, half of the stores on the outer islands reported having card machines.
FSPS FOR VENDORS	60% of stores have a bank account for the business, with 45% using NBV and 36% using BRED bank. 37% of small vendors have a bank account for the business.
CUSTOMER QUANTITIES AND HABITS	Stores are open daily, and small vendors are open at least once a week. 12 small stores on the outer islands and 41 on Santo receive 0–20 customers per day. The 19 medium-to-large stores on Santo and two medium stores on the outer island received upwards of 20–40 customers per day. 66% of stores report that customers spend 3,000 VT or less in one transaction on average. The results are consistent across the islands with the exception of Santo, with 42% of stores reporting that customers spend more than 3,000 VT on average. Small vendors report customers spend 1,800 VT in one transaction on average.

Market supply

The majority of stores restock at least once a week, regardless of size and location. However, more than half of the stores surveyed stated that they sometimes run low on stock for around 1–2 weeks. The most common reasons for supply shortages are weather and a lack of money for storeowners to restock.

Despite this, 78% of shopkeepers believe they could increase the amount of goods that they currently sell if there was an increase in demand, see Figure 76. The majority predicted that it would take them less than two weeks to increase their supplies. The extent to which they can increase their supply differs between locations, with the majority of stores on the outer islands reporting a possible increase of 25% compared with a large number of stores on Santo predicting they could increase supply by 50%.

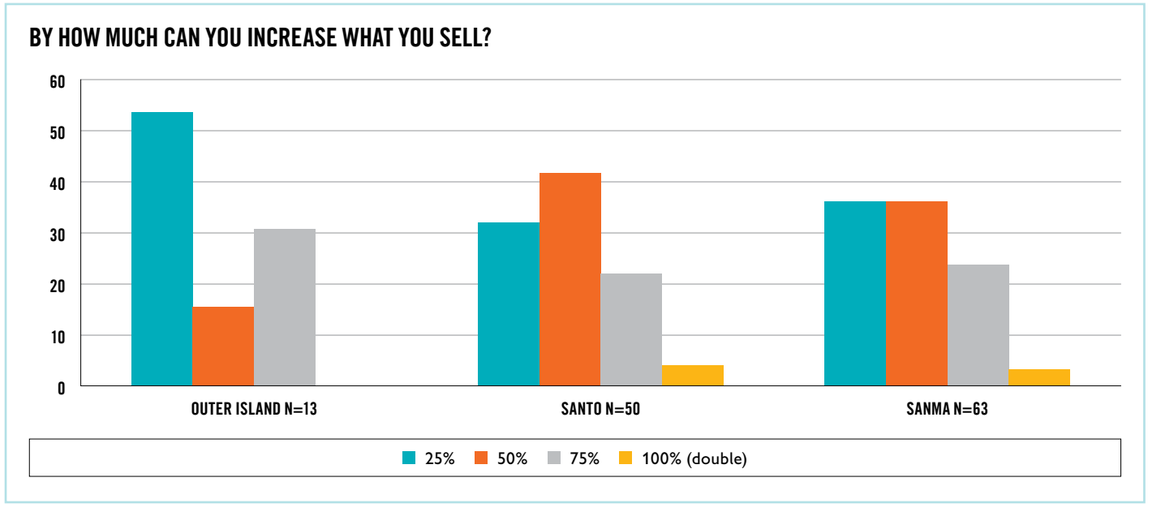


Figure 76: Sanma's results for shopkeeper/owner interview question 7.11: If people increase how much they buy, how much more would you be able to sell?

114 Note that the majority of the surveys were conducted in Luganville due the larger quantity and variety of stores and vendors.

All stores on the outer islands and 88% of stores on Santo reported having storage capacity, though this is mostly constrained to storing extra stock within the shop itself. The overall lack of credit agreements further restricts their ability to scale up, see Figure 77. Only 12% have credit agreements with their suppliers, so these stores can only restock as much as they can afford at the time, which they say is challenging, even in regular times.

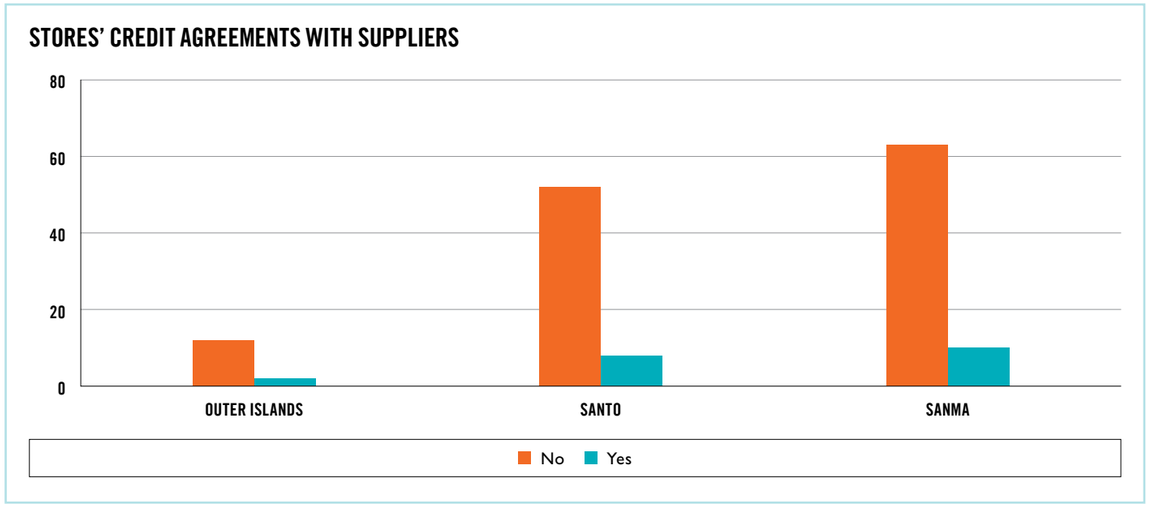


Figure 77: Sanma's results for shopkeeper/owner interview question 3.3: Do you have a credit arrangement with your suppliers/wholesalers for items that you purchase?

Small vendors have less capacity to scale up than stores, with the vast majority of small vendors reporting that they cannot scale up (see Figure 78) and they do not buy their stocks on credit. Small vendors have similar storage capacity to stores, with more than half of the surveyed vendors storing their additional stock in their homes.

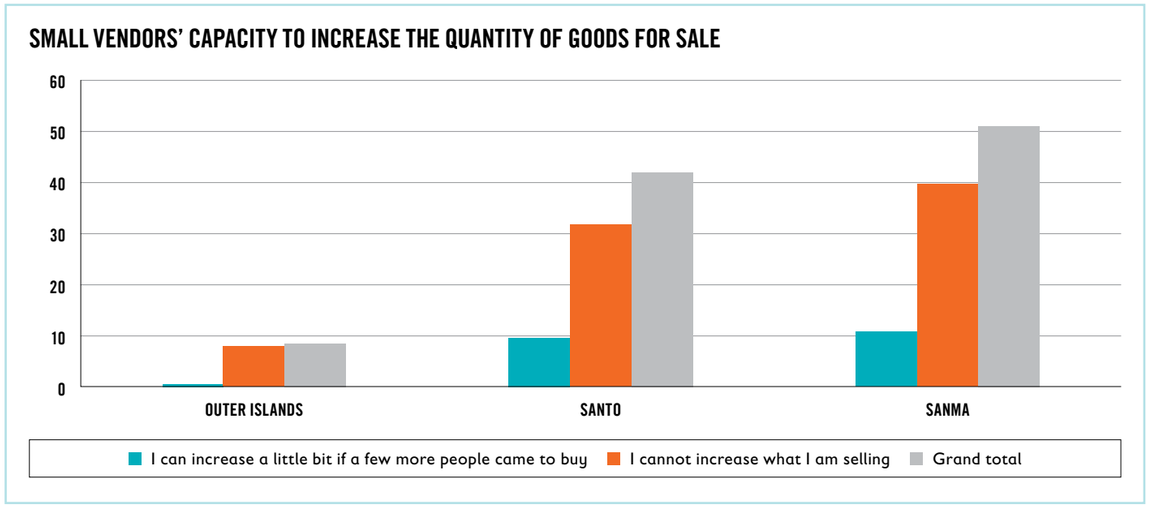


Figure 78: Sanma's results of small vendor interview question 3.5: Suppose many more people wanted to buy from you, and you had to increase the amount of goods you are selling. By how much can you increase what you sell?

Market resilience and past disaster experience

After the last disaster, 47% of stores stated that they recovered within a week of impact and 30% within 1–2 weeks. According to 65% of surveyed stores, the biggest impact during past disasters was a lack of customers. The only difference between the main island and the outer islands was the higher volume of damages reported by stores on the outer islands (20%) compared with 3% of stores on the main island. This is most likely due to the small stores being made out of less durable materials, making them more vulnerable to disasters. The stores reported that the biggest barrier affecting the market's recovery is the slowing of the supply chain.

The assessment results suggest that small vendors and fresh produce markets are more likely to be unable to meet demand after a disaster, with 67% of vendors stating that, after the last disaster, their stalls were either still not functioning or functioning for two weeks with limited stock.

Regardless of size, almost all stores (89%) reported that the most popular items sold immediately after the disaster are rice, tinned fish or meat, noodles, biscuits and other tinned goods. When asked about the impact of the distribution of relief items on their business, 74% of stores stated that in-kind assistance by humanitarian agencies and government reduced the amount of customers.

This implies that the stores in Sanma do fulfill some needs of the affected population during an emergency but this is mostly limited to essential, non-perishable foods, which are the most stocked items for stores across Sanma.

Luganville, Vanuatu: Host family member Alfreda collects her second cash transfer payment at ANZ. Photo: Sarah Doyle/Oxfam.

Shefa Province

SNAPSHOT:

Shefa Province is located in the centre of the archipelago and includes numerous tiny islands, known as the Shepard islands. The province is made up of 27 islands and is the most populated province in Vanuatu, with a population of 78,723 — the vast majority located in Vanuatu's capital city on Efate Island, Port Vila.[115]

Provincial capital: Port Vila, Efate

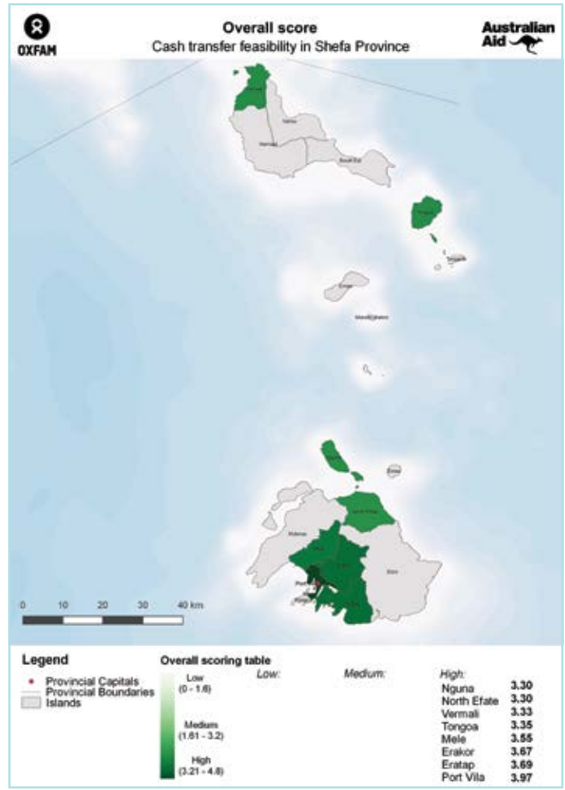
Infrastructure and services: The capital features an international airport, international cargo port and wharf infrastructure for the direct receipt of imported shipments, as well as the capacity to host large cruise ships. There are also large wholesalers and warehouses, major retail banks, a hospital, large central fresh produce market and secondary large markets throughout each municipal ward. Road infrastructure encircles Efate and public transport is readily available and affordable. On the outer islands of Shefa, there is less market activity, fewer FSP options and limited road infrastructure.

Main economic activities: The capital city and the island of Efate receive a constant flow of tourism, which the majority of households rely on for their livelihoods. On the outer islands, the major income source is agriculture.

Natural hazards: The province is prone to tropical cyclones, droughts, landslides, tsunamis, earthquakes and flooding. There is a submerged volcano between the islands of Epi and Tongoa, which is sporadically active.

All surveyed locations within the province have been found to be very conducive for CTP with all survey sites being ranking as highly feasible overall. Efate, particularly areas in and around Port Vila, is the most feasible for CTP compared to all other locations, due to its large, active and accessible markets. This is unsurprising as small-scale CTP has already been trialed here. Paper vouchers were successfully implemented in the urban areas of Port Vila in the immediate response and recovery phases. Monitoring and evaluation reports suggest that the cash transfer programs were well received by beneficiaries and retailers. Small-scale CTP was also piloted successfully on Epi during the recovery phase of the TC Pam response as a way to support the regeneration of livelihoods.

Epi's past experience small scale CTP was also piloted successfully on Epi during the recovery phase of the TC pam response as a way to support the regeneration of their livelihoods.



Cash transfer profile: Shefa	
ENABLING FACTORS	• High density of market activity in Port Vila • Strong household purchasing trends for basic goods • High levels of access to and use of FSPs • Infrastructure to import a range of goods domestically and internationally • High acceptance levels for cash-based programs • Small-scale CTP piloted in Port Vila and on Epi after TC Pam in 2015
OBSTACLES	• Outer islands have reduced access to FSPs and large stores and markets • Limited critical infrastructure on outer islands

115 Vanuatu National Statistic office, '*2016 Post – TC Pam Mini – Census*', Ministry of Finance and Economic Management, 2016, <https://vnso.gov.vu/index.php/component/advlisting/?view=download&fileId=4542>

DATA ANALYSIS

Access

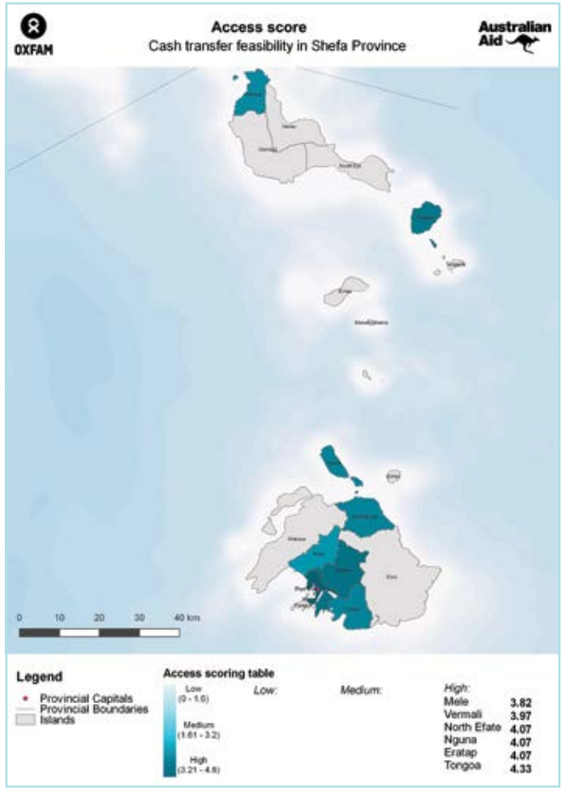
In terms of access, Shefa Province ranks the highest, with all surveyed locations being categorised as high feasibility for this indicator. Communities surveyed in the capital score higher than those on the outer islands.

Though the outer islands face such challenges as costly travel and a lack of diversity of markets and financial services, they are still categorised as highly feasible due to their proximity to the capital city. When calculating access feasibility, each location's proximity to a commercial hub is factored into its score.

Tongoa has a slightly higher score than expected, and Mele scored slightly less than expected in comparison with other locations in Shefa. In Tongoa, the surprise result may be attributable to households having access to a variety of markets and stores in close proximity to their homes. According to the data, households in Mele have very low levels of access to FSPs, and the majority report not having enough variety of markets.

Access to and use of markets

Households in Shefa rely more heavily on big stores and big markets than small stores and small fresh produce markets. However, this is only accurate for households on Efate, with access to the markets in Port Vila. Households on the smaller outer islands of Shefa mostly use small stores that are located within walking distance from their communities. Though Pele and Nguna are only a short boat ride away from Efate, they report relying more heavily on small stores on their islands, which are more accessible, see Figure 79.



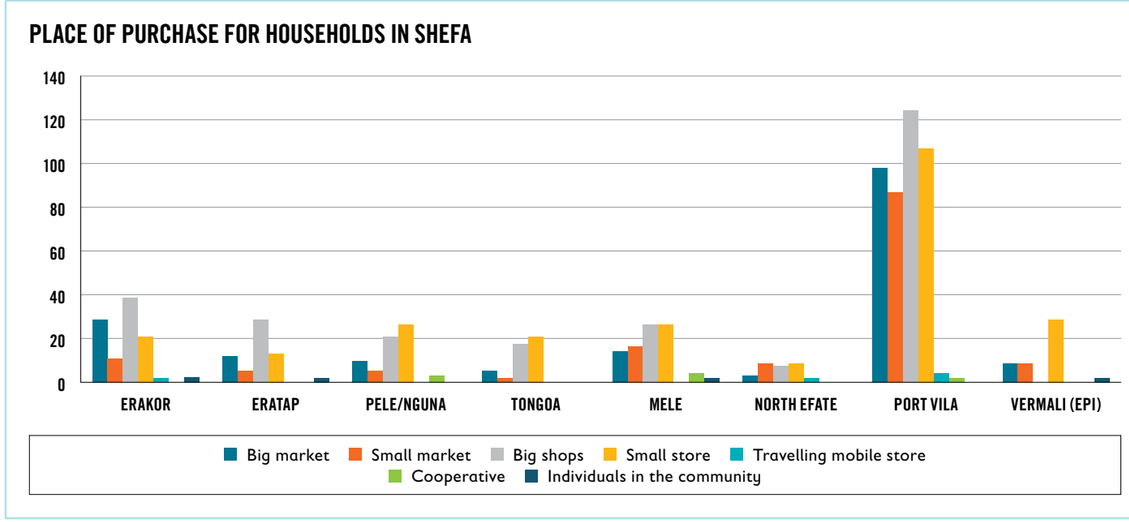


Figure 79: Shefa's results for household question 3.1: Where do you purchase your food and other household items?

The average cost for households in Shefa to access their preferred store is 400 VT and it takes 25–30 minutes on average to reach those markets; this can fluctuate slightly, depending on weather conditions. For households in Port Vila, Mele, Eratap and Erakor, minibus is the main mode of transport, which costs around 150–300 VT and takes around 30 minutes.

Walking is the most used mode of transport among households on Epi, Pele, Nguna and Tongoa. However, to access a larger diversity of stores and markets, they would need to travel to Port Vila. For Pele and Nguna, this is only 1–2 hours away and the return trip costs upwards of 1,000 VT. But households on Epi and Tongoa would need to travel by boat or plane to reach Port Vila, which is costly. Though the flight is short, this is not a return trip that a household would make in one day, due to costs and flight schedules.

The top five expenditures for families in Shefa, in order, are food, school fees, travel and transport, clothing and health needs (services and medicine). In comparison with other provinces, there is higher expenditure on travel and transport in Shefa, with households in Port Vila, Mele and Epi reporting transport as their second greatest expense after food. However, in terms of feasibility for cash, this suggests that all locations that were surveyed regularly engage with markets, which suggests that they have reliable access to those markets.

However, having access to markets and stores does not necessarily mean that they have everything the household needs. When households were asked whether there was enough variety of food and household items available, Port Vila, north Efate and Tongoa were the only areas where the majority of households answered "yes", see Figure 80. Interestingly, households situated within 30 minutes of Port Vila — including Erakor, Eratap and Mele — do not think they have access to enough variety of goods. But households on Tongoa, an outer island, believe they have enough variety available to them, despite having access to mainly small stores.

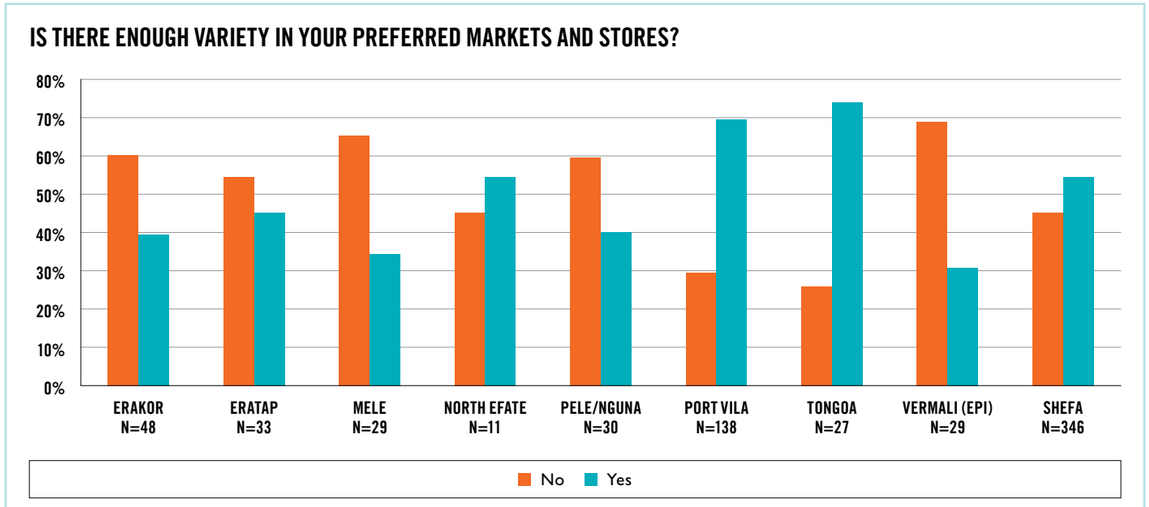


Figure 80: Shefa's results for household question 3.10: Do you think there is enough variety of food and other household items available in the market and store near to you?

Access to and use of financial service providers

About three quarters (74%) of households in Shefa Province reported having access to FSPs, which is slightly higher than the overall percentage at national level. On Epi and Tongoa, 79% of surveyed households have access to FSPs, and the islands of Pele and Nguna together also have a combined percentage of 79%, which is comparable to households in Port Vila, see Figure 81. Mele is the only area that differs significantly, with only 52% of households stating that they have access to FSPs despite being located within 30 minutes of the capital. This is interesting considering communities in Mele are very close to the FSPs located in Port Vila.

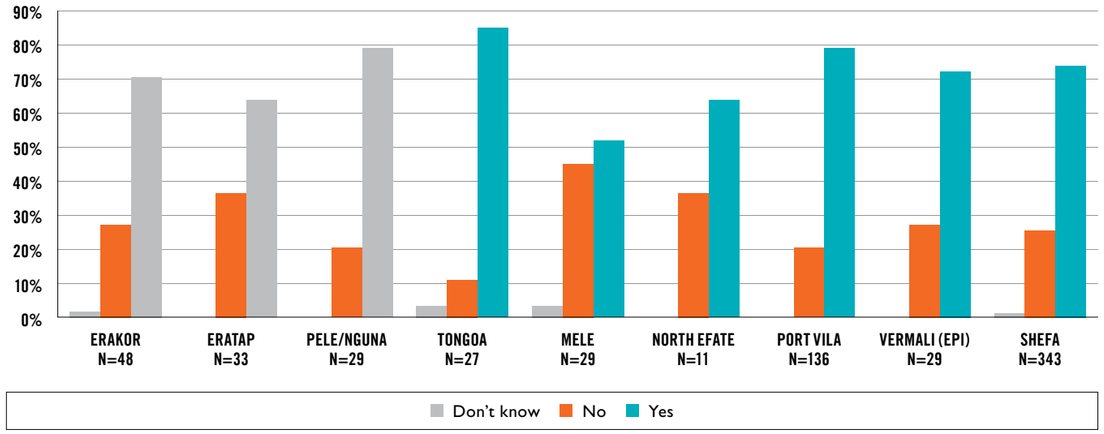


Figure 81: Shefa's results for household question 4.1: Do you have access to any formal or informal financial services?

The average cost and time needed to access a preferred FSP mirrors the cost and time needed to access the markets. Most of the surveyed locations had, at least, an NBV agent. The most used type of financial service is banks (65%), which is slightly above the national percentage, followed by Western Union and microfinance, at 17% and 15% respectively — this is consistent across all of the surveyed areas, see Figure 82.

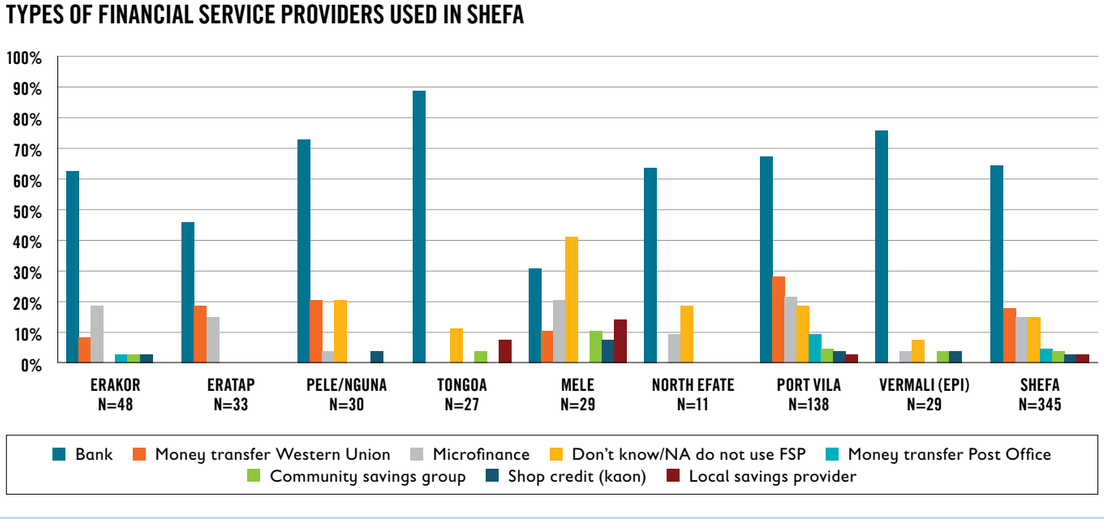


Figure 82: Shefa's results for household question 4.2: Which financial service do you use?

Though banks ranked as the most popular FSP for households on Mele, a higher percentage of household reported not using FSPs. This matches the results above, where almost half stated that they do not have access to financial services. Looking into Mele's unique results in more depth, 11 of the 29 respondents stated that they do not use a financial service because they are either too afraid to use it; they don't have the right ID; or they don't know anything about it so they don't want to use it. Only one respondent reported not using the financial service due to lack of physical access. Though the results are not conclusive, as 17 of the 29 respondents answered N/A, it could be surmised that there is another reason why the majority of respondents on Mele do not use or have access to financial services, such as a lack of financial literacy or a shortage of appropriate types of financial services.

The frequency of FSP use is very low, with households reporting using their service provider once every two months on average, and mainly for the purpose of saving their money. However, when looking at the results per surveyed island, it can be said that households on Efate use their preferred provider on a more regular basis, with 40% of households reporting using their FSP once a week. On the outer islands, less than 25% of households make weekly use of their FSP, see Figure 83.

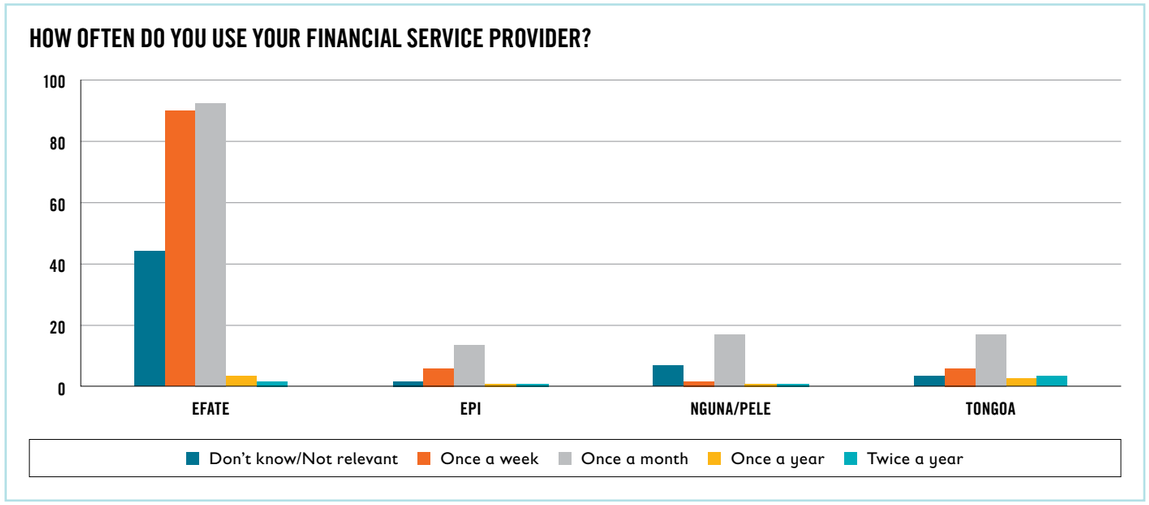


Figure 83: Shefa's results for household question 4.4: How often do you use this financial service?

Across the province, the average amount of money sent by households is 7,700 VT, the average amount received is 9,600 VT and the average amount borrowed is 4,800 VT. These results closely mirror the national averages.

Sending and receiving money between families:

More than 50% of households stated that they receive support from their family. However, the majority of that support is provided through food, with only 26% receiving some of that support in the form of cash. This is consistent across the surveyed areas, with the exceptions Pele and Nguna. Of the 25 households that received support from their family, 18 households (72%) reported receiving cash as well as food. This supports the data above, which suggests that households have access to FSPs and are familiar with using them. It also suggests that cash is useful for households that need support to fulfill their household needs.

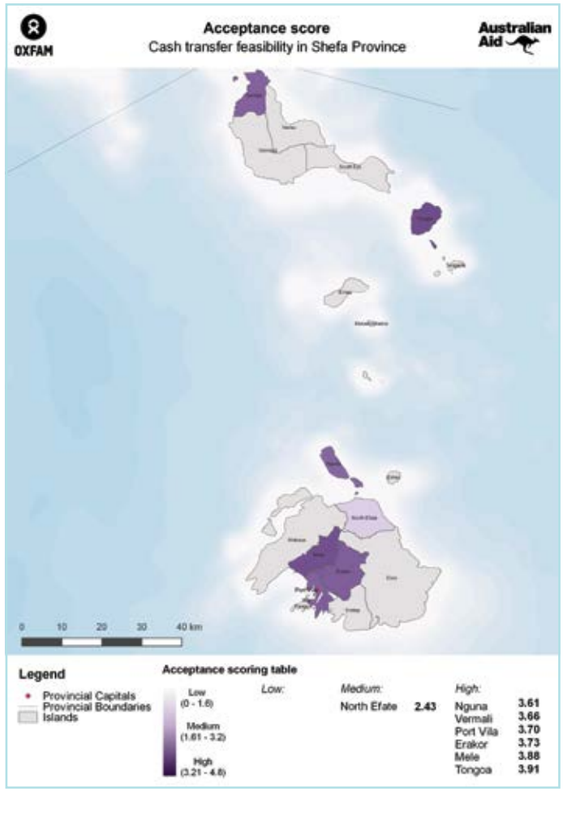
Acceptance

There is little variation in level of acceptance between locations across Shefa, with all areas ranking quite high. This is due to all households and community groups expressing their approval of the potential use of CTP.

Eratap does not receive a score for acceptance because there were no community group discussions conducted in this location. However, as can be seen in Figure 84, the majority of households in Eratap prefer cash as an assistance modality.

Disaster assistance preference

The majority of households in Shefa Province (84%) prefer cash to all other forms of assistance, followed by vouchers at 28%. This preference is consistent across all surveyed areas, regardless of their distance from the capital, see Figure 84.



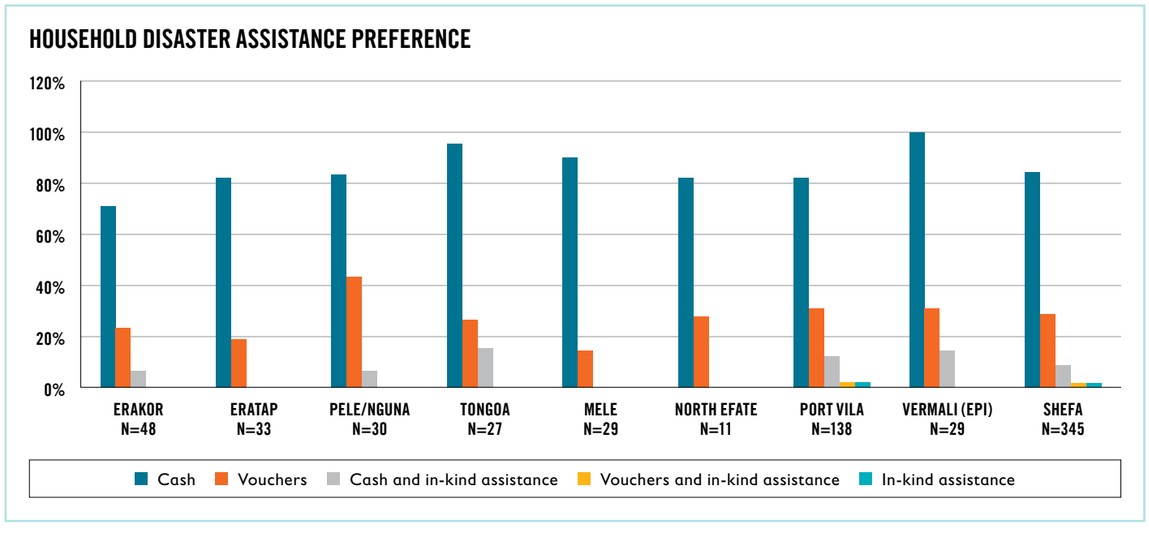


Figure 84: Shefa's results for household question 5.7: Next time there is a disaster, would you prefer to receive cash or vouchers instead of assistance?

Across the province, the vast majority of communities believe they would have been able to fulfill all their priority needs with CTP after the last disaster, see Figure 85. North Efate, Epi and Nguna show a slight difference, with around half of the community groups stating that they would be able to meet only some of their priority needs with cash. This suggests that a combined approach of cash and in-kind might be necessary.

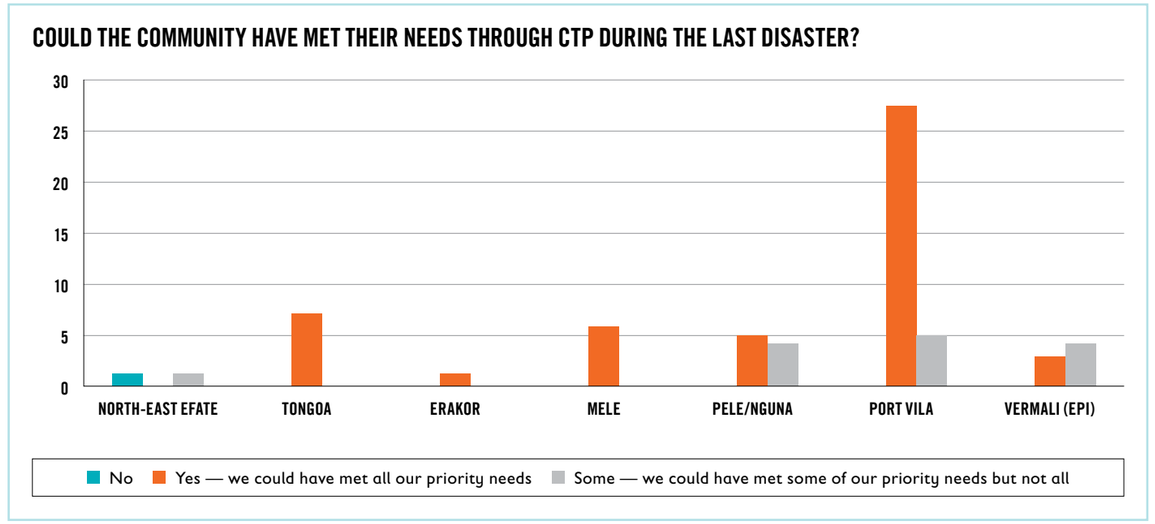


Figure 85: Shefa's results from community group discussion question 3.2: Considering your priority needs following the last disaster (2015–2018), do you think you would have been able to meet those needs with cash and/or vouchers?

Perceived risks of CTP by the community and household

Around one third of households (28%)[116] and community groups (33%) could see the potential risks associated with the introduction of CTP in their community and household, see Figure 86. This is comparable to what was found at national level. The major perceived risks of CTP, as identified by the communities, are theft, the creation of tensions in the community, and the possibility of households misspending the cash on non-household needs and corruption.

116 The 28% includes respondents who stated "yes" and "maybe".

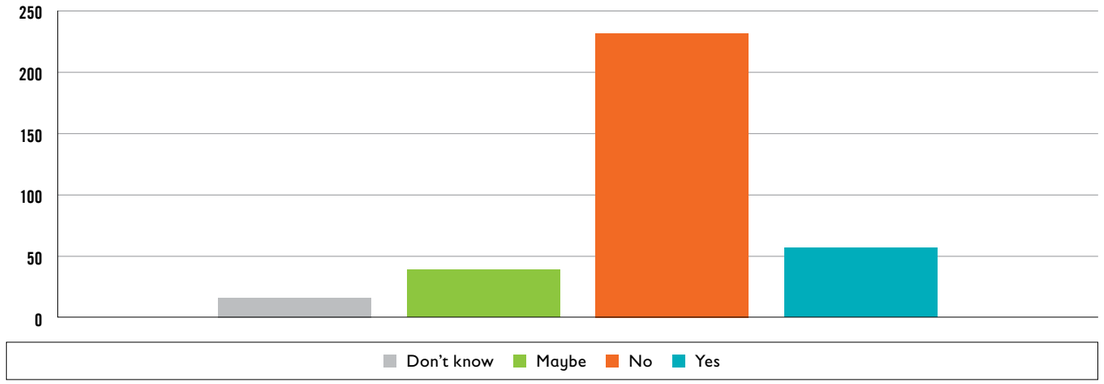


Figure 86: Shefa's results for household question 5.11: Do you think there could be risks associated with cash or vouchers? (Considering gender-dynamics in the household, child-specific risks)

Almost two thirds of households (62%) also expressed concern that, during a disaster, their local markets may run out of goods, due to the surge in demand that CTP could cause, see Figure 87. When asked about their markets' capacity after a disaster, there is a sharp contrast between households on Efate and those on the outer islands, with 75% of households from outer islands expressing concern, while only 58% of households from Efate shared this concern. Though the communities could see risks, the fact that they still preferred cash to all other forms of assistance suggests that they perceive these as manageable risks.

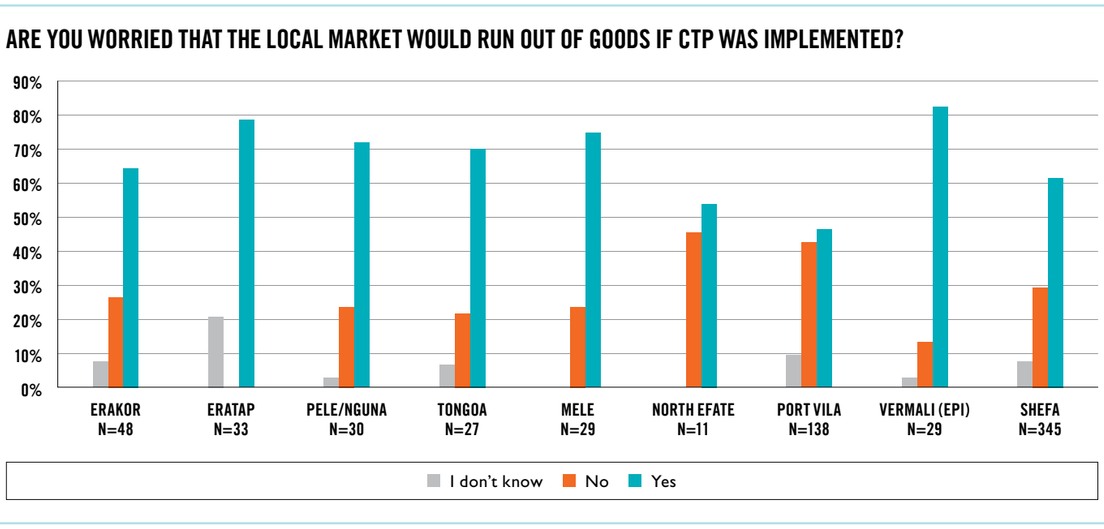


Figure 87: Sanma's results for household question 5.10: If you and others within your village/community receive cash or vouchers after the next disaster, are you worried that your local market/store might run out of goods?

Potential recipient of a cash transfer within the household

In Shefa, 51% of households report that, in normal times, men and women spend the household income together, in comparison with 27% stating that the women are the main spenders. The other 21% reported that men are the main spender in the household.

Interestingly, when inquiring into who households and community groups thought should receive a cash transfer on behalf of their family, it does not necessarily correlate with who is the main spender during pre-crisis times. As can be seen in Figure 88, the results between the community group discussions and household interviews also do not match. However, unlike other provinces, both favour the female head in the household over the male head in the household. This suggests that if CTP was to be implemented, based on the data, it may be more appropriate to give the transfer to both the male and female in the household, or to the female head of the household.

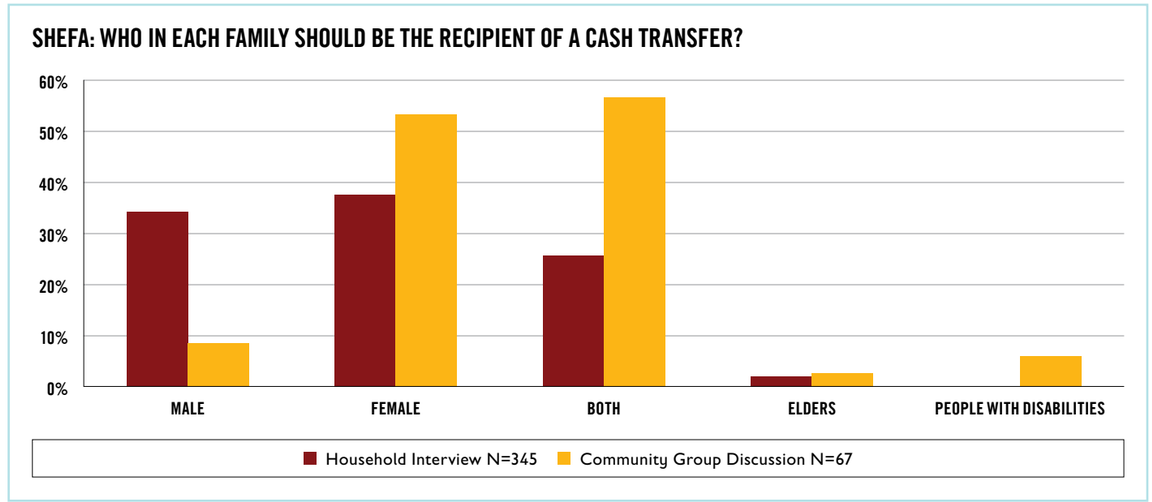


Figure 88: Shefa's results comparing household question 5.8 and community group discussion question 3.9: If assistance is delivered in the form of cash, who in the family do you think should receive it?

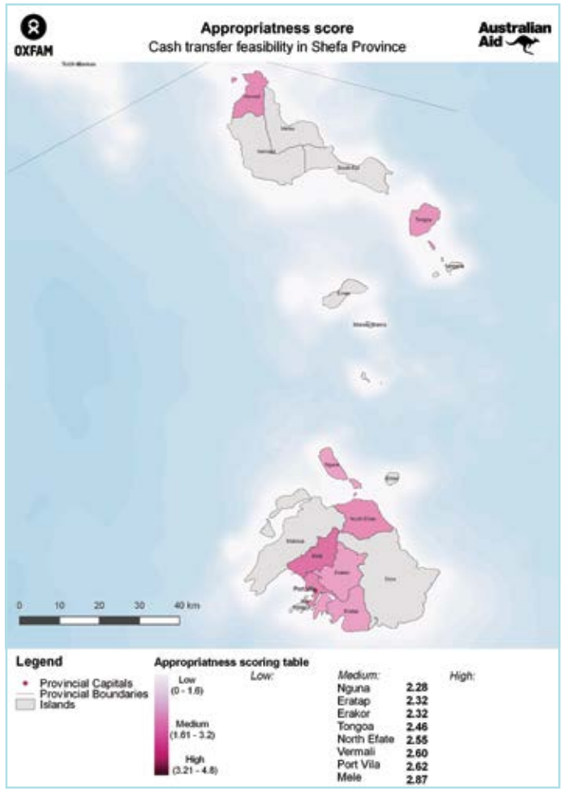

Efate Island, Vanuatu: Sandi and his sons stand in front of their home, which was damaged by Cyclone Pam. Photo: Groovy Banana/OxfamAUS.

Appropriateness

The feasibility ranking for appropriateness in Shefa is relatively consistent across the province, with all locations receiving a medium classification and an average score of 2.5 out of 5.

Household cash expenditure and income source

The assessment revealed that households, regardless of location, regularly interact with markets and use cash to fulfill their household needs. Further, both men and women spend the majority of income on food for family, which suggests that CTP could be an appropriate form of assistance for these communities, see Figure 89. The only major difference between female and male expenditure is men spend more on building materials and hardware and women spend more on hygiene and clothing for the household.



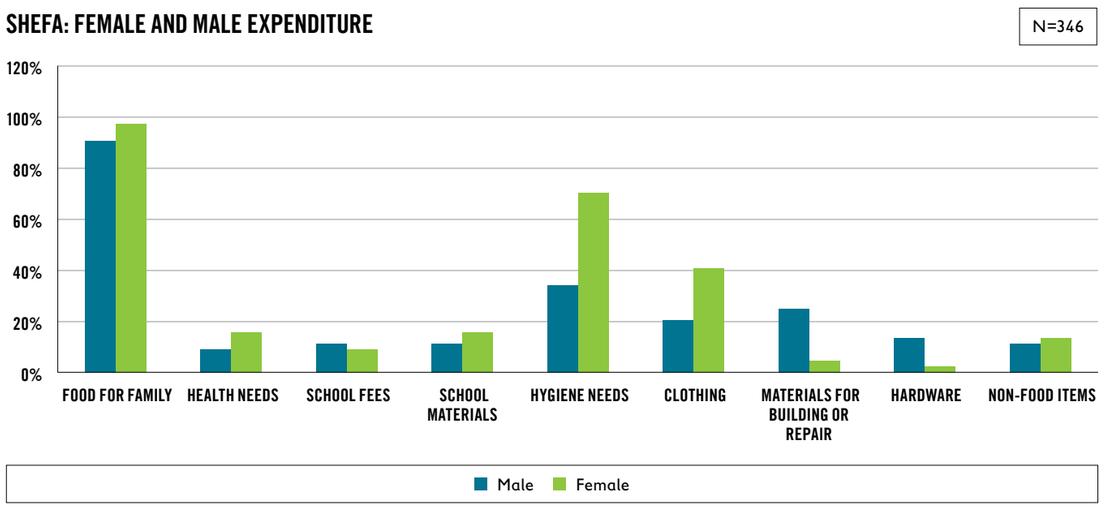


Figure 89: Shefa's results comparing household questions 3.2 and 3.3: When men go to the market/store, what do they buy? When women go to the market/store, what do they buy?

Household income source disaggregated by sex also supports the conclusion made above, with the majority of both males and females in the households reporting earning an income in the form of cash, see Figure 90. Also, 39% of women and 11% of men rely on the market for employment.

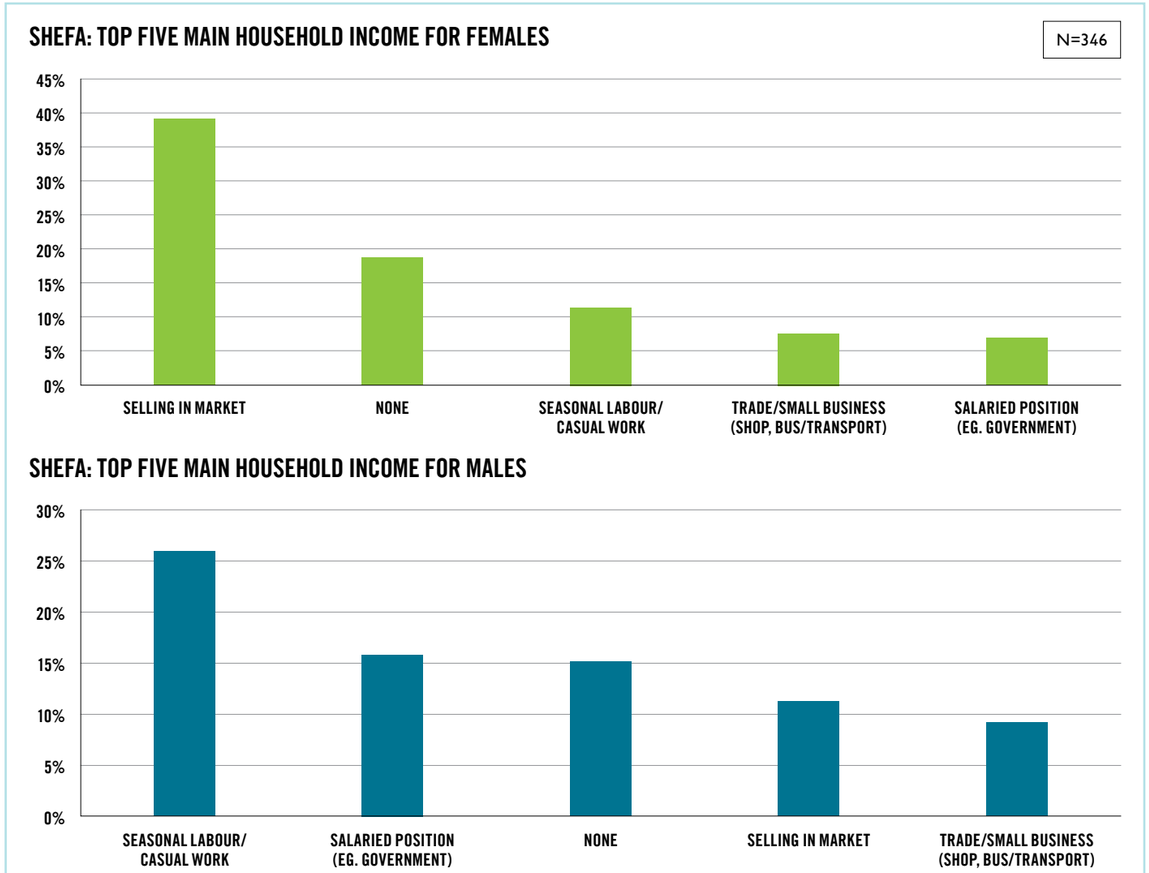


Figure 90: Shefa's results comparing household questions 2.1 and 2.2: What is the main source of household income for men in the household? What is the main source of household income for women in the household?

Past experience with disaster

More than 90% of community groups stated that they have received external assistance in response to a large-scale disaster in the last three years. For Shefa, the most recent large-scale disaster was TC Pam in 2015. The top three immediate needs were recorded as food, water and shelter; this finding was consistent across all surveyed islands, see Figure 91.

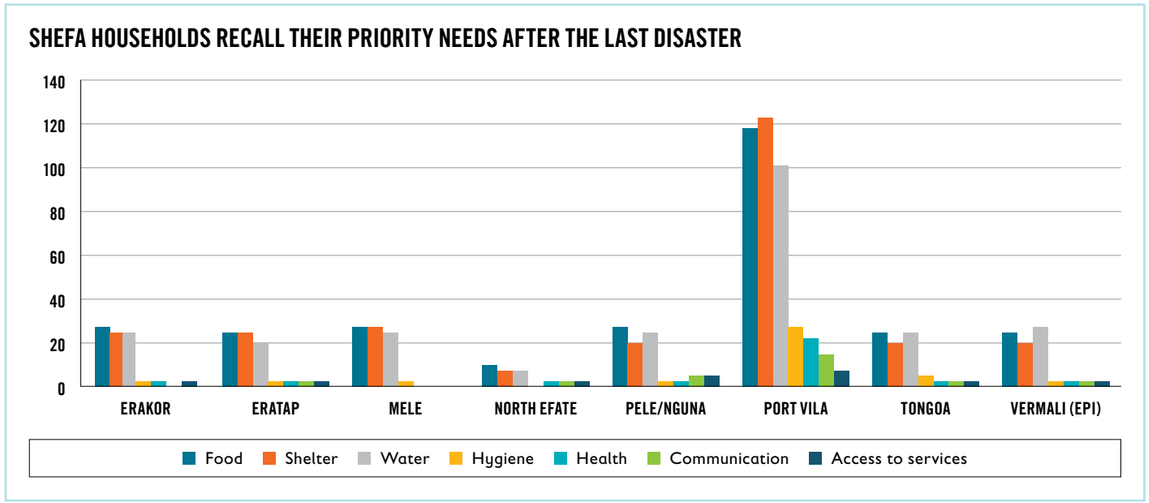


Figure 91: Shefa's results for household question 5.3: After the disaster, what were the priority needs of your household?

When comparing households' needs after the last disaster with what the community received through external assistance, it can be said that the top priority needs of food, water and shelter closely match the assistance that was received, see Figure 92.

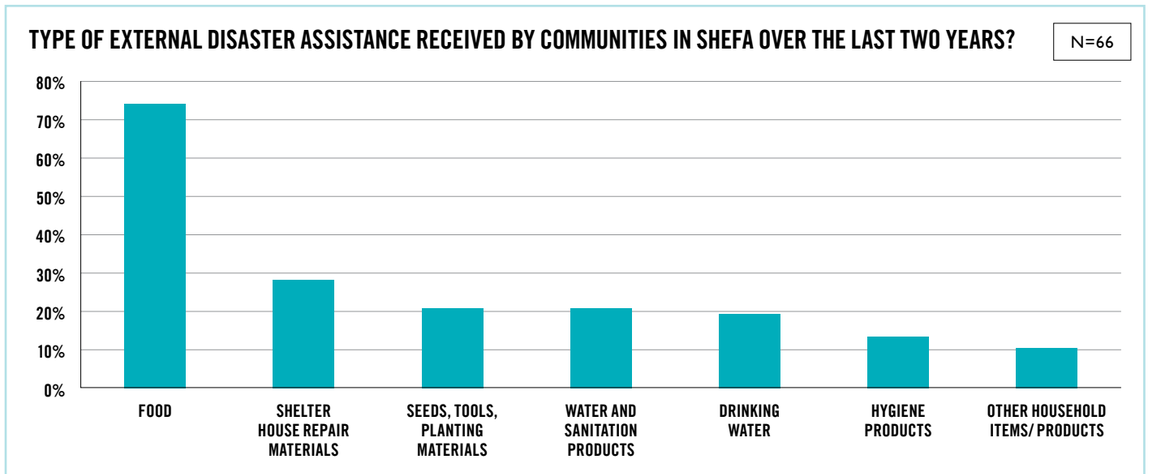


Figure 92: Shefa's results for community group discussion question 2.12: If the community received external assistance in the past, what did the community receive?

Based on their experience during TC Pam, households predict that the problems they are most likely to experience during future disaster responses are unfair targeting, not enough distributions for everyone, delays in the delivery of assistance, and corruption, see Figure 93. Communities reported that the average wait time for disaster assistance was 21 days after impact. When breaking this down by surveyed area, there are some inconsistencies in the collective memory of the households, with answers ranging from one week to more than four weeks for the same location.

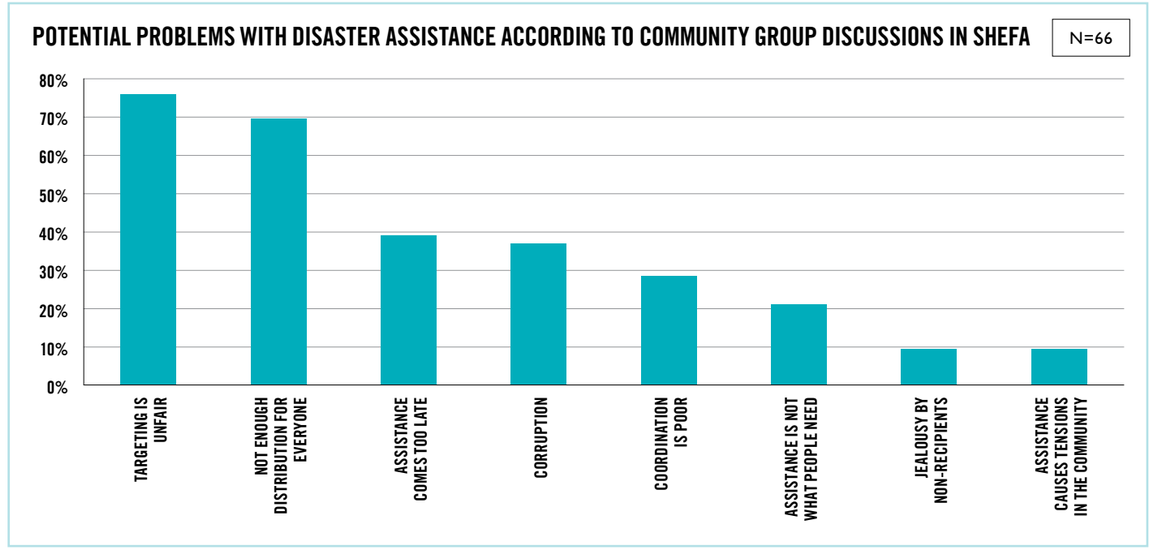


Figure 93: Shefa's results for community group discussion question 2.14: Next time there is a disaster and your community receives assistance, what problems do you imagine could happen?

The households envisage that they could use an injection of cash to buy food, tools and materials to repair their home, non-household items, drinking water and clothing.

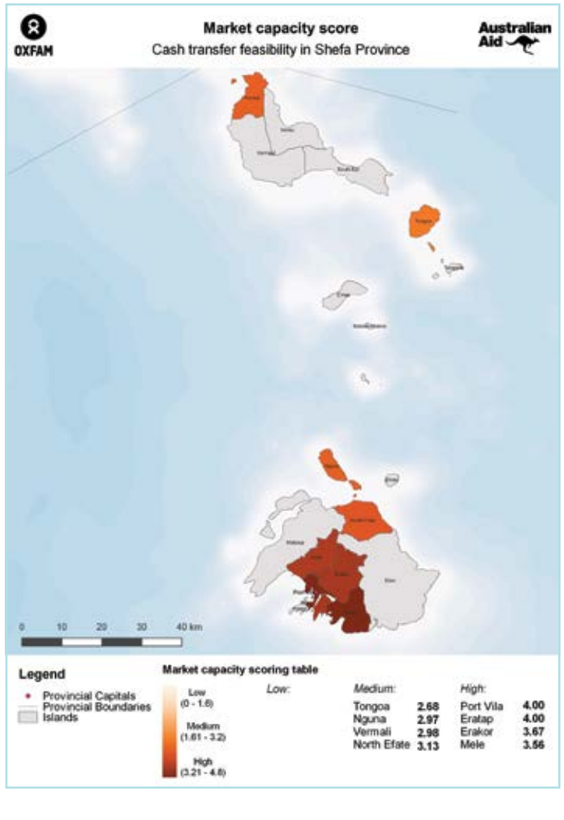
Luganville, Vanuatu: Ambae evacuees line up at the ANZ distribution site. Photo: Sarah Doyle/Oxfam.

Market capacity

Port Vila and its peri-urban areas have the highest ranking for market capacity, due to high levels of commercial activity and the presence of critical infrastructure in the capital city. The outer islands in Shefa are similar to those in other provinces so the further the location is from the city, the lower their market capacity.

Market profile

Port Vila has very active markets, large wholesalers, international airport, shipping ports and warehousing. Thus, the markets in the capital have the capacity to withstand or absorb an increase in purchasing power by the surrounding islands in Shefa, and from islands in other provinces. However, if Port Vila experienced major damage as a result of a disaster, which was the case after TC Pam, it is likely to cause nationwide shortages in supplies. Nevertheless, the city is likely to recover quickly, as seen after TC Pam; when markets were functioning again within a week of the disaster.[117]



Shefa's market analysis profile	
SURVEYS	72 storeowners (53 on Efate and 19 on outer islands) sell a mix of non-perishable goods, both food and household items.
	102 small vendors (76 on Efate and 26 on the outer islands) sell mainly agricultural products, fresh fruit and vegetables, and cooked foods produced on the island.
	25 market observations (22 on Efate, 2 on Epi and 1 on Tongoa)
PAYMENT METHODS	Cash, with only 8% of stores in Shefa having EFTPOS capabilities. This is quite low in comparison with other provinces, which is surprising for the province that hosts the capital city.
FSPS FOR VENDORS	78% of stores have a bank account for the business, with 63% using NBV and 14% using BRED bank.
	49% of small vendors have a bank account for the business, mainly with NBV.
CUSTOMER QUANTITIES AND HABITS	Stores are open daily, and small vendors are open at least 2–3 times a week.
	There were only small stores surveyed on the outer islands with the exception of a large store on Epi and a medium-sized store on Tongoa. The small stores across the province receive 0–20 customers per day, and the 33 medium-to-large stores receive upwards of 20–40 customers per day.
	86% of stores report customers spend 3,000 VT or less in one transaction on average.
	79% of small vendors report customers spend less than 1,000 VT in one transaction on average.

117 R Berry, *'Cash Feasibility Study- Vanuatu Summary'*, International Federation of Red Cross and Red Crescent Societies, 2015

Market supply

Most of the stores (81%) surveyed in the Shefa restock their store at least once a week, with the understanding that stores on the outer islands restock slightly less than those on Efate. More than half of the surveyed stores stated that they sometimes run low on stock. For the majority of stores on Efate that experience these shortages, they commonly last for less than one week, compared with around 1–2 weeks for stores on the outer islands, see Figure 94. Regardless of location, weather is the most common reason for supply shortages.

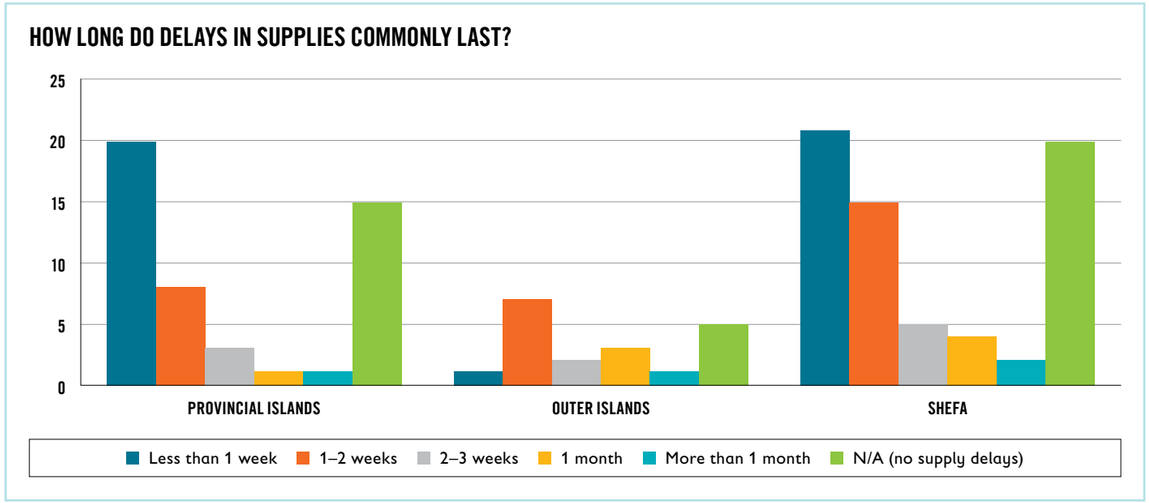


Figure 94: Shefa's results for shopkeeper/owner interview question 4.4: In normal times, how often do you restock your supplies?

On the island of Efate, 62% of stores transport their goods via minivan (bus), with one third of those stores owning their own transport. When looking at different store sizes, 75% of the large stores transport their goods using large trucks and 65% of those stores own their vehicles. The stores on the outer island of Shefa predominately use small trucks and do not own their own transport.

The majority of shopkeepers (90%) believe they could increase selling capacity, with the majority of them predicting that they could do so within a two-week period. There is mixed response between stores as to how much they could increase their supplies, with 31% of stores stating they could increase their stock by 25% and another 29% predicting they could increase stock by half. All stores surveyed on the outer islands report having storage capacity, though mostly within the store itself, compared with only 70% of stores on Efate reporting that they have storage capability. This is likely due to the stores on Efate being in close proximity to their suppliers and therefore able to restock more often.

Because small vendors are likely to sell more perishable goods, such as fresh produce and cooked foods, only 41% reported having the capacity to scale up (and only by "a little bit"), while another 40% reported being unable to increase their supplies, see Figure 95. In addition, the storage capabilities of vendors are low, with 59% of small vendors storing additional stock in their homes and 31% unable to store additional goods. The market observations support this finding, with 19 of 25 markets being observed as having no storage.

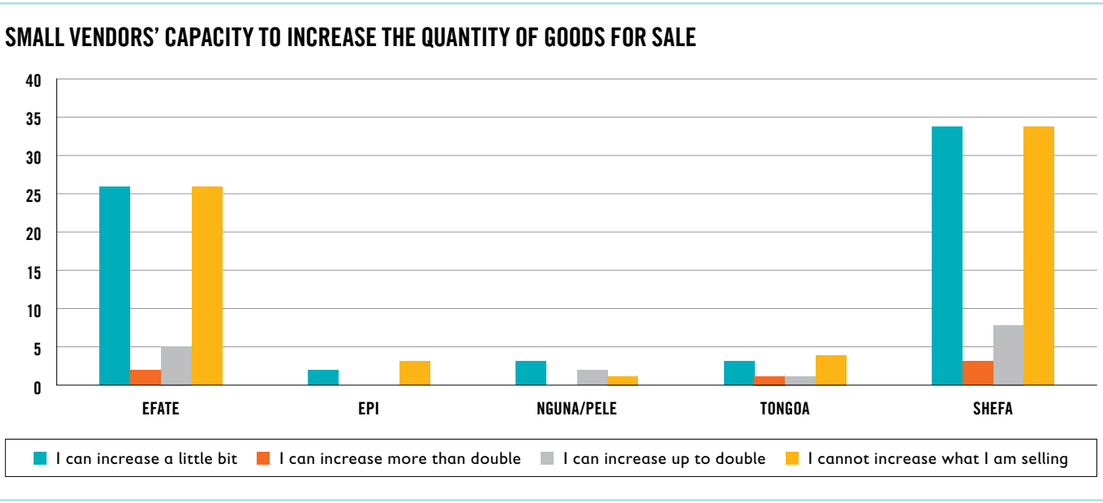


Figure 95: Shefa's results from small vendor interview question 3.5: Suppose many more people wanted to buy from you, and you had to increase the amount of goods you are selling. By how much can you increase what you sell?

Only 13% of stores have credit agreements with their supplier (see Figure 96), and the majority of those are large stores in Port Vila with agreements of 100,000–300,000 VT.

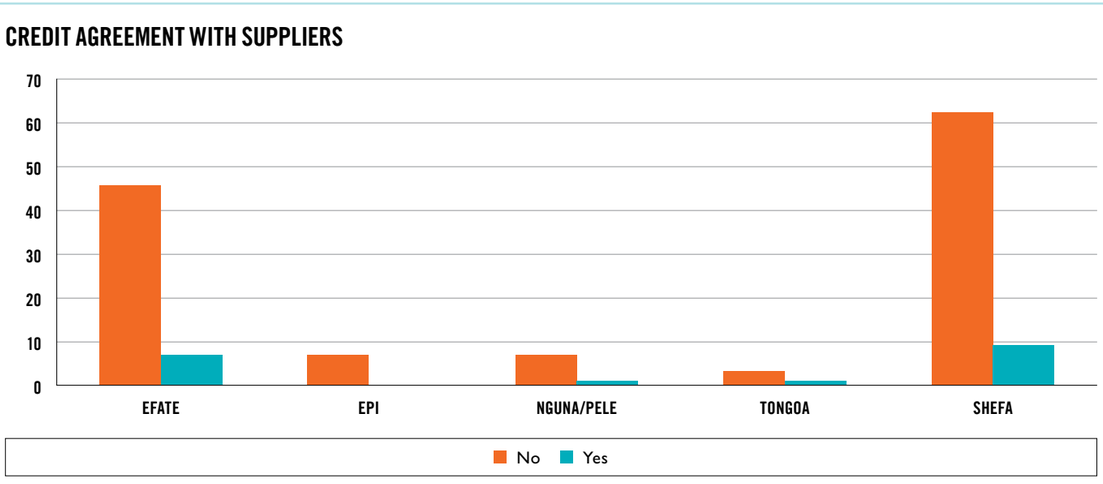


Figure 96: Shefa's results for shopkeeper/owner interview question 3.3: Do you have a credit arrangement with your suppliers/wholesalers for items that you purchase?

This suggests that stores in Port Vila, particularly the larger stores, have a greater capacity to scale up; not only because they are close to their suppliers and own their transport, but also because they have the ability to buy additional stock in preparation for an increase in demand.

Market resilience and past disaster experience

After the last disaster, 58% of stores on Efate stated that they recovered within a week of impact; 37% of stores on the outer islands recovered within 1–2 weeks; and 26% took a month. More than half of the stores stated that the biggest impact they experienced during the last disaster was a lack of customers, followed by 36% experiencing a loss of stock due to damages incurred by the disaster. The only difference between the outer islands and the main island Efate is that more stores on the outer islands reported losing communications and damages to their goods, see Figure 97.

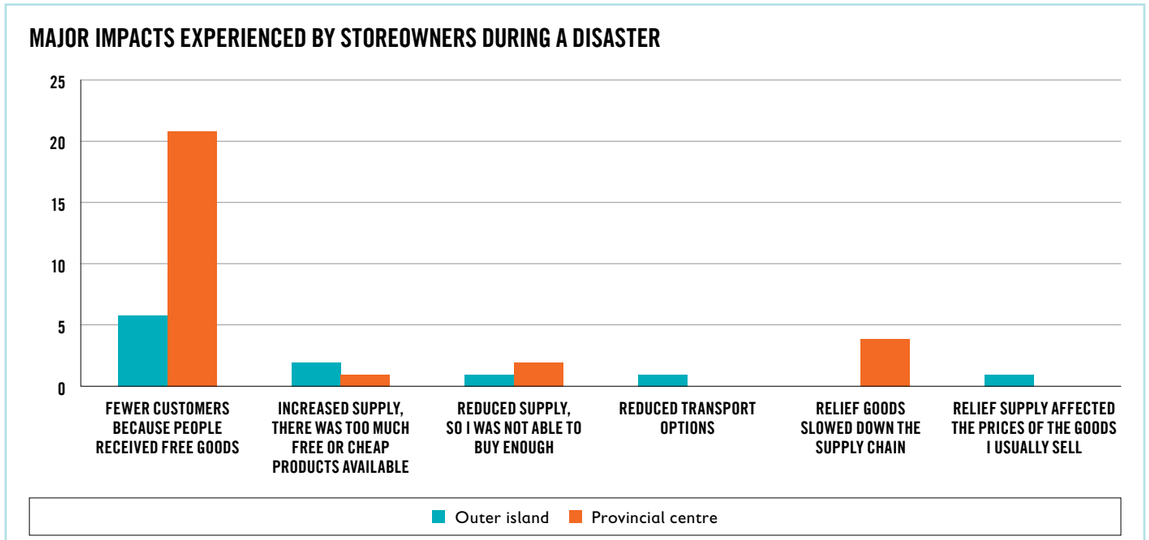


Figure 97: Shefa's results for shopkeeper/owner interview question 7.3: The last time a disaster hit this area, how did it affect your business?

Despite the damage, 83% of stores, regardless of size, reported that they were able to meet the demand for mainly rice, tinned fish or meat, noodles, biscuits and other tinned goods.[118] However, on the outer islands, eight of the 17 small stores that were enumerated recalled being unable to meet demand. Despite the decreased capacity of stores on the outer islands in comparison with Efate, most of the stores in all locations (69%) reported that relief supplies cause negative effects for their business, with the majority experiencing a reduction in customers.

For small vendors and fresh produce markets, the assessment results suggests that, after a disaster, the fresh product markets are more impacted by disaster and are likely to close down, with 75% of vendors from outer islands stating that their market closed after the last disaster and was still not functioning two weeks after the initial impact of the disaster. For the markets on Efate, only 33% reported that their stall was not functioning two weeks after the last disaster, suggesting a slightly better recovery rate.

118 Note that the demand reported here is based on the stocks available at the store and thus it does not accurately represent household needs after the disaster.

Tafea Province

SNAPSHOT

Tafea Province is located in the south of Vanuatu and consists of five islands: Tanna, Aneityum, Futuna, Erromango and Aniwa. The province has a population of around 38,911 people.[119]

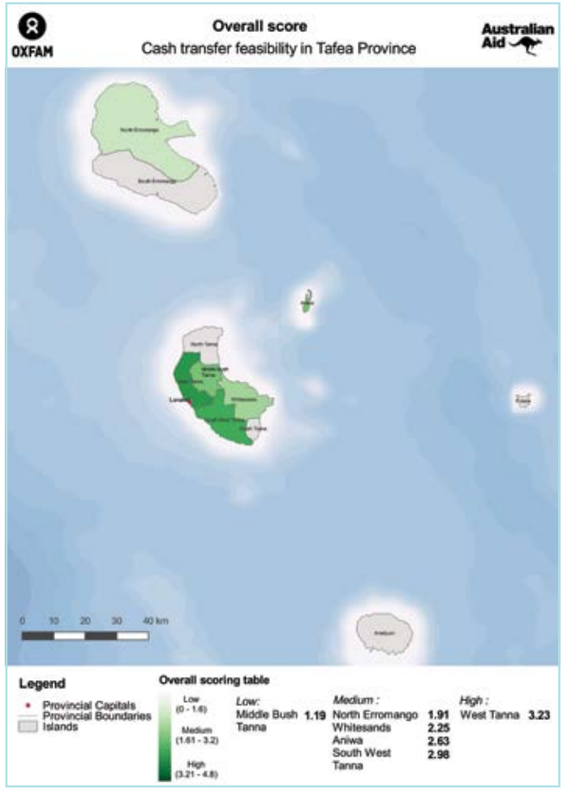
Provincial capital: Lenakel, Tanna Island

Infrastructure and services: Lenakel is the commercial centre of the province, featuring numerous stores, a large fresh produce market, wharf (Lenakel Wharf), a hospital, post office, NBV bank branch and newly built petrol station. Whitegrass International Airport in Tanna is the main airport in Tafea, receiving flights every day. The outer islands receive two flights per week. Tanna is currently the only island in Tafea that has sealed roads, with the main road connecting the airport to Lenakel, and roads crisscrossing the island from east to west. The services on the outer islands are similar to those on other islands, with NBV agents and small market activity.

Main economic activities: The main economic activities in Tafea are subsistence farming, followed by tourism, sandalwood logging, and cash crops, such as coffee and coconuts.

Natural hazards: The province is vulnerable to droughts, volcanic eruptions, earthquakes, tsunamis, flooding, landslides, fires and cyclones. Mount Yasur in south-east Tanna is an active volcano that averages an activity level of 2.

Cash transfer profile: Tafea	
ENABLING FACTORS	• Provincial centre has a large fresh produce market and a range of stores situated close to the wharf • Strong household purchasing trends for basic goods • High acceptance levels for cash-based programs • Good roads on Tanna that connect most of the islands to the provincial centre
OBSTACLES	• Remote outer islands have limited number of active markets • Low penetration of FSPs • Limited critical infrastructure • No ability to receive large international shipments • Limited variety of goods compared with Port Vila and Luganville



Lenakel in west Tanna is categorised as highly feasible for CTP, due to its cluster of stores, large fresh produce market and modest amount of FSP branches. All other locations in the province are of medium classification, with north Erromango receiving the lowest score due to its remoteness.

Aniwa and Middle Bush in the north-east of Tanna may be considered to have slightly higher scores than expected. When seeking to understand what caused their scores, they recorded abnormally high scores in particular indicators, which skewed their overall feasibility results. Aniwa had the highest acceptance score nationwide, and Middle Bush received a high market capacity score due to the high volume of customers reported by small vendors.

Due to the cluster of stores, large fresh produce market and modest amount of FSP branches in Lenakel, it is categorised as highly feasible for CTP. All other locations are of medium classification with north Erromango receiving the lowest score due to its remoteness.

Middle Bush in the North East of Tanna and Aniwa may be considered to have slightly higher scores than expected. When looking at what contributed to their score they recorded abnormally high scores in particular indicators which skewed their overall feasibility results. Aniwa's has the highest acceptance score nationwide, and Middle Bush received a high market capacity score due to the high volume of customers that their small vendors reported.

Luganville, Vanuatu: An Oxfam volunteer assists host family member Alfreda at the ANZ distribution site. Photo: Sarah Doyle/Oxfam.

119 Tafea Provincial Government, '*Tafea Provincial Disaster Response And Climate Change Management Plan*', National Advisor Board and National Disaster Management Office, 2017, p.4-10 < https://ndmo.gov.vu/resources/downloads/category/19-disaster-response-plans>

DATA ANALYSIS

Access

The feasibility scores for access in Tafea are quite diverse, with locations on the west side of Tanna, closest to the provincial centre, ranking higher than the more remote places on the east side of Tanna, such as Whitesands and Middle Bush, or on the outer islands of north Erromango and Aniwa.

The cash transfer scores for west Tanna and south-west Tanna suggest that the communities in those areas have relatively good access to their preferred markets and FSPs. However, due to the remoteness and the lack of access to large markets, stores and FSPs in the other four locations, their CTP feasibility is reduced.

Access to and use of markets:

More people in Tafea purchase their goods from small stores (89%) and small markets (50%) in contrast with the national levels of 80% and 38%, respectively. To a lesser extent, this can also be said about cooperatives and big markets, with Tafea's usage being slightly higher than the national level. When comparing the survey sites within Tafea (see Figure 98), the major difference is between communities located on the province's main island of Tanna and communities on the outer islands of Aniwa and Erromango. The communities on the island of Tanna are closest to the provincial centre and, therefore, have the most diverse access to markets, with an assortment of retail stores of all sizes, and a big fresh produce market in the centre of Lenakel every Monday, Wednesday and Friday. Seeing as north Erromango and Aniwa do not have access to large stores and fresh produce markets, they rely instead on subsistence farming, small markets, cooperatives and small stores in walking distance of their community, which lack the quantities and variety of stock that are available in Lenakel.

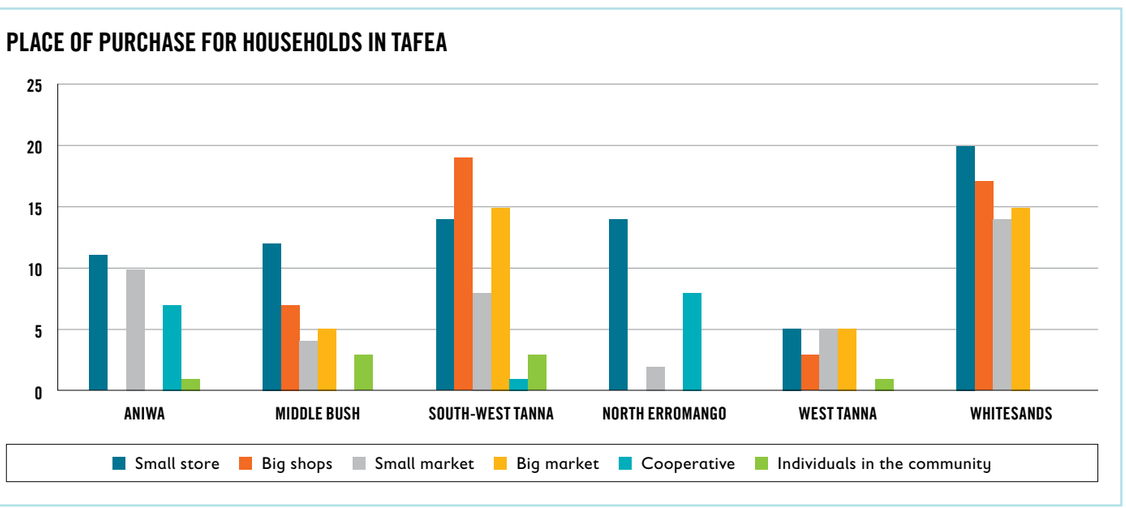


Figure 98: Tafea's results of household question 3.1: Where do you purchase your food and other household items?

In order for communities on the east side of Tanna to access markets that are bigger than small stores or roadside markets, they must travel to Lenakel by small truck, which costs 500–1,000 VT and takes around 1–2 hours. Due to the tourism that the volcano attracts, the road across the island is very good and there are trucks travelling across the island daily, weather permitting.

In order for the more isolated communities in Erromango to access the small stores and markets in the more populated areas of the island — Dillons Bay, Port Narvin and Ipota — they must walk for more than two hours, as there are no roads connecting them to the larger communities. Though small boats are faster and common, they are an expensive way to travel, so people often prefer to walk.

Households in Tafea report spending most of their income on food for the family, school fees, clothing for the household, health needs (services and medicine), and transport. This is very similar to what was found across all other provinces in Vanuatu. The only noticeable difference is the money allocated to housing repairs, clothing, health needs and school materials seems higher in Tafea than what was found nationally, and church contribution are much smaller.

There is very minimal difference between the surveyed locations in Tafea. This suggests that all communities interact regularly with markets to fulfill their daily needs, regardless of location.

Despite differences in access to markets, in all surveyed locations, the vast majority of households believe there is not enough variety at their local store, see Figure 99. So although the data suggests that households have access to markets and they use them regularly to meet their needs, across the province, there is a lack of access to a variety of goods.

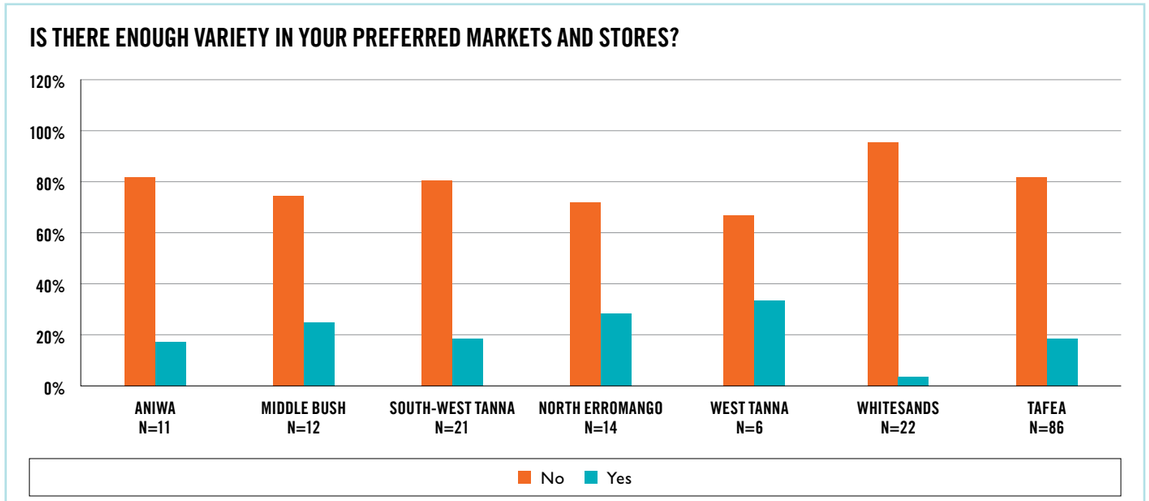


Figure 99: Tafea's results for household question 3.10: Do you think there is enough variety of food and other household items available in the market and store near to you?

Access to and use of financial service providers:

Of the 133 households that were surveyed across Tafea province, 63% stated that they have access to FSPs, which is slightly lower than the results at national level. Dillon's bay in Erromango recorded the least access to financial services, with only three of 14 households reporting that they have access, followed by Whitesands with 12 households out of 22, see Figure 100.

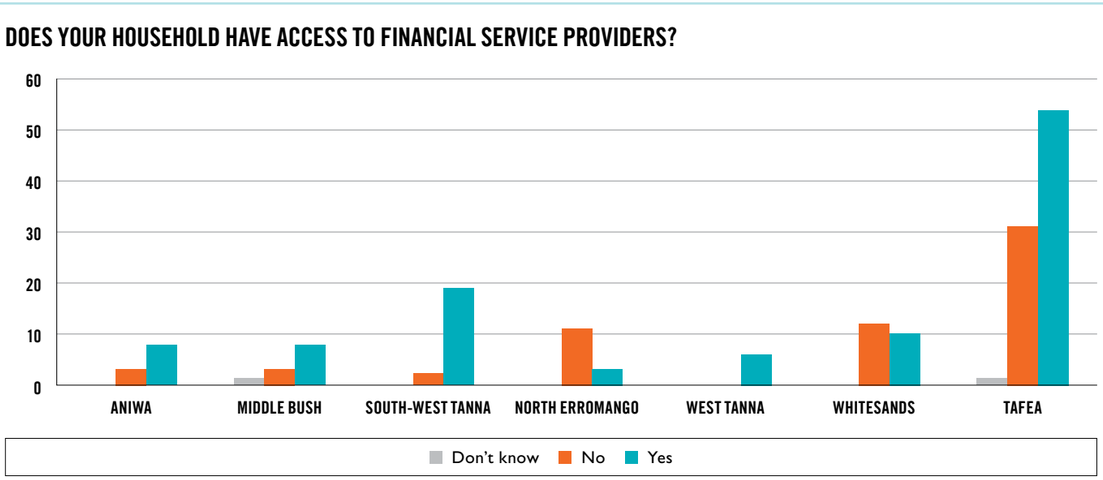


Figure 100: Tafea's results of household question 4.1: Do you have access to any formal or informal financial services?

NBV is present on all islands, with agents on the four outer islands and a bank branch in Lenakel that is open during the week. The Bank of the South Pacific (BSP) also has a presence in Tanna. The top three FSPs used in Tafea are banks, money transfer through Western Union, and store credit (kaon), see Figure 101.

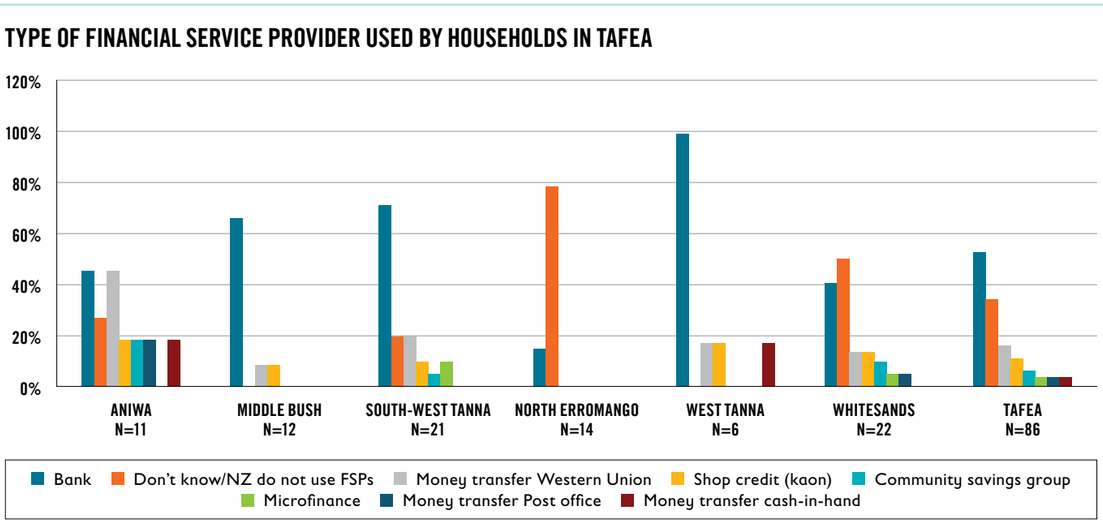


Figure 101: Tafea's results for household question 4.1: Do you have access to any formal or informal financial services?

Breaking the results down between the three surveyed islands, it can be said that Dillon's bay on Erromango has lower rates of financial service usage than the other locations, with more than two thirds stating they do not use any formal or informal financial services. Aniwa used a range of different financial services, including bank account, money transfers through Western Union, cooperatives and store credit. Only three of the 11 households surveyed on the island do not use any financial services.

On Tanna, the use of FSPs is much higher, with only 24% of households not using any at all. Communities on the west coast of Tanna, nearest to the provincial centre, have the highest rate of bank account usage. Their proximity to the NBV and BSP branches, which are open five days a week, is most likely a contributing factor.

However, despite the difference in access between the locations, the vast majority of households only use their financial service once every two months, and the main purpose of the service is to save money, see Figure 102. Average money sent per month is 10,400 VT; average money received per month is 12,000 VT; and average money borrowed per month is 2,300 VT.

Sending and receiving money between families:

Among the households that were surveyed in Tafea, 66% stated that they receive assistance from their family. However, the vast majority of this family assistance is in the form of food, with only 7% stating that cash was given, which is the lowest rate across all the provinces.

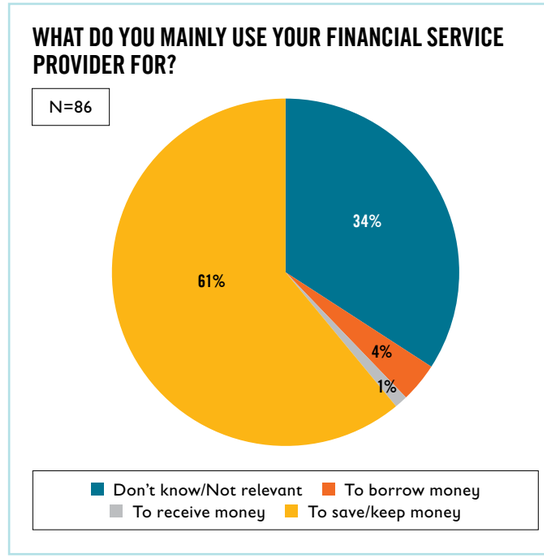


Figure 102: Tafea's results for household question 4.3: Why do you use this financial service?

Luganville, Santo: Oxfam volunteer Dorine at ANZ distribution site. Photo: Sarah Doyle/Oxfam.

Acceptance

With the exception of Middle Bush, all locations receive a high feasibility classification for the acceptance indicator, as all locations expressed a preference for cash over all other forms of disaster assistance. Aniwa scored the highest nationally for this indicator.

Middle Bush's slightly lower score for this indicator is likely due to the limited number of surveys as no community group discussions were conducted there.

Disaster assistance preference:

All of the community group discussions and 95% of household interviews (see Figure 103) that were conducted across the three islands in Tafea preferred cash to all other forms of disaster assistance. This is one of the highest preferences for cash in comparison with the other provinces. All community group discussions reached the conclusion that they could meet all their priority needs by receiving a cash injection as the main form of disaster assistance.

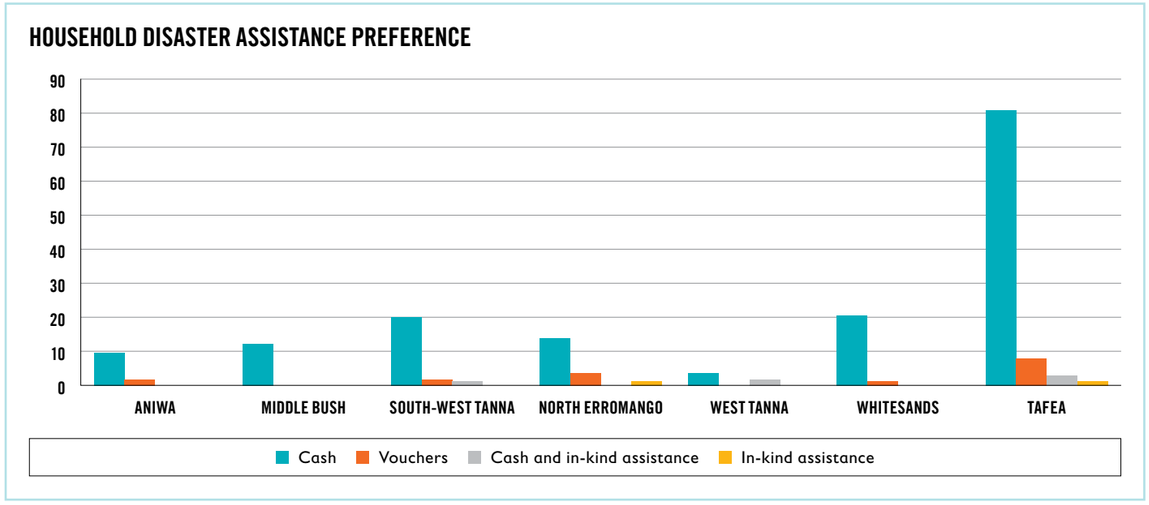


Figure 103: Tafea's results for household question 5.7: Next time there is a disaster, would you prefer to receive cash or vouchers instead of assistance?

Perceived risks of CTP by the community and household

Despite the apparent preference for cash, 46% of the community groups could see potential risk with the implementation of CTP. The groups were most concerned about the potential for theft, a possible increase in tensions in the community, corruption, and the possibility that households might spend the cash on the wrong things. Further, when asked if they thought their local markets are likely to run out of goods after a disaster, 81% of households agreed that this is a probability, see Figure 104. Though, this is the vast majority of households, we can assume that, despite being able to see potential risks, these risks do not outweigh the benefits foreseen by the community, hence their preference for cash remains.

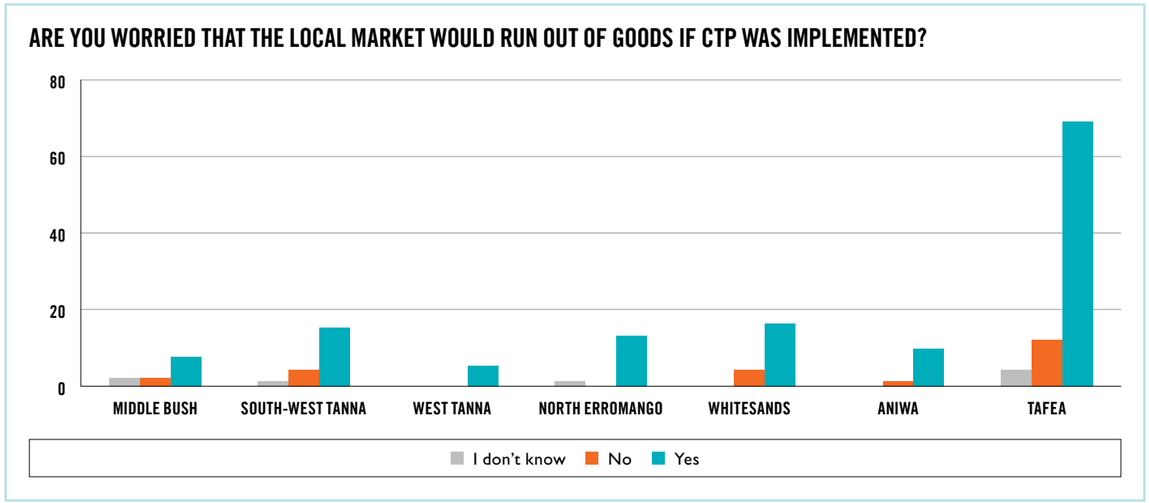


Figure 104: Tafea's results for household question 5.10: If you and others within your village/community receive cash or vouchers after the next disaster, are you worried that your local market/store might run out of goods?

Potential recipients of a cash transfer within the household

More than half of household interviews (52%) found that, in normal times, men and women spend the household income together, in comparison with 28% naming men as the main spender, and the other 19% reporting that women are the main spenders in their household. This aligns with who the community groups thought should be the recipient of a potential cash transfer during an emergency, with the exception of a higher preference for women before men. However, this is in sharp contrast to what was found through the household interviews; when asked the same question regarding who should receive the transfer, the order almost reverses with the preference changing to the male head of the household, followed by the female head, and lastly both female and male together, see Figure 105.

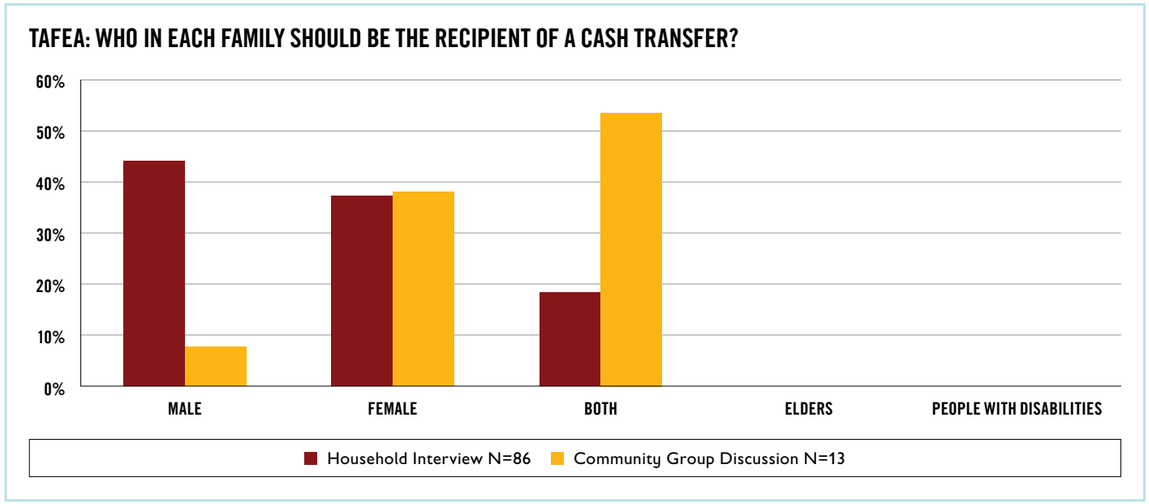


Figure 105: Tafea's results comparing household question 5.8 and community group discussion question 3.9: If assistance is delivered in the form of cash, who in the family do you think should receive it?

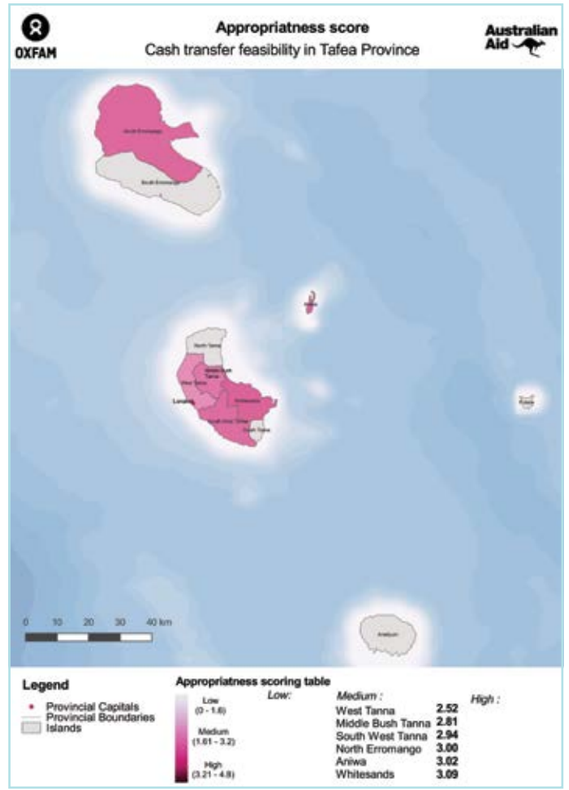
Luganville, Vanuatu: Ambae evacuee Timothy Tungu receives his second cash transfer instalment. He plans to use the money to buy kava seedlings and planting material. Photo: Sarah Doyle/Oxfam.

Appropriateness

All locations in Tafea receive a medium feasibility ranking for appropriateness. The scores are slightly higher in Whitesands and west Tanna, and slightly lower in Aniwa and Middle Bush.

Household cash expenditure and income source

The assessment revealed that both men and women regularly interact with markets, and both report spending the majority of their money on food for the family, see Figure 106. Though there are some differences between the items bought — for example, men spend a higher proportion on hardware and women spend more on hygiene items — both show a dependence on markets that suggests that CTP would be an appropriate form of disaster assistance.



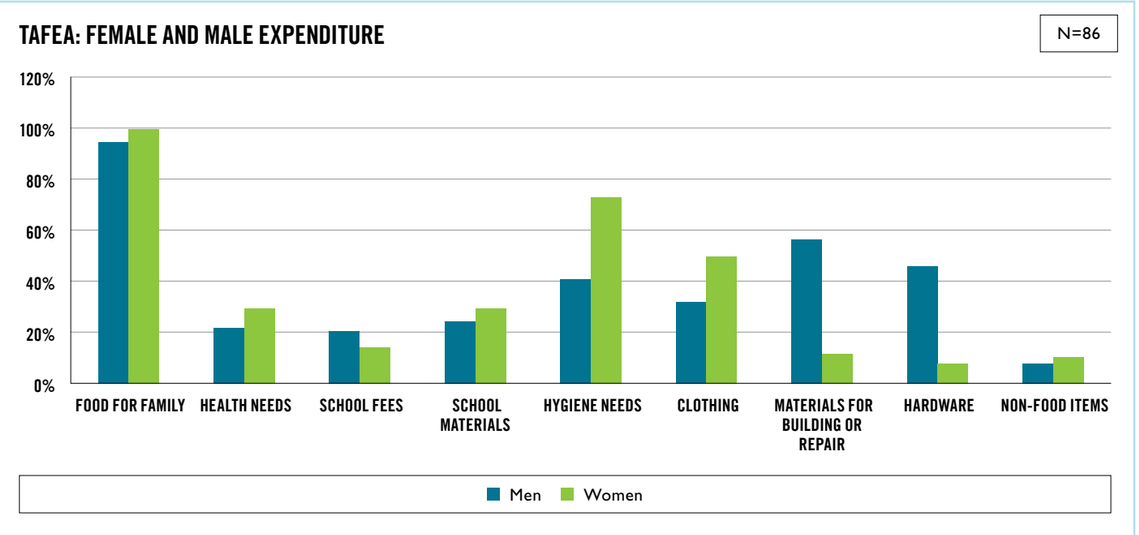


Figure 106: Tafea's results comparing household questions 3.2 and 3.3: When men go to the market/store, what do they buy? When women go to the market/store, what do they buy?

Household income source disaggregated by sex also suggests that households are, to some extent, dependent on markets because the main income-earning activities reported for both men and women were selling at the markets. Only 4% of females and 15% of males reported that they do not earn a cash income, see Figure 107.

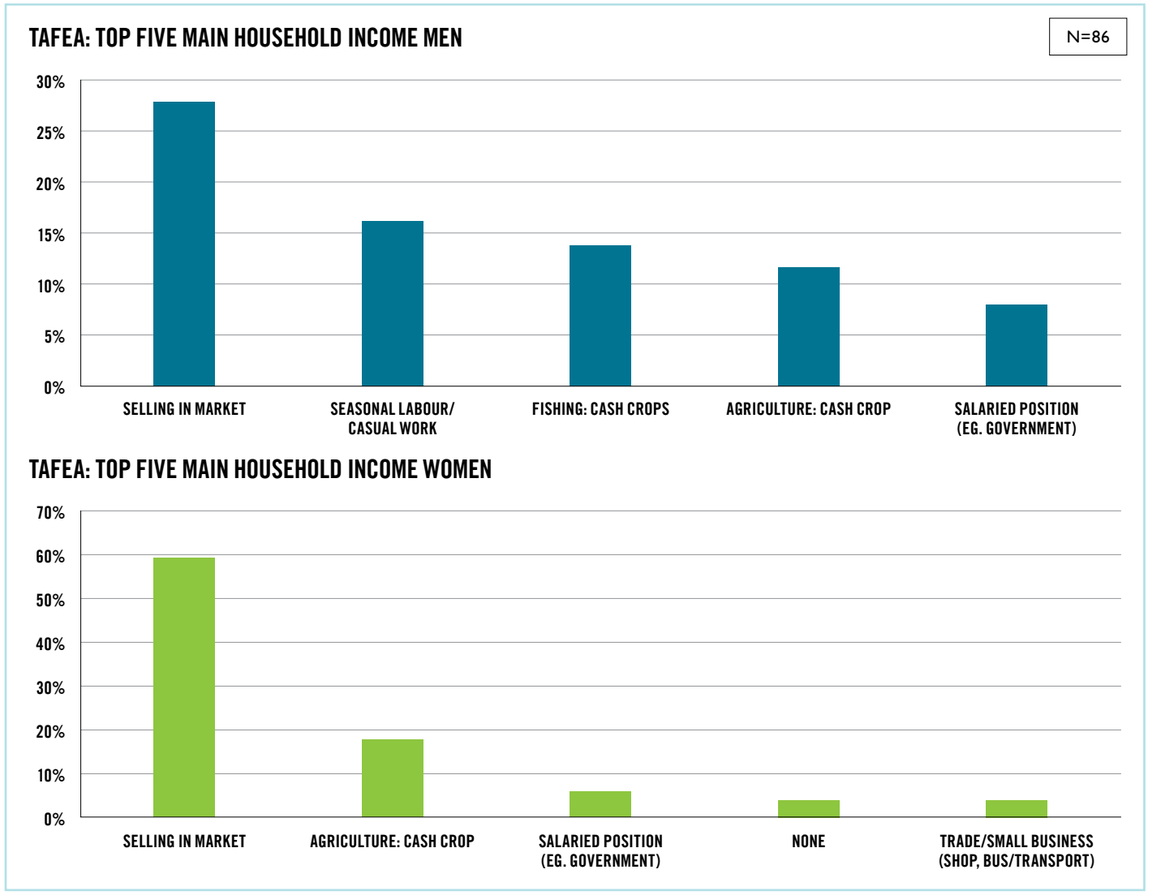


Figure 107: Tafea's results comparing household questions 2.1 and 2.2: What is the main source of household income for men in the household? What is the main source of household income for women in the household?

Past experience with disasters

Almost all households in Tafea (92%) have received external assistance as a response to a large-scale disaster in the last three years (2015–2018), in comparison with only 68% of households nationally. This is most likely because Tafea was the hardest hit during Tropical Cyclone Pam in 2015, and one of the more affected areas as a result of the El Niño-induced drought of 2015–2016. Across all three surveyed islands, households explained that their main needs during those disasters were food, water and shelter, see Figure 108.

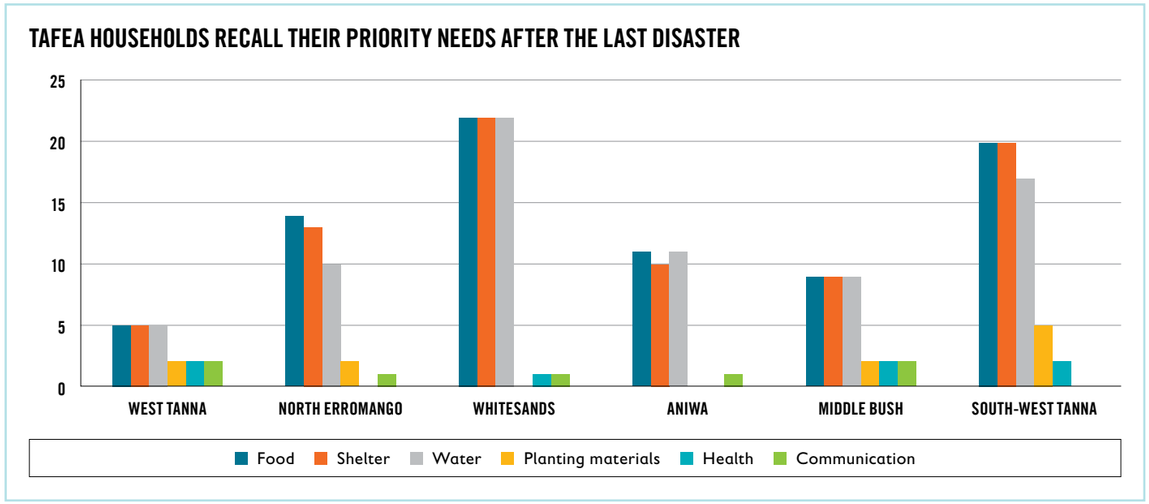


Figure 108: Tafea's results for household question 5.3: After the last disaster, what were the priority needs of your household?

The list of needs in Figure 108 matches what the communities remember receiving after the last disaster, with the households recalling that the four main items received, in order, were food, building materials, planting materials, hygiene products, clothing, and water and sanitation products. When households across Tafea were asked to predict how they would use a cash transfer after a disaster, the top five purchases in order were food, shelter materials, clothing, hygiene products, and essential household items, see Figure 109. Noting that 58% of households also stated that they would purchase seeds and planting materials, which is much higher than the 25% of households across the country.

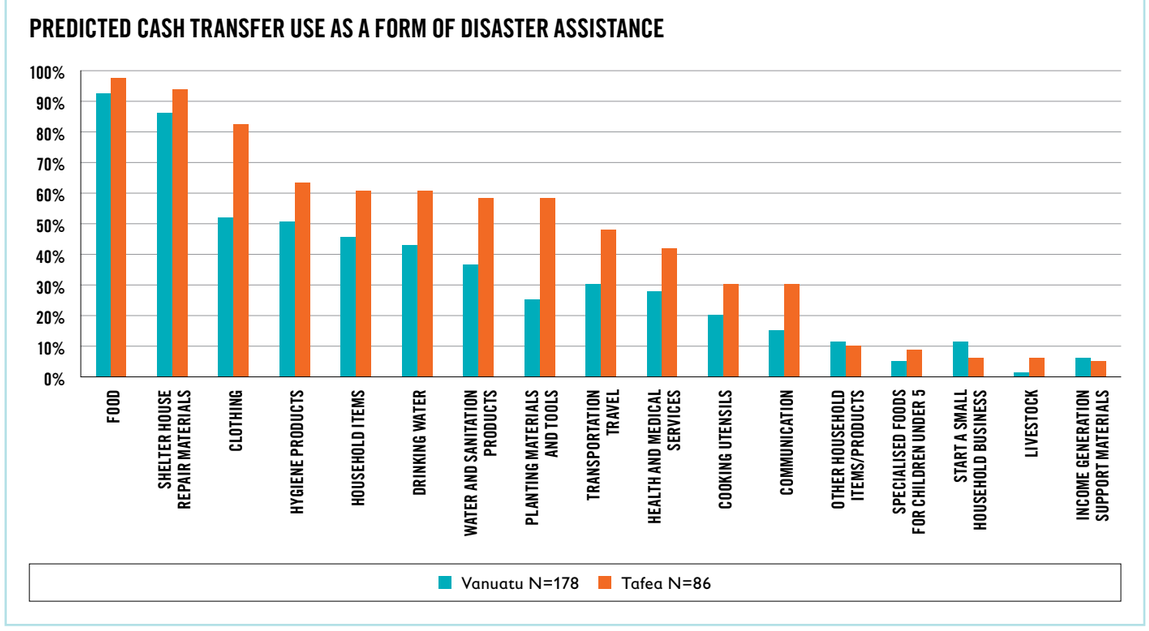


Figure 109: Tafea compared with national results for household question 5.9: If you could receive cash or a voucher as a form of assistance after a disaster, what would you buy?

From the recent memory of the people surveyed, the initial wait time for assistance after a disaster was on average more than a month. However, the top three problems predicted for future disaster responses are unfair distributions, not enough distributions for everyone in need, and corruption, see Figure 110.

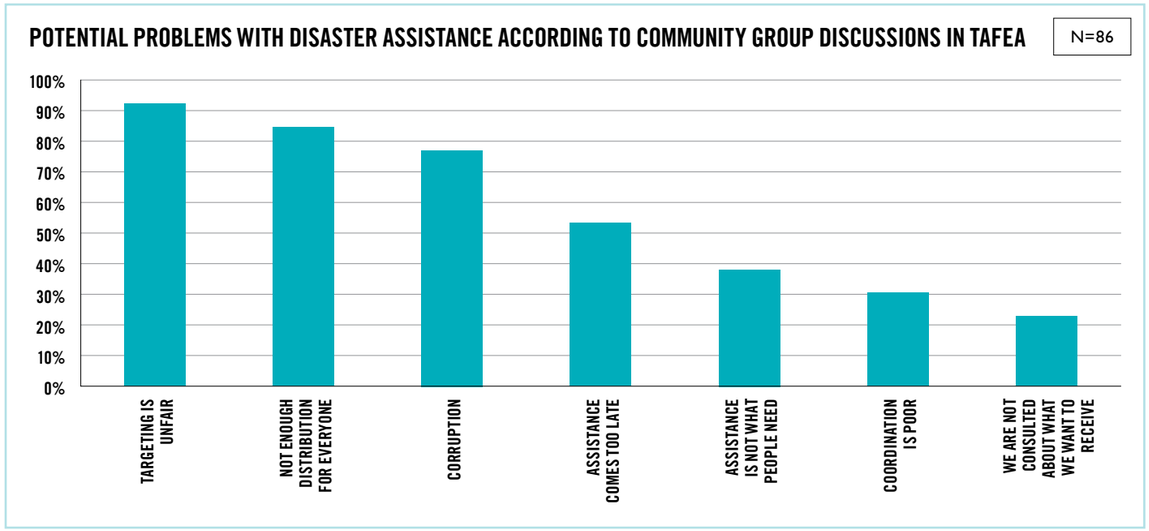


Figure 110: Tafea's results for community group discussion question 2.14: Next time there is a disaster and your community receives assistance, what problems do you imagine could happen?

Luganville, Vanuatu: Kava seedlings Many Ambae evacuees plan to use their cash transfers to buy and plant kava seedlings, like those pictured, for business purposes. Photo: Sarah Doyle/Oxfam.

Market capacity

The existence of many stores and a large fresh produce market with several vendors in Lenakel is a positive sign for market-based interventions like cash transfers, as it is more likely to be able to withstand an increase in purchasing power. Thus, west Tanna was found to have a high market capacity. However, the opposite was found on the outer islands and in the more remote locations on Tanna, where there was lower market activity and fewer traders.

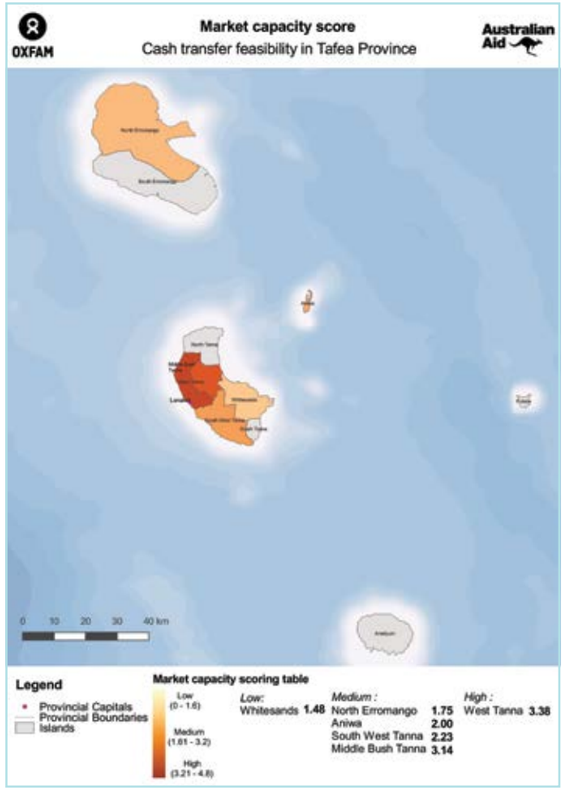
Despite the lack of variety of stores and goods, Middle Bush received a higher market capacity score than expected. This is mainly due to the large number of customers that the stores and vendors reported servicing each day, and the amount of money that was being spent, as it more closely resembled locations with high market capacity.

Market Profile

The majority of the surveys were conducted in Tanna (see market analysis profile) due to the existence of a large market place in Lenakel, in comparison with the outer islands that have smaller markets and fewer stores. In Aniwa and north Erromango, the team only surveyed one small vendor and one small store on each island, despite having a target of five shopkeeper interviews, because they were unable to locate other stores in the vicinity.

Market supply

Fresh produce small vendors rely on their own crops and gardens and/or other growers on the island and small stores rely on shipments from Port Vila. The store on Erromango reported restocking only once a month in contrast with the small store on Aniwa that restocks once a week. On Tanna, 67% of stores reported restocking once every 2–3 weeks, see Figure 111.



Tafea's market analysis profile	
SURVEYS	14 storeowners (12 on Tanna, 1 on Aniwa, and 1 on Erromango) sell a mix of non-perishable goods, both food and household items.
	20 small vendors (18 on Tanna, 1 on Aniwa, and 1 on Erromango) sell mainly agricultural products, fresh fruit and vegetables, and cooked foods produced on the island.
	3 market observations on Tanna
PAYMENT METHODS	All stores deal predominately in cash, with only one store in Tanna having EFTPOS capability.
FSPS FOR VENDORS	93% of stores and 75% of vendors have a bank account for the business, mainly with NBV.
CUSTOMER QUANTITIES AND HABITS	Stores are open daily (with the exception of Saturday or Sunday), and small vendors sell at the market three times per week. The three small stores receive 0–20 customers per day and the 11 medium-to-large stores (10 on Tanna and 1 on Erromango) receive upwards of 30–40 customers per day. 57% of stores report customers spend 3,000–10,000 VT in one transaction on average. Small vendors report customers spend 4,300vt in one transaction on average.

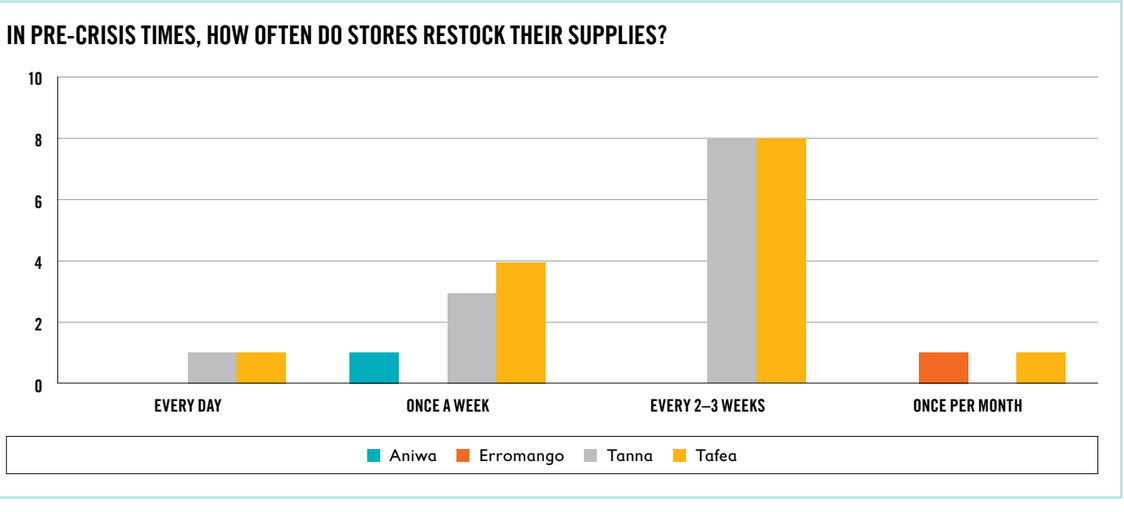


Figure 111: Tafea's results for shopkeeper/owner interview question 4.4: In normal times, how often do you restock your supplies?

The trip from Port Vila to Tanna takes less than one day via cargo ship. With the wharf located in Lenakel, it is very easy for the stores in the main town to restock. However, the stores in east Tanna need small trucks to transport their supplies up to two hours across the island and, during the wet season, the roads are likely to deteriorate, increasing the time needed for transportation and restocking. Aniwa and Erromango do not have the infrastructure to receive a cargo ship, so small boats with outboard motors are used to transport the goods from the ship to the islands and then across the island to the stores, using a combination of manpower and small trucks. This is a very slow and labour-intensive process, and the goods are at risk of damages.

However, despite transporting goods from the wharf to the stores in Lenakel, the majority of stores still commonly run low on supplies, see Figure 112. Stores reported that they can have reduced stock for anywhere from one to three weeks.

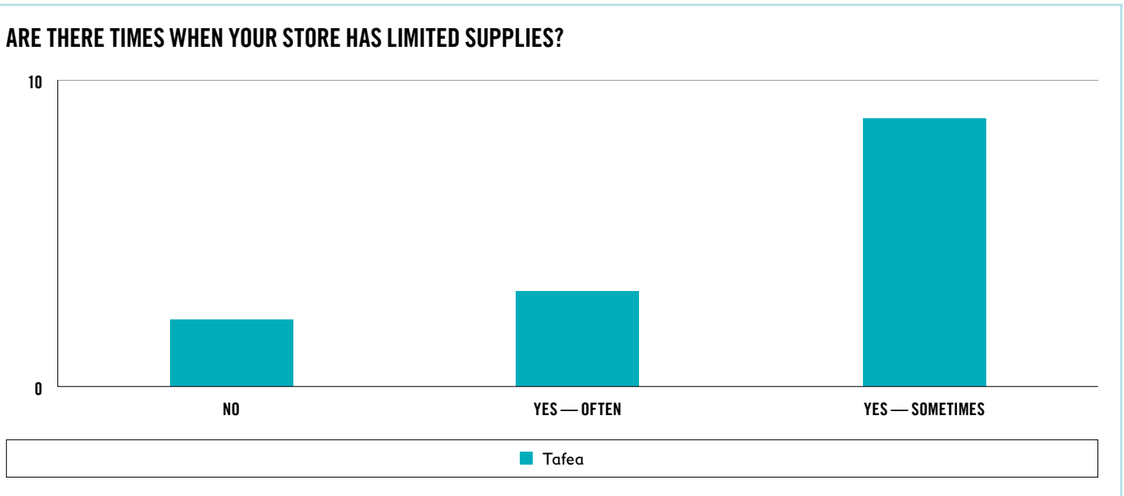


Figure 112: Tafea's results for shopkeeper/owner interview question 4.6: In normal times, what is the maximum time when you have less supplies?

More than two thirds of small vendors (67%) stated that they could not increase their supplies even if there was an increase in demand, whereas 57% of shopkeepers believe they could increase their selling capacity. Of those stores, 69% claimed it would take them less than two weeks to increase their supplies, see Figure 113. Despite this, of the 14 stores that were enumerated, only two large stores in Tafea reported having credit agreements with their suppliers, and more than half reported limited storage capabilities, with most using their shop to store their additional stock. Therefore, the extent to which the stores could restock is restricted.

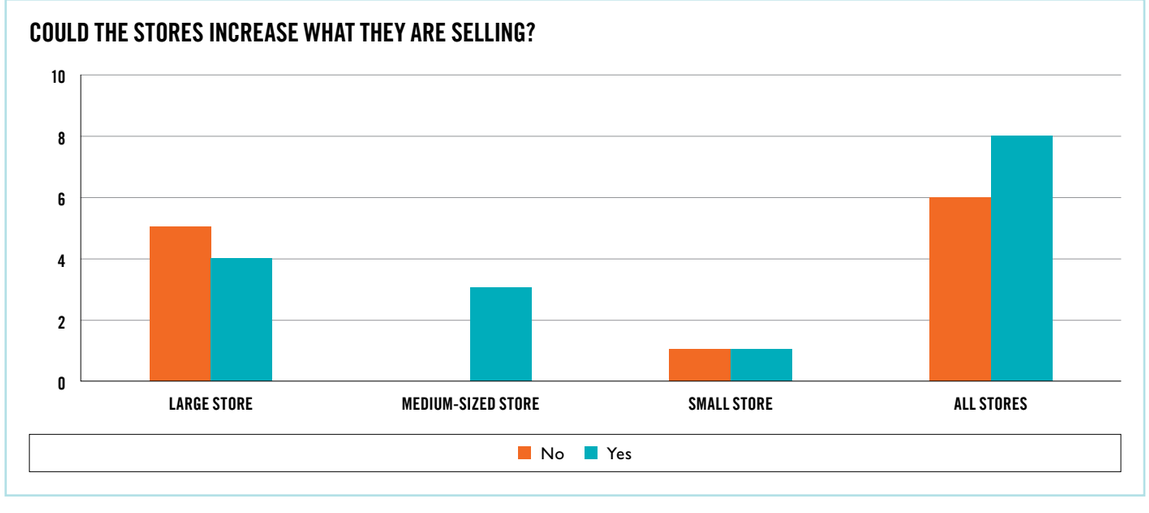


Figure 113: Tafea's results for shopkeeper/owner interview question 7.11: If people increase how much they buy, how much more would you be able to sell?

Market resilience and past disaster experience

As Tafea province was the hardest hit by TC Pam in 2015, all traders were able to recall the impact that the disaster had on their business and the market as a whole. According to the stores in Tafea, the biggest challenge for market recovery after a disaster is the unavailability of ships, which causes a slowdown of the supply chain.

More than half of the stores recalled experiencing damages to stock and the store itself, as well as a large reduction in customers, which impacted recovery, see Figure 114. The reduction of customers is suspected to be due to a lack of purchasing power and also the distribution of in-kind assistance from the response efforts, with 89% of stores stating that distributions negatively impacted their business by further reducing the number of customers.

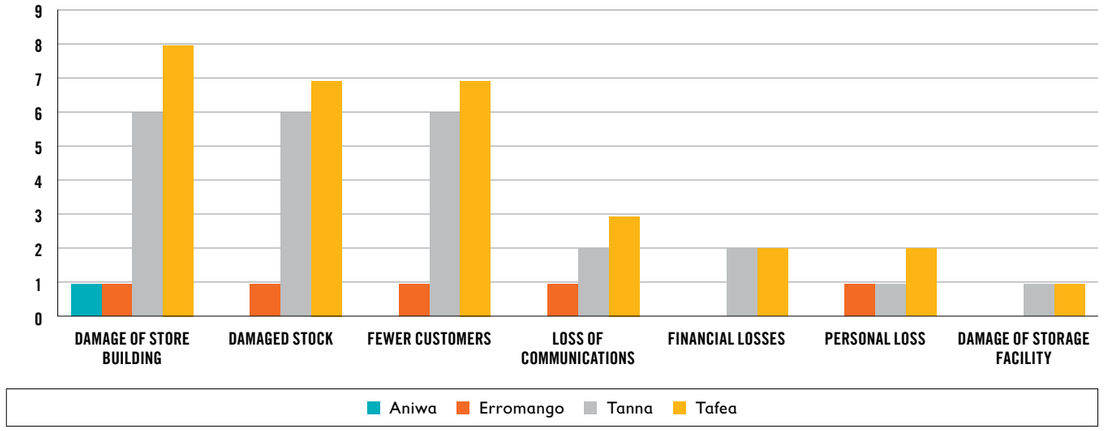


Figure 114: Tafea's results for shopkeeper/owner interview question 7.3: The last time a disaster hit this area, how did it affect your business?

More than one third of stores (36%) stated that they were able to recover within a week of impact, and 28% between 2–4 weeks after impact. Noting with interest that three of the nine large stores that were surveyed recalled that it took them more than three months to recover. The stores report that the most popular goods sold were mainly rice, tinned fish or meat, noodles, biscuits and other tinned goods.

Small vendors' capacity to withstand a disaster is much lower than stores, with 47% stating that two weeks after the last disaster, they were still not able to reopen their stall. Only 26% stated that they were selling but with limited supply.

Efate Island, Vanuatu: In the wake of Tropical Cyclone Pam, Mary washes her son after receiving clean water from an Oxfam water distribution in Etas. Photo: Amy Christian/Oxfam Australia.

Torba Province

SNAPSHOT

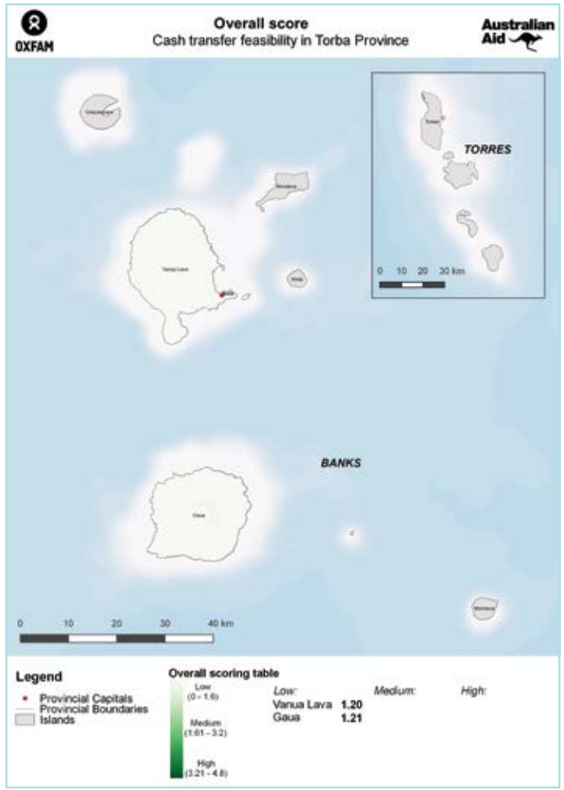
Torba Province is the northernmost province of Vanuatu, consisting of the Banks Islands and the Torres Islands. The province has a land area of 882 km² and an estimated population of 10,155.[120]

Provincial capital: Sola, Vanua Lava Island

Infrastructure and services: Transport between islands in the province is mainly by small boats (banana boats and canoes). Infrastructure is limited to only a few roads and vehicles are present on Vanua Lava, Gaua and Mota Lava. Flights by the national airline (Air Vanuatu) fly to Vanua Lava, Mota Lava, Gaua and Loh Island in the Torres Group.[121]

Main economic activities: About 80% of the population of Torba is employed in the subsistence and semi-subsistence agricultural sector.[122] The major commercial activities are centred on copra, kava, fisheries (lobster, coconut crab) and there is a growing tourism sector.

Natural hazards: Due to Torba's distance from the provincial centre and its exposure to a range of natural hazards, it is known as Vanuatu's most remote province, and one of its most vulnerable. The province is vulnerable to drought, volcanic eruptions, tsunamis flooding and cyclones. Torba Province has two active volcanoes, on Vanua Lava and Gaua. Torba is also highly vulnerable to storm surges, landslides, and coastal and river flooding. The impacts of climate change are also visible, with the sea level rising by more than 6 millimetres per year, and ocean acidification and coral bleaching appearing.[123]



Cash transfer profile: Torba	
ENABLING FACTORS	• Strong household purchasing trends for basic goods • High acceptance levels for cash-based programs
OBSTACLES	• The most remote province in Vanuatu, making it a challenge to access and to transport goods there • Limited critical infrastructure • Limited active markets • Reduced number of FSPs

Torba is the least feasible location for CTP in Vanuatu with both surveyed locations scoring less than 1.3 out 5 due to their remoteness, limited number of stores and FSPs.

120 Vanuatu National Statistic office, '*2016 Post – TC Pam Mini – Census*', Ministry of Finance and Economic Management, 2016, <https://vnso.gov.vu/index.php/component/advlisting/?view=download&fileId=4542>

121 NAB, '*V-CAP site: Torres Area Council, Torba Province, Annex 7*', 2013, https://www.nab.vu/sites/default/files/documents/Annex%207_2%20-%20%20Site%20Torres%20%20copy.pdf

122 Torba Provincial Government, 'Torba Provincial Disaster & Climate Response Plan', National Advisor Board and National Disaster Management Office, 2017, p. 3-5 https://ndmo.gov.vu/resources/downloads/category/19-disaster-response-plans

123 Ibid.

DATA ANALYSIS

Access

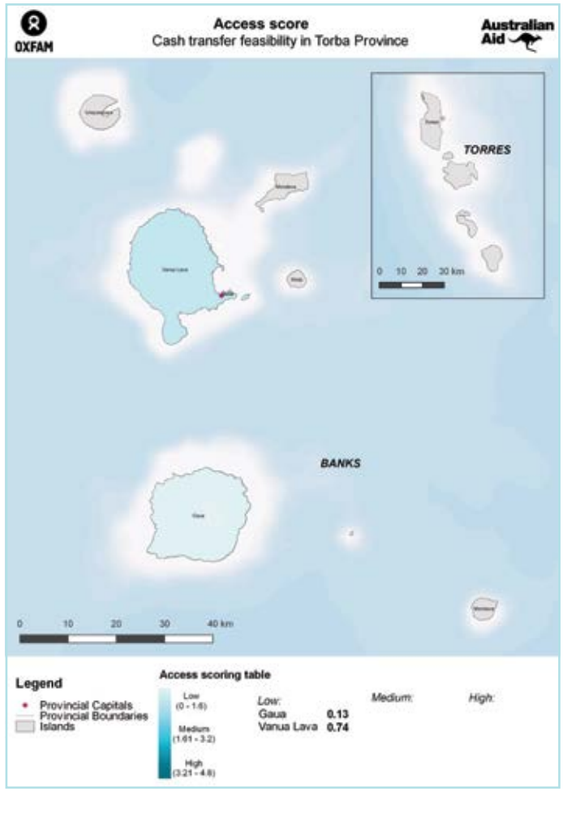
Torba has very low access scores due to its isolation from the commercial hubs in Sanma and Shefa, and lack of stores and FSPs. Gaua is recorded as the least accessible location in Vanuatu among those that were surveyed.

Vanua Lava scored 2 out of 5, putting it in the medium feasibility category for the access indicator. However, for a provincial centre, this is still quite low in comparison with others.

Access to and use of markets:

The majority of the households purchase food and other household items that they need from small stores that are close to their community. Transport is difficult and infrequent due to the reliance on small boats and rough seas that regularly obstruct travel. The price of fuel is very high in Torba due to the distance from the fuel depots, which are located in the commercial centres.

Households report paying 1,150 VT on average to travel between the islands, which is double the national average of around 500 VT. Thus, the households on Gaua rely heavily on small stores on their island and rarely travel to the provincial centre on Vanua Lava, where there is a larger market and a small number of larger stores, see Figure 115.



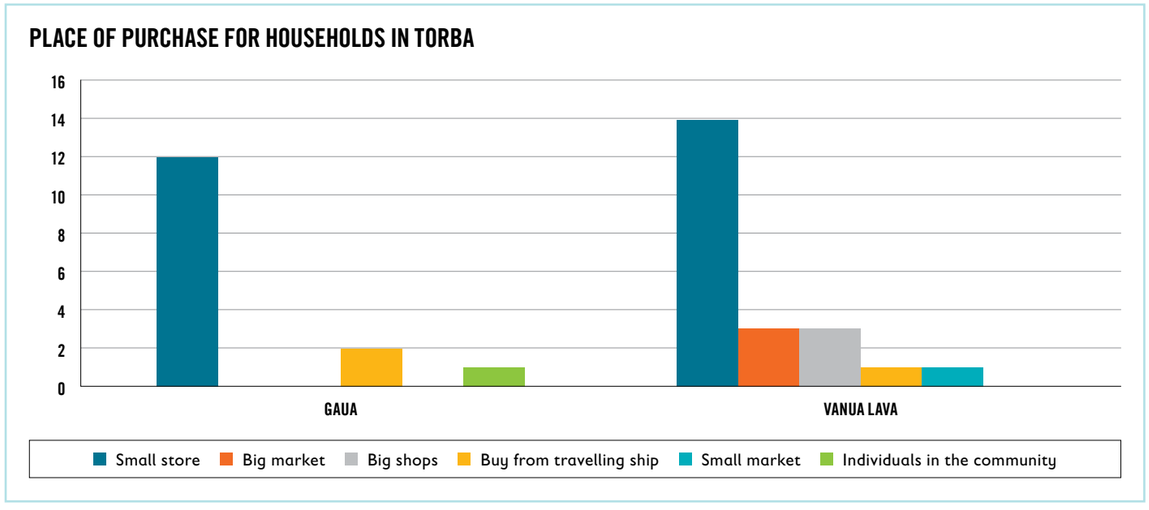


Figure 115: Torba's results for household question 3.1: Where do you purchase your food and other household items

The households reported that their top five expenses, in order, were food, health needs, clothing, school fees and school materials. This was consistent across both islands, which suggests all households have regular access to markets. However, they are suspected to play a secondary role in fulfilling most household needs, as most rely on subsistence or semi-subsistence farming for their livelihoods. When the households were asked if there was enough variety of goods to purchase at their local market, the majority answered "no", see Figure 16.

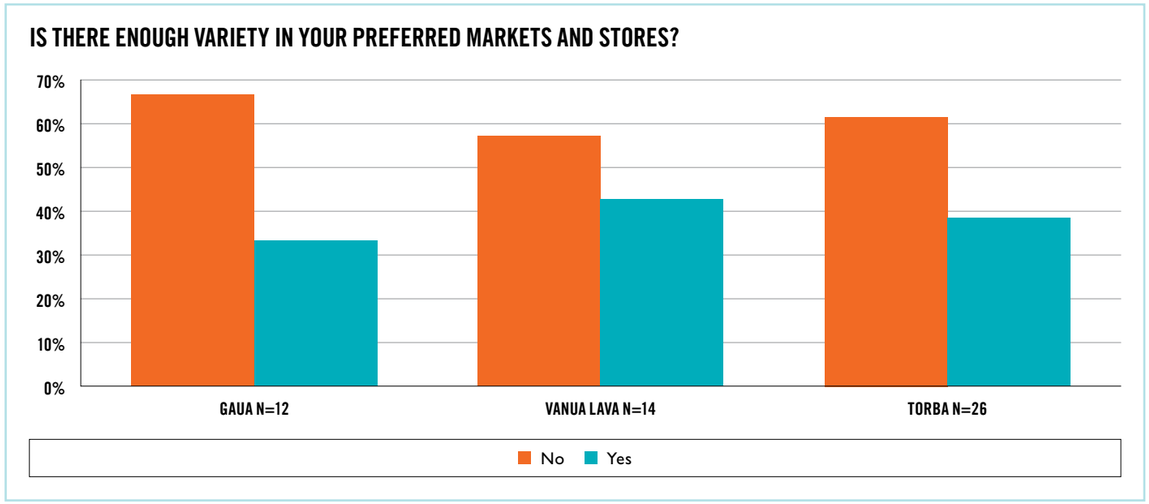


Figure 116: Torba's results for household question 3.10: Do you think there is enough variety of food and other household items available in the market and store near to you?

Access to and use of financial service providers

The NBV has branches in Sola, Gaua and Mota Lava opens three days per week: on Mondays, Wednesdays and Fridays. Western Union has two branches in Gaua and one in Sola.[124]

Two thirds of households surveyed (65%) reported having access to FSPs, the majority of those naming banks as their preferred service. A small number also named Western Union and community savings groups, see Figure 117.

124 Torba Provincial Government, loc. cit.

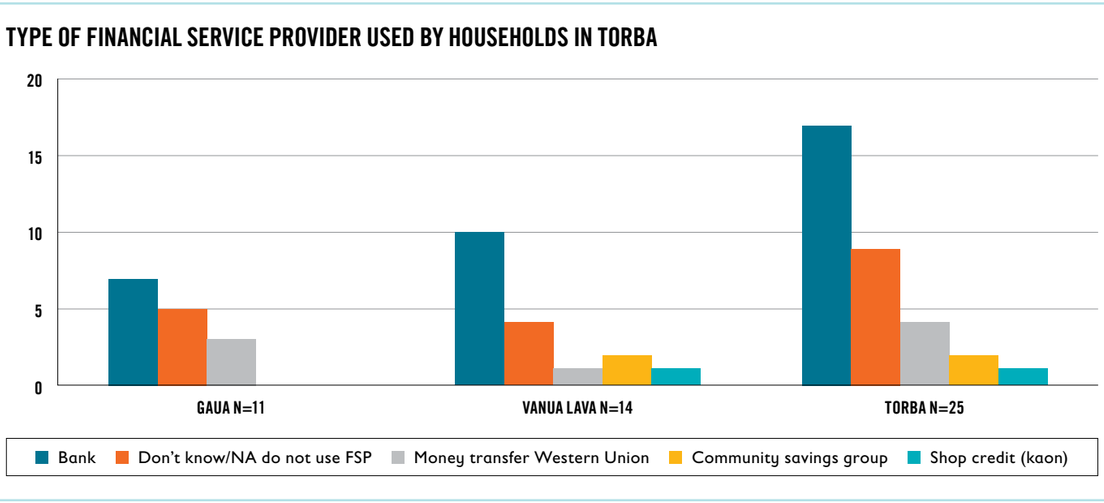


Figure 117: Torba's results for household question 4.2: Which financial service do you use?

It was found that the majority of households use their financial service to save money (see Figure 118), which is in line with what was found throughout Vanuatu.

Households reported that they did not regularly send or receive money. However, for those who did, the average amount of money sent per month was recorded at 8,500 VT and the average monthly amount received was 11,700 VT. The average amount borrowed per month was low at 1,635 VT and the majority of households stated that they did not regularly borrow money.

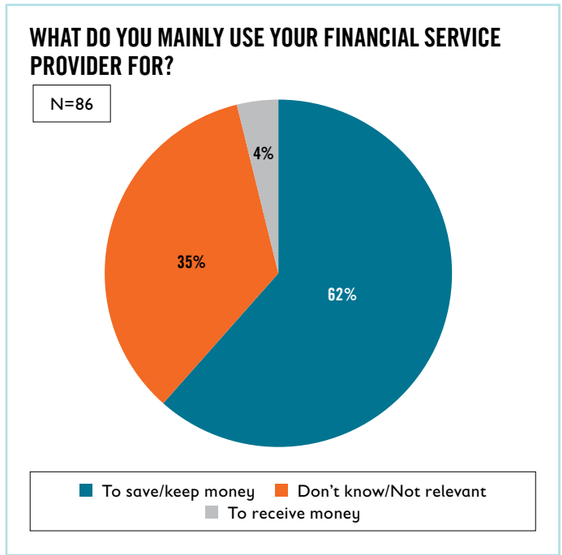


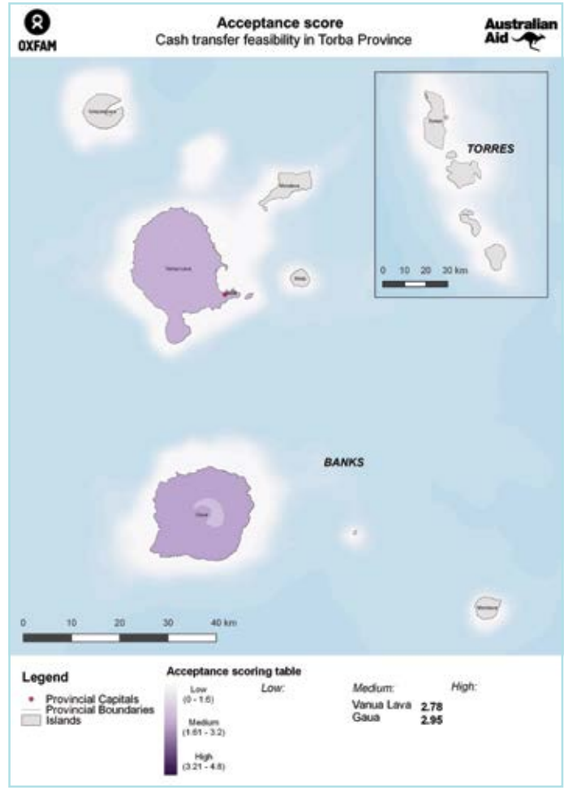
Figure 118: Torba's results for household question 4.3: Why do you use this financial service?

Acceptance

The vast majority of households and community groups revealed a preference for cash over other forms of assistance. Therefore, Torba received a medium feasibility ranking for the acceptance indicator.

Disaster assistance preference

When the households were asked what type of disaster assistance they would prefer to receive after a disaster, the overwhelming preference was cash, followed only by vouchers (see Figure 119), which is consistent with what was found at the national level.



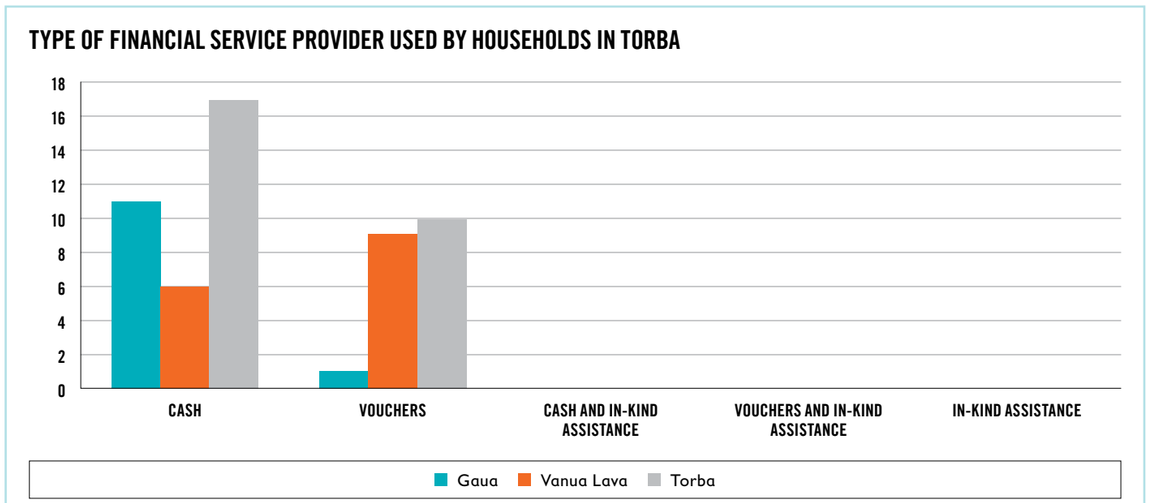


Figure 119: Torba's results for household question 5.7: Next time there is a disaster, would you prefer to receive cash or vouchers instead of assistance?

However, when asked if the households thought they could fulfill all their disaster needs with a cash transfer, the consensus was that they could meet only some of their priority needs. Respondents recognised that their markets do not stock everything that they may need after a disaster, and additional support through other modalities, such as the provision of in-kind assistance and services, is also needed.

Perceived risks of CTP by the community and household

When households were asked directly whether they thought there could be potential risks associated with CTP, more than half of respondents stated "no", with only six of the 26 households responding with "maybe". However, when they were asked more specifically to name the potential risks that could result from the introduction of CTP, all households were able to name concerns. The top three perceived risks were tensions in the community, due to unfairness or jealousy (77%); lack of security keeping cash or vouchers in the house after a disaster (69%); and not enough goods available to purchase (62%). The households identified that markets could run short of stock and not be able to meet the sudden increase in need and purchasing power, see Figure 120.

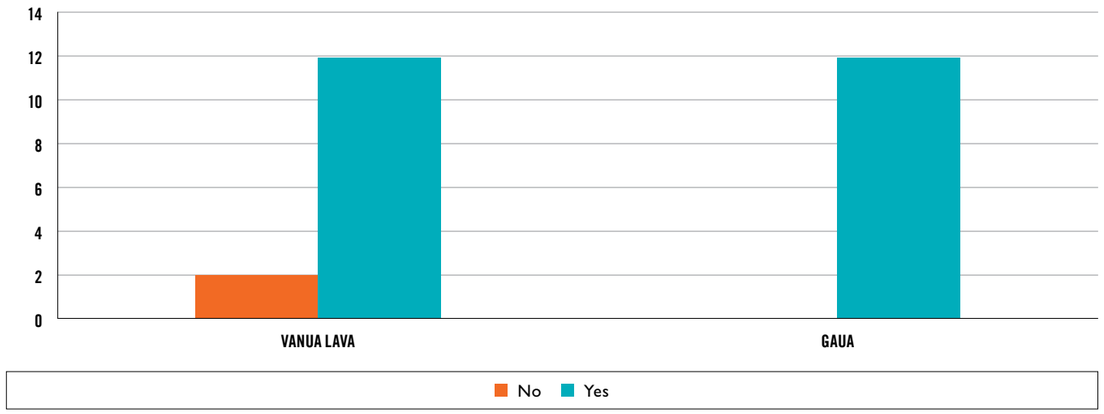


Figure 120: Torba's results for household question 5.10: If you and others within your village/community receive cash or vouchers after the next disaster, are you worried that your local market/store might run out of goods?

Potential recipient of a cash transfer within the household

Results varied when people were asked to identify the main spender in the household, with 39% stating that men are the main spender in the household in normal times; 31% explaining that men and women spend the household income together; and the other 30% reporting that women are the main spenders in the household. This is the most diverse result in comparison with other provinces.

When households were asked hypothetically who in the family should be the recipient of a cash transfer, the male in the household was the preferred recipient, see Figure 121. However, the three community group discussions reached the conclusion that the cash and voucher assistance should be distributed to both the male and female heads in the household.

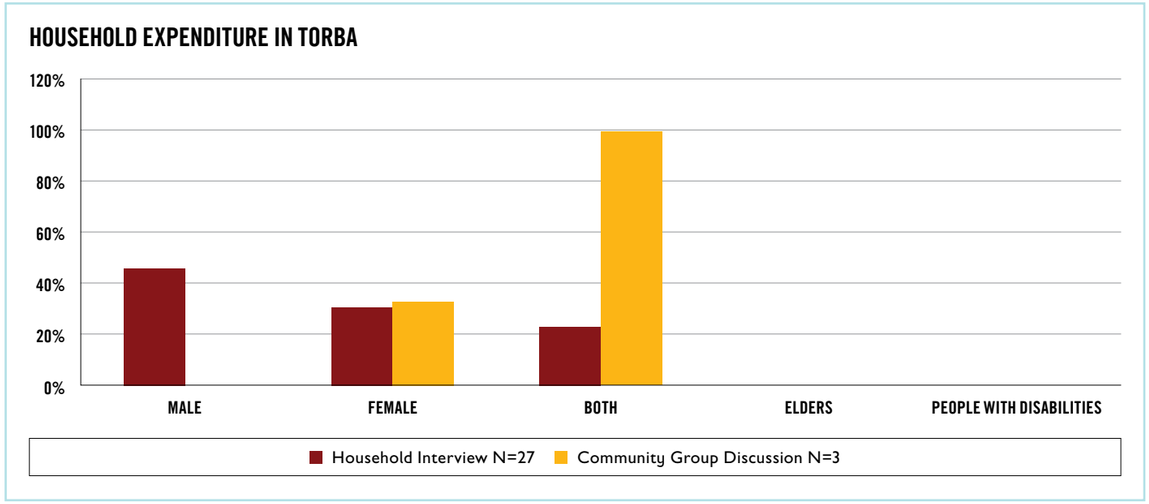
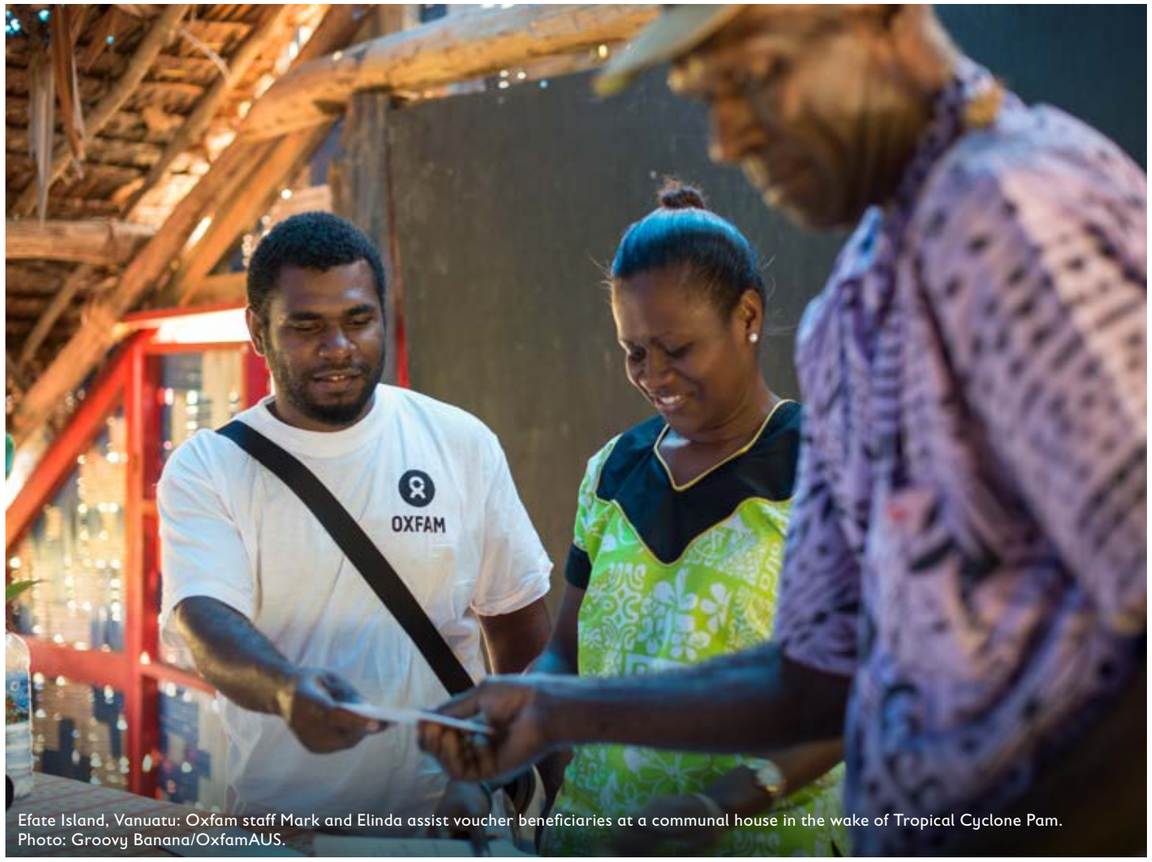


Figure 121: Torba's results for household question comparing household question 5.8 and community group discussion question 3.9: If assistance is delivered in the form of cash, who in the family do you think should receive it?



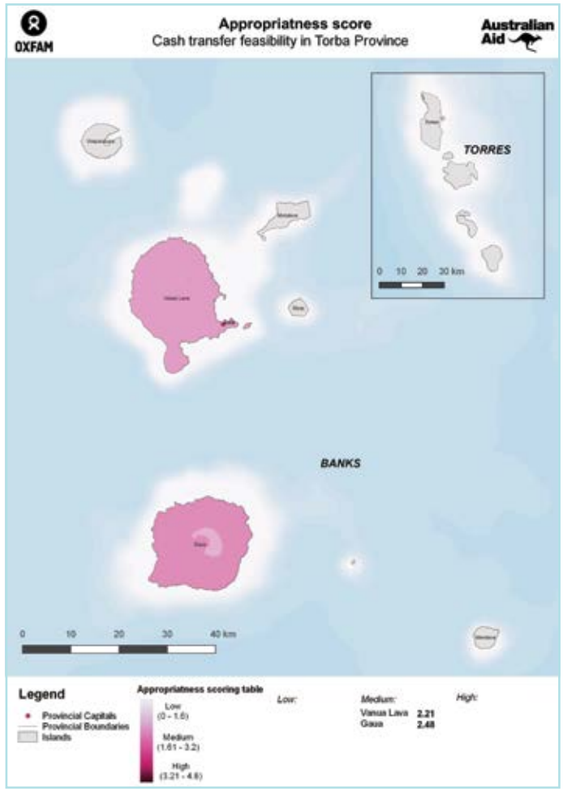
Efate Island, Vanuatu: Oxfam staff Mark and Elinda assist voucher beneficiaries at a communal house in the wake of Tropical Cyclone Pam. Photo: Groovy Banana/OxfamAUS.

Appropriateness

The feasibility score for appropriateness in Torba ranges from 2.48 to 2.81 out of 5, due to their regular engagement with markets and past experience receiving disaster assistance. This makes Torba relatively appropriate for cash transfer programs as a response modality.

Household cash expenditure and income source

All households that were surveyed on Vanua Lava and Gaua islands regularly interact with markets to meet their needs, with both men and women household members spending the majority of their income on food for the family and hygiene needs, see Figure 122.



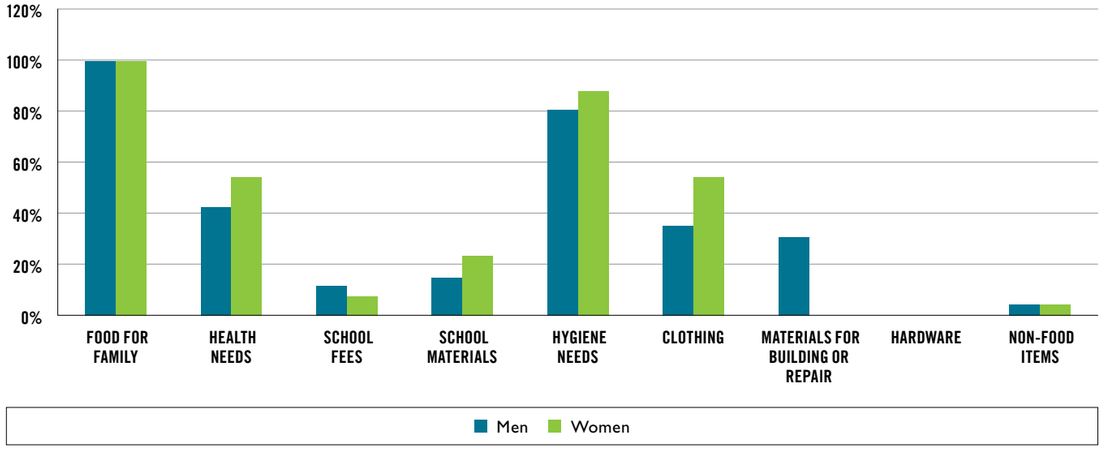


Figure 122: Torba's results comparing household questions 3.2 and 3.3: When men go to the market/store, what do they buy? When women go to the market/store, what do they buy?

However, the household income source disaggregated by sex suggests that, in comparison with other provinces, the interaction with markets might be lower. There are higher levels of females and males not earning an income and relying on subsistence farming in Torba, with 50% of females and 46% of males reporting non-monetary income, see Figure 123.

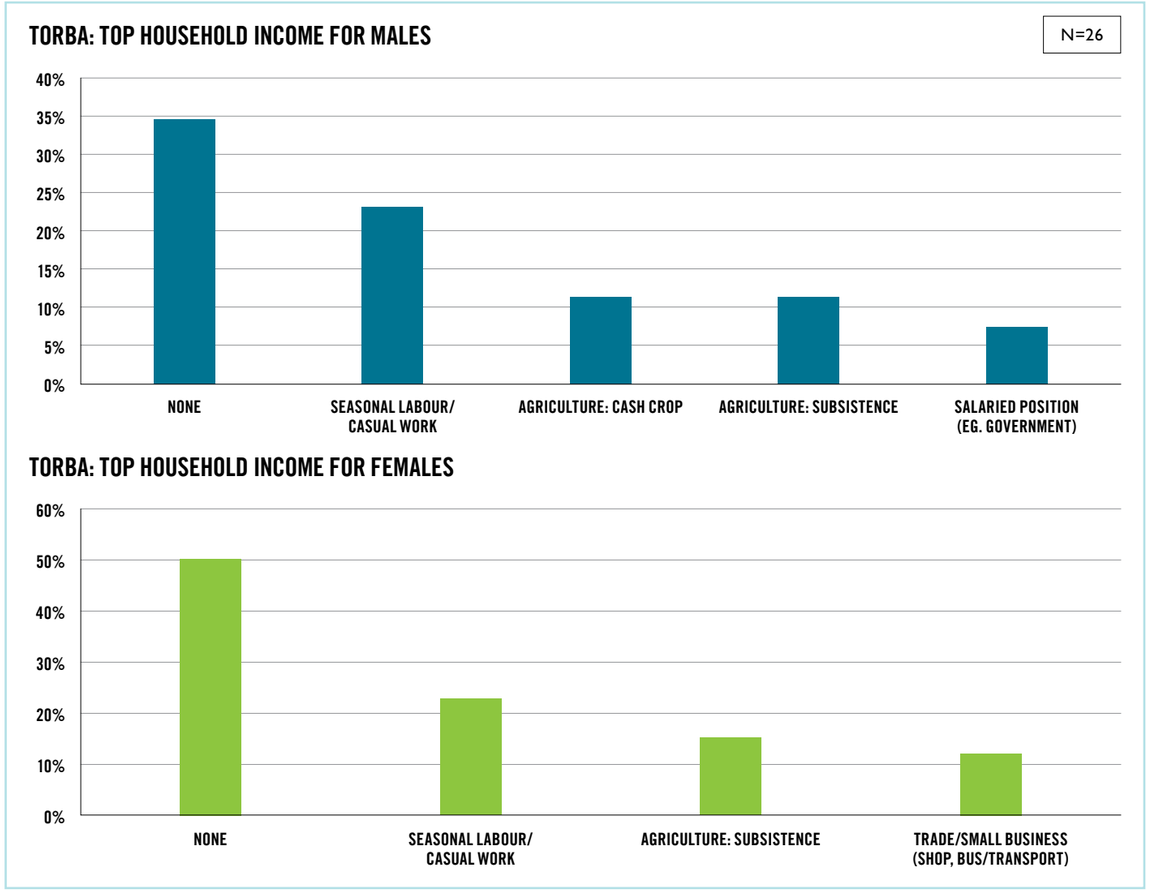


Figure 123: Torba's results comparing household question 2.1 and 2.2: What is the main source of household income for men in the household? What is the main source of household income for women in the household?

Past experience with disaster

The majority of households and community group discussions stated that they had not received external assistance during 2015–2018. In 2017, TC Donna passed over the province, with the Torres Islands being the most affected, leaving many houses and crops severely damaged. However, the households that were surveyed were not from the most affected islands and so it can be assumed they did not receive disaster assistance.

The households identified three major needs during a disaster: water, shelter and food, see Figure 124. These needs align with what households predicted they would purchase with cash and voucher assistance, listing food, water, shelter repairs, clothing, hygiene products and household items.

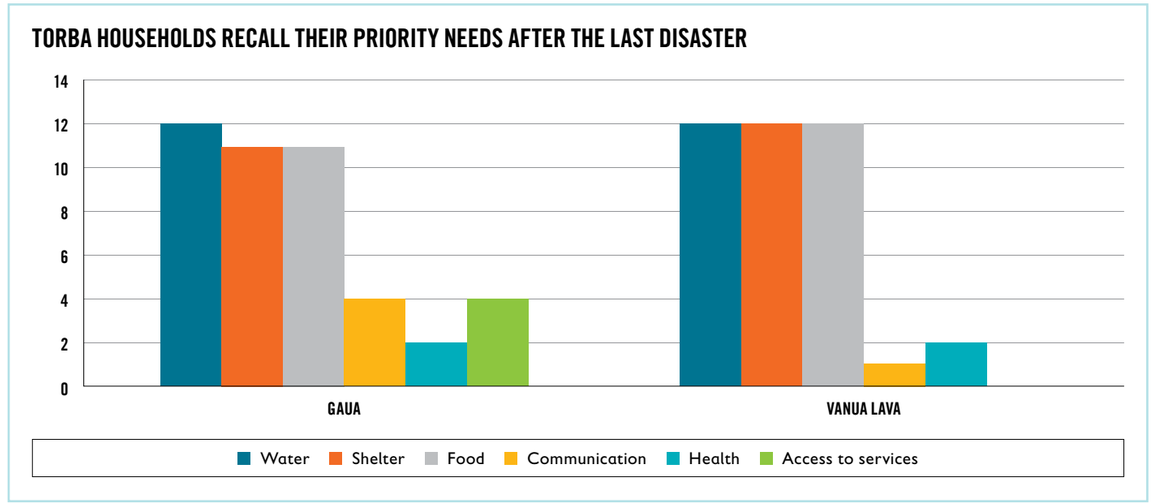


Figure 124: Torba's results household question 5.3: After the disaster, what were the priority needs of your household?

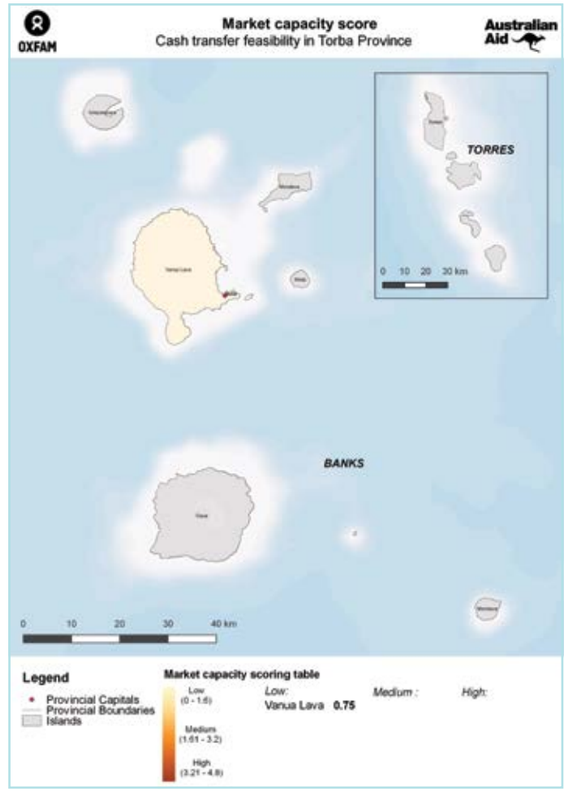
Efate Island, Vanuatu: School teacher Nora Fred sits in front of her classroom at Epau village Primary School, which was destroyed by Cyclone Pam. Photo: Vlad Sokhin/Panos/OxfamAUS.

Market capacity

Torba ranks extremely low for market capacity, only 0.75 out of 5. As the northernmost remote province with the smallest population, it is not surprising that Torba's markets have the lowest feasibility ranking for market capacity.

Gaua did not receive a market capacity score due to insufficient data, which is due in part to the lack of small vendors and stores on the island.

As can be seen in the market analysis profile, insufficient data was collected from Torba in comparison with other provinces and, thus, the results are limited. However, the data suggests that the provincial centre on Vanua Lava has a small number of stores of all sizes (small, medium and large) and the outer islands are limited to small stores. The small number of surveys collected by the assessment team also suggests that there is a limited number of stores and vendors there to interview, which is a challenging sign for the region's feasibility in terms of market capacity.



Torba's market analysis profile	
SURVEYS	3 storeowners (1 large store on Vanua Lava and 2 small stores on Gaua) sell a mix of non-perishable goods, both food and household items.
	1 fresh produce small vendor on Vanua Lava
PAYMENT METHODS	Cash, with only large stores having EFTPOS capability
FSPS FOR VENDORS	All stores and the small vendor have a bank account for the business, mainly with NBV.
CUSTOMER QUANTITIES AND HABITS	Stores are open daily, and small vendors are open at least once a week. The two small stores estimate they receive 5–10 customers per day and the large store estimated more than 40 customers per day. The small vendor estimated customers spend 5,000–10,000 VT in one transaction on average.

Shopkeepers' ability to restock in response to a sudden increase in demand is restricted by their distance from the suppliers in Santo and the lack of large storage capacity. Respondents report using the store itself to stockpile additional goods. This is further restricted by the unavailability of ships after a disaster, which stores claim is the biggest challenge when trying to replenish supplies.

The longer that supplies have to travel, the more delivery costs, so staple goods like rice and tinned meat are more expensive in Torba than other provinces.[125]

A positive sign for market capacity is that two of the three stores reported having credit arrangements with their suppliers, which suggests that they might be able to purchase supplies ahead of time if an increase in demand was predicted, see Figure 125.

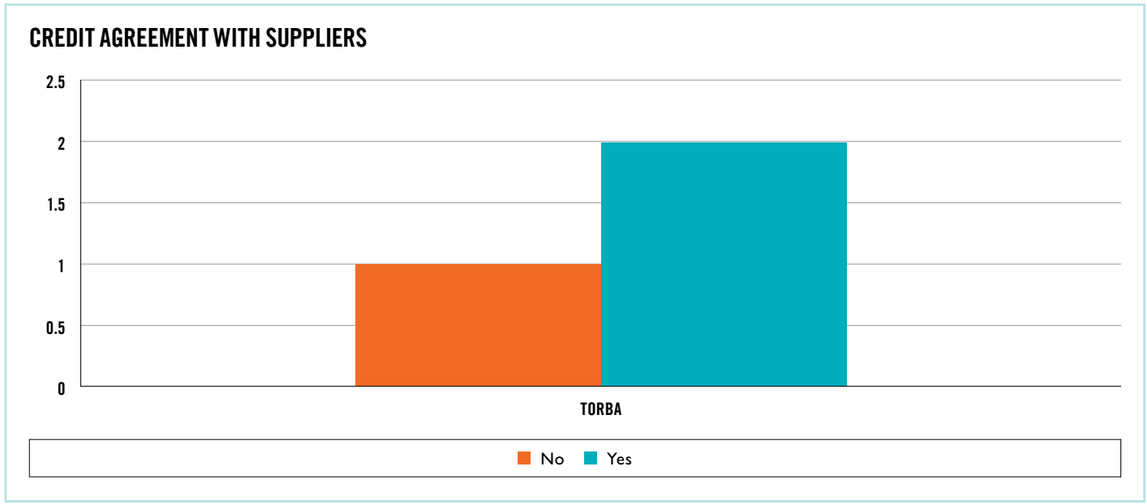


Figure 125: Torba's results for shopkeeper/owner interview question 3.3: Do you have a credit arrangement with your suppliers/wholesalers for items that you purchase?

However, there is a lack of infrastructure to receive large shipments of goods; the province only has beach landings and anchorage points. Though Sola has been declared an "International Port of Entry" for future maritime development, it lacks a suitable wharf and storage facilities in order to successfully facilitate trading activities.[126]

125 NAB, *'V-CAP site: Torres Area Council, Torba Province, Annex 7'*, 2013, https://www.nab.vu/sites/default/files/documents/Annex%207_2%20-%20%20Site%20Torres%20%20copy.pdf
126 Torba Provincial Government, loc. cit.

Luganville, Vanuatu: Ambae evacuee Christina Garae shows the items she bought with cash transfer support. Photo: Sarah Doyle/Oxfam

F. CONCLUSION

This feasibility assessment, as the first of its kind in Vanuatu, presents rigorous and consistent evidence to confirm that cash transfers, as an approach to humanitarian response recovery programming, are a feasible assistance modality — to varying degrees, and depending largely on location. Community and stakeholder acceptance of the use of cash and market-based approaches to address needs and gaps in the delivery assistance has been overwhelmingly positive, indicating a fertile environment for innovation, community-based approaches, and increased piloting of CTP modalities by interested practitioners.

In light of the evidence, this report concludes that CTP should always be "on the table" to be considered as a response option in Vanuatu, but also presents proof that it is certainly not a single modality that can be universally applied across all islands or in response to all types of disasters. The data presents a strong case for mixed-modality humanitarian responses (cash/food/goods) in post-disaster assistance in Vanuatu; if mainstreamed, this (mixed) approach holds promise for more and better engagement of the private sector, enhanced market recovery at the local level, and higher levels of satisfaction at the community level.

As such, the data contained in this report serves as a guide to enable interested agencies to target their efforts and investment in CTP towards medium-high feasibility locations for the time being. For low-feasibility locations, feasibility data can be used as a proxy to indicate the need to prioritise in-kind support for rapid response, and for development and government stakeholders to consider the need to prioritise sustained investment in supply chain strengthening, financial infrastructure, and development of local markets. As a general trend, the closer a location is to the supply hubs of Port Vila (Efate) and Luganville (Santo), the more appropriate, quick, and feasible cash and market-based approaches will be. There is a case to be made that strong coordination and planning around cash/market vs. in-kind assistance per location may be a way of improving response times, increasing predictability, and sharing response capacities across government, NGOs/UN, and the private sector.

The volume and detail of the data presented in this report, although lengthy, is deliberately holistic and provides a robust basis to illustrate the complexity of response programming in a multi-island environment — where logistical and infrastructure challenges are multiple and where no single approach can be universally applied at the national level. There are locations where cash and market-based approaches are clearly limited due to supply chain constraints; nonetheless, there are also locations where the delivery of cash as a response modality may reduce the cost or need for logistically intensive in-kind programming, and greatly increase the speed and ease by which affected families are able to meet their needs in their local markets.

In all cases, communities and market actors clearly express strong preferences for unconditional cash assistance and a higher level of autonomy and choice in facilitating their own recovery. This reinforces the need for humanitarian agencies to integrate consultative approaches and strong messaging into any upcoming attempts to scale cash and market-based approaches in Vanuatu. Although this report should serve as a guide to orient CTP-interested stakeholders, all should be reminded that due to the novelty of cash/market-based assistance in Vanuatu, there remains a need for strong market analysis and needs assessments after any disaster event to confirm how and whether cash can a) be delivered efficiently; and b) serve to meet household needs effectively.

In addition to providing a detailed, national overview of cash transfer feasibility, this assessment also made enormous progress in increasing awareness at the national and community levels of what cash transfers are, and how they can be effectively adapted and used in Vanuatu. This is the first time that CTP has been discussed thoroughly in a diverse forum, with the participation and input of multiple private sector actors (finance, telecommunications, logistics and wholesale), multiple government ministries, civil society groups, local authorities and communities. Advocacy efforts designed to make this assessment as inclusive as possible are arguably linked to other positive outcomes, such as the formation of a Vanuatu Cash Transfer Working Group (mid-2018) and the launch of the first-ever unconditional cash transfer program in Vanuatu in late 2018 — staffed, in part, by the enumerators who collected data for this assessment.

Moving forward, this assessment will serve to inform the focus of future investments in CTP preparedness, and should set the stage for targeted partnership, capacity building and planning measures. It has been confirmed that Vanuatu is home to many interested communities and capable stakeholders, such as those within the financial and telecommunications sector, who are able and willing to support government and humanitarian agencies in delivering cash and market-based assistance for rapid response, recovery and longer-term development.

In coming years, Oxfam will continue to invest in cultivating this stakeholder group through training and piloting opportunities, with the hope of scaling up CTP, encouraging multi-stakeholder design and implementation, and perhaps shortening response times. Ideally, the indicators and metrics used herein should be integrated into future assessments and analysis to track the evolution of cash transfer feasibility over time and potentially, serve to gauge the return on investment of preparedness and response actions.

Key enabling factors and constraints for cash transfer programs

It should be noted that, across all of Vanuatu, on a feasibility scoring scale of 0–5, the highest average scores (overall scores at national level) only reached 3.9 out of 5. At a non-aggregated level, however, scores reached as high as 4.8, particularly across the perception-based indicators of acceptance and appropriateness. These scoring results indicate that although CTP is possible in Vanuatu, work needs to be done to consider and address challenges, most of which are related to infrastructure and supply chain constraints.

The assessment found that there are **several common positive features** that were present throughout the country:

- All households are familiar and comfortable handling cash, even when they do not have access to financial services.
- Across the majority of locations, purchasing behaviours show high levels of market usage to meet every day needs.
- Communities and households across Vanuatu express strong preference for receiving cash above the more commonly used in-kind assistance.
- Shopkeepers, small vendors, telecommunications and FSPs also expressed a high level of interest in learning more and participating in cash and voucher programs.

These are a very good indications that the potential for partnerships and preparedness actions in Vanuatu is high, and that the use of CTP is not necessarily constrained by negative perceptions. Participatory approaches are well received and there is a high likelihood that community-based approaches and community-based organisation participation can be leveraged to improve the scaling and success of future CTPs.

The assessment also highlighted **several major challenges to the feasibility of CTP**. These were more likely to be geographically specific and linked to market capacity or supply chain constraints:

- There is a lack of FSP penetration and usage by households across Vanuatu, particularly outside urban centres.
- Across islands, FSP systems and capacity are inconsistent and sometimes limited.
- Not all communities are in close proximity to the markets in their location, although they will travel to access them.
- Outside of the large commercial centres, there is a lack of critical supply chain services and infrastructure, such as credit, storage and warehousing, and bulk transport.
- Not all islands have large markets or market diversity. A small number of small stores with a limited range of non-perishable goods and commerce may not be able to absorb a sudden cash response for a large part of the population.

Taking into consideration these enabling factors and challenges, at the present time it can be assumed that any cash transfer program may need to be combined with in-kind assistance, either as a means of addressing needs in different island contexts (cash in urban areas/in-kind in remote areas), or as a means of limiting the scale of CTP responses over time to prevent inflation-related stresses in local markets (eg. slowly introducing cash alongside in-kind assistance). There is definitely a high potential for CTP to address some of the reoccurring disaster response problems, such as distribution delays and high logistical costs.

Accordingly, these findings stress the need for extensive preparedness programs over the coming years to maintain high levels of community engagement; to improve organisational and stakeholder delivery capacities; and to deploy market assessments after every disaster, to identify modality types and reduce the operational startup required to ensure that CTP is an effective and efficient alternative to in-kind assistance.

Program design considerations

The tools and approaches used to collect data in this assessment provided a wealth of information to inform the eventual design and deployment of CTP in a manner that is context- and island-specific. This is a resource that should be referred to and exploited by agencies. Some key design considerations for both response and preparedness programs are summarised below.

FOR RESPONSE

- **Given the novelty of CTP in Vanuatu, response lead times may be lengthy for CTP at first, but will reduce over time** as implementers, FSPs, communities and partners gain familiarity with cash-based approaches. Interested agencies should consider investing heavily in community messaging and awareness actions, and perhaps consider CTP at the intermediate response or recovery phase to account for these lead times.
- Concerns about the fairness and targeting of assistance were consistent across all areas. Socially, fairness is essential when maintaining social cohesion so, **where possible, a blanket approach to distribution is encouraged, but can be complemented by targeted add-on measures for specific groups** (see below).
- In all locations, respondents could name groups of people in their community that are more at-risk and are more impacted than others in their community, such as widows, people with disabilities, elders, children, and pregnant and lactating women. This indicates that **community-based consultation and household identification can be used to adapt cash assistance to the needs of special groups if needed.**
- **Payment instruments for large-scale cash transfer delivery exist but are limited.** Agencies seeking to deliver assistance via CTP in the near future may need to do so either via cheque, bank or remittance cash transfer (CT), and should work with FSPs in order to set up systems to do this at scale.

- **Vanuatu's markets do appear to be vulnerable to inflation. As such, the value of CTP and the timing of its delivery should directly reflect the market's ability to meet demand,** and be adjusted if this changes during the course of the emergency response. Thus, robust market-based monitoring and evaluation processes are critical. Supply chain support measures may also be considered.
- **Transportation costs are high for households and should be considered in cash transfer design and amounts.** Populations tend to be spread across a diversity of locations accessed by water or overland, and people are used to travelling long distances to access the bank or markets, although this comes at a cost.

FOR PREPAREDNESS

- **There is a strong interest in the integration of cash-based approaches with financial inclusion and literacy measures;** this is an excellent opportunity for public-private partnership and for integrating development and humanitarian programming. CTP may be able to serve as a lever for the development of rapid onboarding and scaling of financial products for low-income users.
- **Where actors are interested in CTP and working in geographically specific areas, calculation and regular use of a standard Minimum Expenditure Basket would create predictability and improve coordination and response time.** This also provides a means for generating standard awareness messaging and coordinating or adjusting cash assistance amounts if and when delivered alongside in-kind assistance.
- There is a high enough frequency of hazards, and enough stakeholder buy-in to **begin piloting CTP approaches to build capacity/skills and learn what modalities work best and most efficiently.** Pilots across high and medium feasibility areas can test market and partner capacity, raise awareness, and assist to familiarise local authorities and communities with CTP as a response option. Implementing organisations and partners will likewise benefit more through "learning by doing" than through workshop/classroom-based capacity enhancement.
- **Public-private partnerships and collaboration with market and vendor networks** is a worthwhile investment to ensure that cash transfer programs benefit from local expertise and capacities, and that market support and recovery measures are built into design to benefit large and small market actors alike.
- **Coordination efforts should focus on building delivery capacity and partnerships for CTP implementation and market assessment.** The Vanuatu Cash Transfer Working Group is an appropriate springboard for these actions, but requires dedicated resources from donors and interested agencies to sustain engagement and capacity building.
- The fact that CTP is new in Vanuatu is **an opportunity to test innovative approaches**, such as partnering with the private sector to scale digital approaches, or building CTP-integrated climate financing and risk or insurance programs.

G. BIBLIOGRAPHY

Agenda for Humanity, *Grand Bargain Initiative*, 2016 https://www.agendaforhumanity.org/stakeholders/commitments/368,

C Hobbs & R Jackson, 'Cash Transfer Programming in the Pacific, A Feasibility Scoping Study', CaLP, 2016, http://www.cashlearning.org/downloads/calp-pacific-scoping-study-web.pdf

CaLP & Accenture Development Partnerships, *'The State of the World's Cash'*, 2018, http://www.cashlearning.org/resources/the-state-of-the-worlds-cash-2018,

CaLP, *Glossary of Terminology for Cash and Voucher Assistance*, 2018, <http://www.cashlearning.org/resources/glossary >

CaLP, *Markets in Humanitarian Response*, 2018, < http://www.cashlearning.org/markets/markets >

CARE International in Vanuatu, *'Rapid Gender Analysis Cyclone Pam in Vanuatu'*, 2015, <https://care.ca/sites/default/files/files/RGA%20Cyclone%20Pam%20Vanuatu%207%20April%202015.pdf>,

CBM - Nossal Institute Partnership for Disability Inclusive Development & et. al., *Disability Inclusion in Disaster Risk Reduction: Experiences of people with disabilities in Vanuatu during and after Tropical Cyclone Pam*, 2017, https://mspgh.unimelb.edu.au/__data/assets/pdf_file/0011/2567576/WEB-DIDRR-Report-14112017.pdf

Central Intelligence Agency, *'The World Factbook Vanuatu'*, updated 3 Dec 2018, <https://www.cia.gov/library/publications/the-world-factbook/geos/nh.html>

F Reinhardt, *'CTP Service Provider Capacity Assessment'*, Oxfam in Vanuatu, 2018

H Juillard, *Pre-Crisis Market Analysis (PCMA) guidance*, The International Rescue Committee, 2016 < https://www.emma-toolkit.org/sites/default/files/bundle/PMCA_FINAL_WEB.pdf>

Internews, *'2017 Communication with Communities: Walking the Talk'*, UNHCR, 2017, https://www.unhcr.org/innovation/wp-content/uploads/2017/10/Internews_Humanitarian_CwC_PolicyPaper_2017.pdf

Logistics Cluster Vanuatu, '2.1 Vanuatu Logistics Infrastructure', Logistics Capacity Assessment edited by J. Paulin on Sep 26, 2017, <https://dlca.logcluster.org/pages/viewpreviousversions.action?pageId=852101>,

NAB, 'V-CAP site: Torres Area Council, Torba Province, Annex 7', 2013,<https://www.nab.vu/sites/default/files/documents/Annex%207_2%20-%20%20Site%20Torres%20%20copy.pdf>

National Disaster Management Office, *TC Hola SITREP no. 4 12th of March*, 2018 https://ndmo.gov.vu/resources/downloads/category/56-01-situation-reports accessed 12 November 2018

Overseas Development Institute (ODI), *Cash transfer programming and the humanitarian system: background note of the high level panel on humanitarian cash transfers*, 2015, <https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/9592.pdfaccessed on the 21 December 2018>

Oxfam GB, *'Cash- transfer Programming in Emergencies'*, in P Creti & S. Jaspars Ed. 2006, <https://oxfamilibrary.openrepository.com/bitstream/handle/10546/115356/bk-cash-transfer-programming-010206-en.pdf;jsessionid=7E5E7565FE7F20418249D6C84C4124B9?sequence=8 >

Oxfam in Vanuatu, *'Emergency Market Mapping & Analysis (EMMA), Maewo Island'*, December 2018

Oxfam in Vanuatu, *'Methodology & Implementation Framework, Vanuatu's Cash Transfer Feasibility Study'*, 2018

Oxfam in Vanuatu, *'Terms of Reference for the Cash Transfer Feasibility Study'*, 2018,

Oxfam, *'A Case Study: Oxfam experience on Cash Transfer Program in Vanuatu'*, 2016

Oxfam, *'Cash transfer programming: can Oxfam stay ahead of the game?'*, April 17th, 2015, < Https://Views-Voices.Oxfam.Org.Uk/2015/04/Oxfams-Cash-Work/ >

P. Mucke, *'WorldRiskReport Analysis and prospects 2017'*, Bündnis Entwicklung Hilft, 2017. https://reliefweb.int/sites/reliefweb.int/files/resources/WRR_2017_E2.pdf

R Berry, *Cash Feasibility Study - Vanuatu Summary*, International Federation of Red Cross and Red Crescent Societies, 2015.

Sanma Provincial Government, 'Sanma Provincial Disaster & Climate Response Plan', National Advisor Board and National Disaster Management Office, 2017 < https://ndmo.gov.vu/resources/downloads/category/19-disaster-response-plans>

Shefa Provincial Government, 'Shefa Provincial Disaster & Climate Response Plan', National Advisor Board and National Disaster Management Office, 2018 https://ndmo.gov.vu/resources/downloads/category/19-disaster-response-plans

Tafea Provincial Government, '*Tafea Provincial Disaster Response And Climate Change Management Plan'*, National Advisor Board and National Disaster Management Office, 2017 < https://ndmo.gov.vu/resources/downloads/category/19-disaster-response-plans>

The Nexus Commonwealth Network, *Find import and export expertise in Vanuatu*, Nexus Partnership limited, 2019.http://www.commonwealthofnations.org/sectors-vanuatu/business/import_and_export/

The Reserve Bank of Vanuatu (RBV), *'Vanuatu National Financial Inclusion Strategy 2018 – 2023'*, 2018, <http://www.pfip.org/wp-content/uploads/2018/04/Vanuatu-National-Financial-Inclusion-Strategy-Rreport-2018-2023.pdf>

The Reserve Bank of Vanuatu, *'Financial Service demand side survey'*, Pacific Financial Inclusion Programme, 2016, http://www.pfip.org/wp-content/uploads/2017/05/VANUATU-DSS.pdf>

Torba Provincial Government, *'Torba Provincial Disaster & Climate Response Plan'*, National Advisor Board and National Disaster Management Office, 2017, https://ndmo.gov.vu/resources/downloads/category/19-disaster-response-plans

UNDAC, *End of Mission Report: United Nations Disaster Assessment & Coordination Team (UNDAC) Tropical Cyclone Pam Vanuatu*, 16 March to 04 April 2015, UNOCHA https://reliefweb.int/report/vanuatu/end-mission-report-united-nations-disaster-assessment-coordination-team-undac>

UNWFP, FAO, & Oxfam in Vanuatu, 'Cash Feasibility Pilot Study: Establishing the feasibility of using Cash Based Transfers to distribute humanitarian assistance to households in Vanuatu', 2017,

Vanuatu National Statistic office, *'2016 Post – TC Pam Mini – Census'*, Ministry of Finance and Economic Management, 2016, <https://vnso.gov.vu/index.php/component/advlisting/?view=download&fileId=4542>,

Vanuatu National Statistics Office (VNSO), *'Vanuatu's Household Income and Expenditure Survey'*, 2010, < https://vnso.gov.vu/index.php/document-library?view=download&fileId=2056>

VNSO & UNDP Pacific Centre, 'Vanuatu Hardship & Poverty Report Analysis of the 2010 Household Income and Expenditure Survey', 2010

VNSO, *'Consumer Price Index (CPI) Quarterly Movement-Quarter 3, 2018'*, 2018, <https://vnso.gov.vu/index.php/new-releases/quarterly-reports/cpi-news>

Port Vila, Vanuatu: Litiana stands with a hand-woven mat made from pandanus leaves, which are susceptible to the effects of climate change. Photo: Arlene Bax/OxfamAUS.

H. ANNEXES

Annex 1 - Definitions

Unless specified otherwise, all definitions below have been taken from CaLP, *Glossary of Terminology for Cash and Voucher Assistance.*

Cash transfer: The provision of assistance in the form of money — either physical currency or e-cash — to recipients (individuals, households or communities). Cash transfers are, by definition, unrestricted in terms of use and distinct from restricted modalities, including vouchers and in-kind assistance.

Commercial centre: Also called "central business districts" and "urban villages", these areas contain a concentration of business, civic and cultural activities, creating conditions that facilitate interaction and exchange.[127]

Inflation: A measure of increase in price(s) per unit of time (usually denoted in percentage increase per year).

In-kind assistance: Humanitarian assistance provided in the form of physical goods or commodities. In-kind assistance is restricted by default, as recipients are not able to choose what they are given.

Bulk payment: A simultaneous transfer of funds from an entity to many recipients. This term is often used to describe the mobile money services used for humanitarian programs, as opposed to person-to-business or person-to-person payments.

Delivery mechanism: Means of delivering a cash or voucher transfer (eg. smart card, mobile money transfer, cash in hand, cheque, ATM card).

Market-based programming: Market-based programming or market-based interventions are understood to be projects that work through or support local markets. The terms cover all types of engagement with market systems, ranging from actions that deliver immediate relief to those that proactively strengthen and catalyse local market systems or market hubs.

Market: The term "market" refers to a system of exchange between two or more actors or players. The exchange can be for goods or services, or for money, and can take place in a physical space or through virtual media, such as the internet. Markets are sometimes defined by forces of supply and demand, rather than geographical location eg. Imported cereals make up 40% of the market.

Modality: Modality refers to the form of assistance (eg. cash transfer, vouchers, in-kind, service delivery, or a combination of modalities). This can include both direct transfers to household level, and assistance provided at a more general or community level, such as health services or WASH infrastructure.

Multipurpose cash transfer (MPC): These are transfers (either periodic or one-off) corresponding to the amount of money required to cover, fully or partially, a household's basic and/or recovery needs. The term refers to transfers designed to address multiple needs, with the transfer value calculated accordingly. MPC transfer values are often indexed to expenditure gaps based on a *Minimum Expenditure Basket (MEB)*, or other monetised calculation of the amount required to cover basic needs. All MPC are unrestricted in terms of use, as they can be spent however the recipient chooses.

Remittance: Money sent from one person to another, eg. money sent home from emigrants working abroad.

Unconditional transfer: Unconditional transfers are provided without the recipient having to do anything in order to receive the assistance.

Unrestricted transfer: Unrestricted transfers can be used as the recipient chooses ie. there are no limitations imposed by the implementing agency on how the transfer is spent. Cash transfers are, by definition, unrestricted in terms of use.

Vendor: Supplier of goods and services. They may be contracted by a humanitarian organisation to participate in a cash-based intervention.

Voucher: A paper, token or e-voucher that can be exchanged for a set quantity or value of goods or services, denominated either as a cash value (eg. $15) or predetermined commodities (eg. 5 kg maize) or specific services (eg. milling of 5 kg of maize), or a combination of value and commodities.

127 *Online TDM Encyclopedia*, 2018, http://www.vtpi.org/tdm/tdm117.htm, accessed on the 22nd December 2018

Annex 2 - DFAT: CTP Service Provider Capacity Assessment, Vanuatu

COUNTRY PROGRAMME: Oxfam Vanuatu
DISTRICTS: Efate, Shefa Province & Luganville, Sanma Province
DATES: August 08 – September 07, 2018

ASSESSMENT LEAD: Francesca Reinhardt, Oxfam Cash HSP
SUPPORT: Cash Feasibility Team, Oxfam Vanuatu

1.1 INTRODUCTION

Oxfam is leading a Cash Transfer Feasibility Study for Vanuatu, funded by DFAT Australia. As a part of this study, this report summarises the Service Provider Capacity Assessment conducted in August 2018. The assessment focuses on the financial services sector, with a brief mapping of supply chains for essential goods. The assessment is not intended to evaluate individual providers, but to indicate what goods and services are available on the market.

In addition to private sector engagement and interviews in Port Vila, a rapid field assessment was conducted in Luganville. The objective was to learn more about available services, and the financial behavior of users, particularly potential beneficiaries of a humanitarian response (internally displaced people from Ambae.) The field assessment was very rapid and not very robust, and serves as supplementary information for further verification.

1.2 SUMMARY CONCLUSIONS

FINANCIAL SERVICE CAPACITY

- Major national and international banks operate in Efate and Luganville, and the Post Office and Western Union offer money transfer. A few (NBV, ANZ, the Post Office) have branches or agents across the Province.
- Most banks have payroll services, but not organised cash-out. They do not yet have experience of mass registration of bank accounts, or else bulk-payment through checks or other transfer instruments and organised cash-out.
- In a crisis, people withdraw cash to cover their basic needs; both NPFV and Cooperatives are giving residents of Ambae exceptional permission to withdraw their savings.
- Mobile money services have not yet been launched in Vanuatu

MARKET CAPACITY

- Essential goods are easy to supply regionally, but the challenge is getting them to markets which are accessible to beneficiaries; however there is a tendency for displaced populations to move towards market centres
- A few large wholesalers control most of the importation of essential commodities and manufactured goods and distribute to smaller retailors across the country
- Local consumption is a small percentage of national imports compared to tourism and regional trade flows
- Lack of infrastructure (transport, ports, and warehousing,) leads to delays, loss and damage of goods, and higher costs

1.3 METHODOLOGY

The Service Provider Capacity Assessment is intended as a survey of markets and services, not an evaluation of individual providers. Work was conducted in August in Vanuatu, with additional reporting in September.

- Desk review: regulators, national policy, and humanitarian coordination; scoping of financial service providers (FSPs,) support services, transporters, and key commodity suppliers
- Interviews: regulators, financial service providers, support services (telecoms,) two transporters and one wholesaler;
- Field visit: Luganville; rapid markets and infrastructure assessment and Focus Group Discussion with potential beneficiary group (displaced people from Ambae;) shorter interviews with a variety of retailors; meetings with local authorities, financial institutions, and department of cooperatives
- Private sector engagement event, August 29: information on CTP service requirements and a short risk-mapping activity with businesses and service providers; in cooperation with the Vanuatu Chamber of Commerce and Industry (VCCI,) and Vanuatu Business Resilience Committee (VBRC)

1.4 CONTEXT: REPUBLIC OF VANUATU

A small island nation, the Republic of Vanuatu has a population of 270,000 people (World Bank) spread over roughly 80 islands in the South Pacific. With four larger islands, most economic activity and infrastructure is concentrated in the capital, Port Vila on Efate Island, Shefu Province, and in the secondary commercial centre, Luganville, Santo Island, Sanma Province. The islands of Tana and Malekula also have commercial centres and some infrastructure, although critically no ports for large ships. While most food is locally produced through subsistence agriculture, cargo shipping is critical for fuel, manufactured goods, and non-perishable food. Vanuatu is one of the most disaster prone countries in the world, with numerous volcanos, earthquakes, and cyclones. Cyclone Pam in 2015 had a serious impact on the country, as has the recent volcanic eruption on the island of Ambae.

Vanuatu has relatively low penetration of financial services, particularly in rural areas. According to the National Financial Inclusion Strategy 2018-23, led by the Reserve Bank of Vanuatu (RBV,) 37% of adults aged 15 and over have a commercial bank account, and another 10% access financial services from other institutions such as microcredit institutions or cooperatives. The strategy aims to roughly double this rate by 2023, and raise the rate of female bank account holders to 50%. As of 2018, Vanuatu has 4 retail banks, 5 off-shore investment banks, all regulated by RBV, and a handful of credit unions regulated by the Vanuatu Financial Services Council (VFSC.) Cooperatives are regulated by Ministry of Industry and Trade. There are two mobile phone companies, Telecom Vanuatu Limited (TVL) and Digicel, but full mobile money services have not been launched. One bank, ANZ, has launched a mobile payment service, GoMoney, in 2017. Vanuatu Post provides money transfer via a Western Union franchise (international transfers,) and Kwik Cash (domestic.) There is also a separate Western Union franchise. Overall there is both a high rate of remittances, but also net out-going cash from certain islands.

2. PRIVATE SECTOR CAPACITY

A) FINANCIAL SERVICE PROVIDERS

The four major retail banks all provide pay-roll services to bank accounts and have reasonable infrastructure in the main cities of Port Vila and Luganville. National Bank of Vanuatu (NBV) and Vanuatu Post are the only providers with significant presence beyond those centres. Agent networks, FPOS and ATMs are limited outside the main commercial centres of Port Vila (Efate Island, Shefa Province,) Luganville (Santo Island, Sanma Province,) Lakatoro (Malekula Island, Malampa Province,) and Lenakel (Tana Island, Penama Province.) While there is uneven coverage of services, in terms of humanitarian response, displaced populations tend to move towards these major centres in times of crisis.

There is a precedent for cash withdrawals during crises, as public services such as the National Pension Fund (VNPF,) and the cooperatives have authorized withdrawal of savings during public states of emergency. The cashflow and withdrawals are largely facilitated by NBV. NBV is also trying to keep up with the demand for withdrawals in Luganville, where this is a large displaced population from Ambae Island, which is affected by a volcano. However, so far the withdrawals are made on an individual basis, and only about a third of the adult population has bank accounts (NFIS.)

The main challenge is for banks is to link their bulk payment or pay-roll services to cash-out services, either in towns or more remote areas, and to link them to the appropriate payment instrument: either mass registration of bank accounts, or else mass issuing of checks or bank notes. They will also have to build capacity to do this at scale and to issue corresponding financial reports. For shorter or quicker interventions, direct payment instruments such as checks may be more appropriate.

The minimum KYC requirements for basic accounts are fairly accessible (two pieces of identification, or else validation by a local chief.) There are legal protocols for delegation of authority for people with special needs. Other access issues for people with special needs could be reviewed with FSPs and stakeholders.

TABLE1: OVERVIEW OF FINANCIAL SERVICE PROVIDERS, VANUATU

Provider	Description	CTP Recommendations
Nationally owned retail banks		
1. NATIONAL BANK OF VANUATU (NBV)	Government owned bank with mandate to extend banking services to rural areas. Highest number of bank branches and focus on financial literacy and inclusion.	Nationwide coverage. Extensive rural coverage and rural banking; established financial literacy programme and rural outreach services. Roving micro-finance agents in remote areas. Pay-roll provider for Government. May need to develop for CTP: system for mass registration of bank accounts or bulk check/transfer system; cash-out services.
Subsidiaries of International Banks		
2. AUSTRALIA AND NEW ZEALAND BANKING GROUP LTC (ANZ)	Regional bank established in Vanuatu in 1971 with retail and commercial banking. Has introduced first mobile money product, GoMoney, in 2017	Good capacity in Port-Vila and Luganville. Pay-roll experience. Established digital banking services, developed by parent company: internet banking, mobile payment product, Go Money, and extensive network of FPOS vendors in urban areas. Start-up of agent network. **May need to develop for CTP (urban:)** mobile payments could be useful in urban areas if a) have efficient mass registration for beneficiaries, b) minimum KYC requirements, and c) can guarantee cash-out. Could consider a Business Client Bulk Payment service using Send Money to unbanked beneficiaries (i.e. sending redemption code to beneficiary mobile phones.) KYC requirements and registration process for pre-paid debit cards may be too high to be feasible.
3. BRED BANK	French bank with credit union history which entered Vanuatu in 2007. Offers retail and commercial banking.	Good capacity in Port-Vila and Luganville. Pay-roll experience. Interest in CSR. **May need to develop for CTP (urban:)** system for a) mass registration of bank accounts plus b) basic personal account with minimum KYC requirements; or bulk check/transfer system; cash-out services. KYC requirements and registration process for pre-paid debit cards may be too high to be feasible.
4. BANK SOUTH PACIFIC (BSP)	Regional bank based in Papua New Guinea, which bought out Westpac Bank in 2017 to enter Vanuatu market. Offers retail and commercial banking	Good capacity in Port-Vila and Luganville. Pay-roll experience. Interest in CSR. May need to develop for CTP (urban:) system for a) mass registration of bank accounts plus b) basic personal account with minimum KYC requirements;or bulk check/transfer system; cash-out services. KYC requirements and registration process for pre-paid debit cards may be too high to be feasible.
Other Financial Institutions regulated by RBV		
5. VANUATU POST	State enterprise with mandate to extend communication services across the country. Offers mail, money transfer, some retail, and services to tourism.	Nationwide coverage. Extensive rural coverage, rural cash transfer and cash handling. Interest in CSR and expanding rural agent network. May need to develop for CTP: bulk-payment or pay-roll system; financial reports. Western Union KYC requirements may be too high to be feasible.

B) MOBILE SERVICE PROVIDERS (MOBILE MONEY)

Mobile money has not yet been launched in Vanuatu. The national telecom provider, TVL, is developing a mobile money product to be launched in 2019, with support from the Pacific Financial Inclusion Plan (PFIP.) There is some discussion of who the financial regulator would be, and how it would fit into the national banking system. National coverage of phone network and use of mobile phones is relatively high, although remote areas do experience network problems and need alternative sources of electricity. The key to making mobile money viable would be developing the agent and vendor network ("eco-system") so that payments and cash-out would be widely available.

ANZ has launched a mobile payments system called GoMoney, however it relies on users having regular ANZ bank accounts, which do not have the widest coverage nationwide. In addition, the agent network is not wide enough for regular purchases using GoMoney.

TABLE2: OVERVIEW OF MOBILE MONEY CONTEXT, VANUATU

	Provider	National Coverage	Agent network	Digital payment service	Financial literacy training	Min. standard KYC accounts	Cash-out
Subsidiaries of International Banks							
1	ANZ	Port-Vila and Luganville branches; some agents on outer islands	Yes; in development	Mobile payments: GoMoney, using Digicel network and SIM. Cash transfer from ANZ account to other GoMoney clients (P2P), to other personal bank accounts, to persons without bank accounts (Send Money,) utilities(P2B), or GoMoney merchants.	No	No	Yes; in theory via ANZ agents
Telecoms, TRR regulated							
2	TVL	Yes; Network coverage of 95% of geographic area	Yes; for phone products	Mobile money product in development for 2019, with support from PFIP	Service not yet launched	Service not yet launched	Service not yet launched
3	DIGICEL	Yes; Network coverage of 92% of geographic area yes	Yes; for phone products	Mobile wallet: payments between Digicel customers	No	No	No

C) SUPPLIERS/WHOLESALERS: ESSENTIAL COMMODITIES

MARKETS: Main economic activity and services are found around Port Vila and Luganville, with secondary activity on Tana and Malekula. Not all islands have active markets; small local food production and commerce may not be able to absorb a sudden cash response for a large part of the population. In addition, not all communities are in close proximity to the markets in their location.

However, displaced populations tend to concentrate in populated areas with some market activity. In addition, regional suppliers might be encouraged to service secondary markets for a period of time either through a joint stakeholder approach with government, or a voucher approach and framework agreements. It might also be worth involving local cooperatives in supplying essential goods and contingency planning, and also to return some of the profits to the local economy.

SUPPLY: Essential goods are relatively easy to supply. Local consumption of essential goods is a relatively low percentage of national trade (compared to tourism, for example,) and very small compared to regional trade flows. There is no likely shortage of essential goods nationally; the challenge is getting it to markets that are accessible to vulnerable populations.

Key food commodities and manufactured goods tend to come from Asia and Australia. There is little inter-island trade of food, partially due to customary restrictions and phytosanitary restrictions. A few large wholesalers based in Port Vila receive shipments, and distribute to affiliates in Luganville, which dispatch to smaller retailers to the north of the country and the outer islands. Distribution to the south of the country is controlled from Port Vila.

TRANSPORT: Cargo transport is largely by container ships and smaller barges and ferries, with some overland travel. Challenges include port infrastructure and lack of warehousing. Only Efate and Santo have ports, and the other islands have minor wharfs goods have to be off-loaded in smaller boats and canoes. The main consequences are delays and loss or damage to goods during off-loading. It also means that container-shipping is not possible off the two main islands.

WAREHOUSING: There is a general shortage of warehousing, particularly on the outer islands. Some of the major wholesalers have their own warehousing.

3. RECOMMENDATIONS ON CTP DELIVERY

CASH

- **Regional cooperation:**
  - Many banks have regional affiliates with experience of mobile money and Bulk Payments; it might be possible for them to request surge team support from other offices
- **Bulk payments via bank accounts**
  - Possible in urban centres with all major banks, but additional support needed for mass registration and cash-out; small pilots encouraged
  - Banks prefer cash transfers via bank accounts as a way of increasing client base;
  - Have to consider how access and fees for bank accounts will affect beneficiaries after the project
- **Bulk payments via cheque/bank note**
  - Banks do not yet offer this as a Bulk Payment service or at competitive rates; however it would speed-up project start-up and would be more suitable for lump-sum transfers or short projects
- **Bulk payments via GoMoney/Send Money Service (ANZ)**
  - ANZ offers Send Money as a way to send money to a phone number via a 6-digit code to be redeemed at ANZ agents; the advantage is that registering phone numbers is easier than bank accounts, although still contributes to start-up time
  - ANZ had not yet integrated Send Money with pay-roll or internet banking
- **Cash-out in Rural areas (with adequate markets:)**
  - Requires a more detailed strategy to ensure access and efficiency
  - Can include mass payment events (which require more organisation, security management, and cash-handling,) or regular staged payments for smaller groups of beneficiaries (which takes longer, more resources, and should not become too predictable to minimise security and compliance issues.)
- **Adapting to users:**
  - The small sample of IDPs interviewed find accessing banks challenging, but are used to using and managing cash
  - They said they comfortable with services in Bislama, even though they usually speak a different local language
  - Could consider using civil society and local NGOs to help adapt and monitor payment process for beneficiaries with special needs
- **Security management:**
  - FSPs are more concerned about fraud than violent crime
  - It's good practice for FSPs to follow their own security and compliance protocols; however they can consult with NGOs and beneficiaries on distribution of payment instruments and cash-out
  - If distribution of payment instruments and cash-out is on the FSP's normal trading premises, security management is at their discretion; if these activites are in a neutral or public space, then normal humanitarian protocol is to keep armed guards to a minimum, and away from the actual site if possible

VOUCHERS

- **Voucher system:**
  - Bespoke voucher services: a "closed loop" smart card or bar-code paper voucher system; simple paper vouchers are easy for beneficiaries to use, however at scale they are difficult to reconcile, not durable, prone to fraud and reproduction
  - No services offered locally at this time; potential challenges using an "open loop" or local smart card product due to anti-money laundering regulation
- **Critical infrastructure:**
  - In the long term, promote ports/wharfs and warehousing with all stakeholders (government, communities, private sector,) as part of disaster preparedness at national and local level

4. PRIVATE SECTOR INTEREST IN CTP

The CTP Feasibility Study has enjoyed good support from the Vanuatu Chamber of Commerce and Industry (VCCI,) and Vanuatu Business Resilience Committee (VBRC.) While the business community is looking for new opportunities, they may also hope to get funding guarantees, which are not available at this time. Most businesses will likely have to look at their business model and start to develop quotes to see if they are really interested in pursuing CTP.

A) FINANCIAL SERVICE PROVIDERS: Major banks are interested, but struggle with the idea of mass registration and also the cash-out process. Some may be interested from a CSR perspective. Apart from NBV and Vanuatu Post, their main focus is urban and peri-urban areas.

B) SUPPLIERS/WHOLESALERS: Suppliers and wholesalers are very much focused on the bottom-line. Some large suppliers like Bon Marche and Punjas had experience working with NDMO and WFP for Cyclone Pam in 2015. Their interest may well depend on where the response is and the terms of the contract.

C) TRANSPORTERS: Transport is a diverse sector consisting of logistics companies, international and domestic shipping agencies, and single-vessel businesses. Maintaining sea-worthy vessels is a challenge and the fact that there is limited export cargo coming from the islands means that many boats do not move on a regular basis. NGOs would probably not be handling transport procurement directly if they are working through vendors, unless there is a large-scale emergency. In either event, transporters might be encouraged by a transparent procurement process, as well as joint logistics planning.

5. RISK ASSESSMENT FOR ROLLING OUT CTP

IMPLEMENTATION

A) Cash transfer

The services for Bulk Payments and Cash-out have not yet been developed by existing FSPs, so small pilots are recommended to build capacity. Potential gaps could be as follows:

- FSPs need to develop a start-up process: Either mass registration of beneficiaries for bank accounts; or mass issuing of payment instruments such as cheques
- FSPs need to develop a cash-out process: This can be developed with NGOs and community consultation to develop a safe and efficient process
- FSPs and NGOs need to agree on KYC requirements, plus protocols for beneficiaries with special needs: there are legal provisions for this, but must be understood on all sides and achievable for beneficiaries; community groups should also be involved
- FSPs and NGOs need to agree on financial reports: format and frequency; most banks have some kind of automatically generated report. NGOs should check that these meet their donor and audit requirements.
- FSPs and NGOs need to agree on an exit strategy: what will happen to any accounts that are created after the project? Beneficiaries must be aware and able to opt out of any fees or charges that may apply to them, or have the option of closing the account. FSPs can of course consider extending services to improve access, but beneficiaries must have the choice to opt out.

Standard risk mitigation:

- Accountability: NGOs should work with communities to ensure adequate feedback and accountability systems are in place
- Security management: there does not appear to be a high incidence of violent crime linked to cash; however the FSP should review its cash-handling procedures, and NGOs should involve the community in risk-mapping and mitigation around beneficiary identification and payment process

B) Vouchers

Since voucher systems are relatively new to Vanuatu and it is a challenging (and potentially expensive) logistical context, it is important that vendors understand the process and have clear expectations. NGOs should work with them closely in the start-up phases to avoid misunderstandings later.

- Procurement process: NGOs should be clear on the selection process and criteria. However if the major providers are not based locally, the NGOs may also consider some selection criteria and/or capacity building to include smaller local vendors and cooperatives.
- Payment times: vendors need to understand that payment is based on reconciliation of vouchers redeemed by beneficiaries, as well as finance processing times
- Price stability: It's possible that prices for goods and transport may spike during an acute crisis, or if vendors get accustomed to the voucher system; NGOs may consider framework agreements with leading vendors to try to mitigate unnecessary price changes.
- Ports and warehousing: As ports and warehousing are limited, this means goods are at risk of damage during off-loading; this means timing of voucher fairs or voucher reimbursement may have to be managed carefully.

Standard risk mitigation:

- Accountability: NGOs should work with communities to ensure adequate feedback and accountability systems are in place
- Quality Control: Vendor committees, NGO logistics, and beneficiary committees should all be involved in checking the quality of goods provided
- Security management: there does not appear to be a high incidence of violent crime; however the NGOs should involve the community and vendors in risk-mapping and mitigation around beneficiary identification and the voucher cycle

CONTINGENCY PLANNING:

Rapid onset emergency or mass displacement crisis:

- **Goods and services rely on infrastructure and communication in Port Vila and Luganville**
  - Massive shocks like Cyclone Pam (2015) require rapid repair and reconstruction response
  - Key infrastructure includes telecommunication towers, fuel supply, and ports
- **If main infrastructure is intact, goods and services can be delivered with the main constraints being delays**
  - Displacement crises require surge capacity to meet increased demand in displacement areas
  - Have to look at cost-effectiveness
- **Biggest risk to delivering goods is loss or damage through transport and warehousing limitations**
  - Vouchers may be an approach that gets vendors to work more closely with transporters to manage these risks

MEMBERS OF VANUATU BUSINESS RESILIENCE COMMITTEE PARTICIPATED IN MARKET MAPPING EXERCISE, AUGUST 29, 2018

IMAGE1: MARKET MAPPING OF IMPORTED RICE

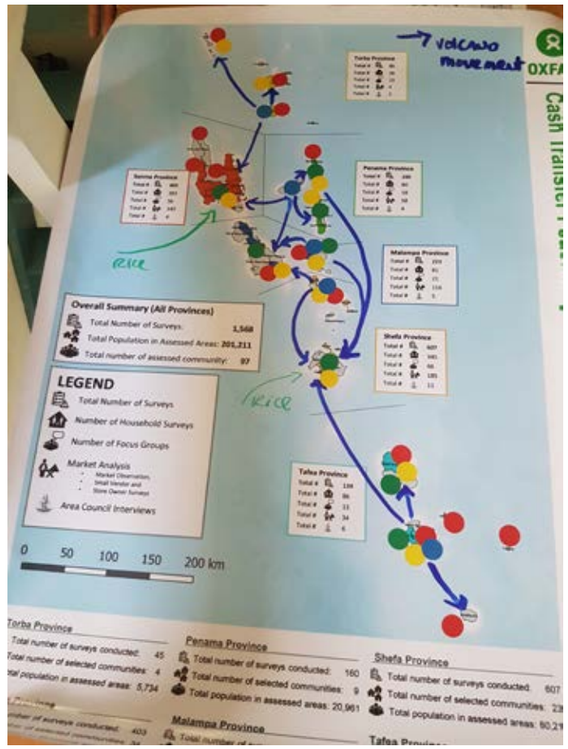
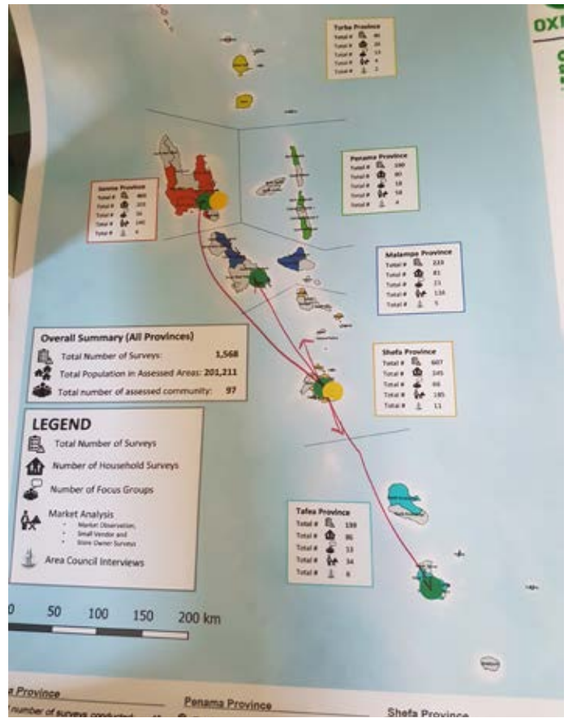


IMAGE2: CIRCULATION OF CASH (GREEN) AND FUEL DEPOTS (YELLOW)



6. BIBLIOGRAPHY

1. Vanuatu National Financial Inclusion Strategy, 2018-2023, Reserve Bank of Vanuatu

Annex 3 - Cash transfer feasibility score calculation

CTP FEASIBILITY SCORE CALCULATION PER INDICATOR

This document provides preliminary information on the cash transfer feasibility scoring system method. This is not the final version of the document.

1) Vanuatu CTP feasibility assessment map score review

Q: Who is updating it?
A: Oxfam staff

Q: Who needs it?
A: Oxfam staff in charge of CT program

Q: What does it measure?
A: Acceptance, access, appropriateness and market capacity for *CT*

Q: Which purpose?
A: Give indication on where CT is possible in Vanuatu

Q: Format
A: Printed

Q: Where can we find it?
A: In each Oxfam office in Vanuatu and other relevant partners

Q: When is it updated?
A: After each new pertinent survey

Q: How is it updated?
A: A trained Oxfam staff include new information and recalculate the score

Q: Why that kind of indicator?
A: Visual, concise, easily understandable, transparent and progressive guide

2) Scoring system

To be concise, we need to introduce some notation for the score calculation.

a) Notation:

X: variable (or a question in a survey)

x_i: the i th value of the X variable (answer to question in a survey among different answers)

W_x: the weight of the X variable in score calculation

SV_x^i: the Score Value for the ith modality of the X variable.

b) Scoring system structure

Key questions are identified to give pertinent information on the chosen idea (Access, Acceptance, etc.) regarding CTP. Each question corresponds to a weighted variable involved in the score calculation.

For HH access score (for another score refer to appendix):

X	W_x
Province	0,3
Financial service use frequency	0,2
Hhmain income	0,2
Financial acccess	0,1
Place of purchase	0,1
Market variety	0,1

The weight choice is based on qualitative knowledge on cash transfer and can evolve.

Then, for each variable, a score value SV_x^i from 0 to 5 is affected to each value x_i of the variable for example:

Province value x_i	SV_x^i
Malampa	2
Penama	1
Shefa	5
Sanma	4
Torba	0
Tafea	3

(for other SV_x^i refer to appendix)

As the weight, Score Value can be changed regarding evolution of knowledge.

Then the score calculation uses a linear function for each survey.

$$\text{Score} = \sum_x W_x . SV_x^i + \sum_x \frac{W_x . \sum SV_x^i}{n_x}$$

The first term is for single answer questions and the second one for multiple answers questions where it is divided by the number of answers n_x

At the moment, Access and Appropriateness are calculated with the Household survey data, Acceptance is calculated with the Focus Group survey data and Market Capacity is calculated with the Small Vendor survey data.

Each survey gives a score associated to geographic coordinates; those data are then transferred to a GIS software for visualisation.

c) Evaluating the quality of the system

When possible, statistical tests such as Chi squared test or correlation calculation are done to give information on pertinence regarding the question and the weight choices.

Those tests allow to identify the presence or absence of relationship between variables. Once relation is established, qualitative analysis is done to adjust weight and score value.

X	W_x
Province	0,3
Financial service use frequency	0,2
Hhmain income	0,2
Financial access	0,1
Place of purchase	0,1
Market variety	0,1

Province value x_i	SV_x^i
Malampa	2
Penama	3
Shefa	5
Sanma	4
Torba	0
Tafea	3

Financial service use frequency x_i	SV_x^i
Don't know/Not relevant	0
Once a month	3
Once a week	5
Once a year	1
Twice a year	2

Market variety x_i	SV_x^i
Yes	5
No	0

Hhmain income x_i	SV_x^i
Agriculture - cash crop	1
Agriculture - subsistence	1
Fishing - cash crop	1
Livestock rearing (for cash)	1
Livestock rearing (subsistence)	1
None	2
Remittance	4
Salaried position (ex-Government)	5
Seasonal labor/casual work	5
Selling in market	5
Trade/small business (bungalows)	5
Trade/small business (selling goods in market)	5
Trade/small business (shop, bus/transport)	5

Place of purchase x_i	SV_x^i
Big market	5
Small market	3
Big shops	5
Small store	2
Travelling mobile store	2
Cooperative	2
Individuals in the community	2
Barter	0
Buy from travelling ship	1

Appropriateness tables

X	W_x
Top 5 expenditures	0,3
Assistance delay	0,2
Post disaster assistance priority needs	0,2
CT effect	0,15
Post disaster assistance access	0,15
Market variety	0,1

Top 5 expenditures x_i	SV_x^i
Food for family	5
Health needs	5
School fees	2
School materials	3
Clothing for household	5
House repairs	3
Household economic activities or family business	2
Paying back debts	0
Travel & transportation	2
Non-food items and household goods	2
Leisure activities adults	0
Leisure activities children	0
Church contributions	0
Family contributions	1
Community events	1

Assistance waiting time x_i	SV_x^i
> 4 weeks	5
1 day	0
1 week	2
2 weeks	3
3 days	1
4 weeks	4

Post-disaster assistance priority needs x_i	SV_x^i
Water	5
Shelter	5
Food	5
Health	4
Access to services	1
Communication	2
Planting materials and tools	3
Hygiene	4
Don't know/Not relevant	0

CT effect x_i	SV_x^i
Positive	5
Negative	0
None	2

Post-disaster assistance access x_i	SV_x^i
Yes	0
No	5

Acceptance tables

X	W_x
Assistance relevance	0,1
Assistance problem	0,1
Assistance preference	0,3
CTP relevance	0,3
CTP type preferred	0,1
CTP appropriate	0,1

Assistance relevance x_i	SV_x^i
No	5
Yes	0

Assistance problem x_i	SV_x^i
Targeting is unfair	2
Not enough distribution for everyone	2
Assistance is not what people need	5
Assistance comes too late	5
Jealousy by non-recipients	1
Assistance is difficult to access	5
Corruption	4
Assistance causes tensions in the community	4
No PDO or CDCCC in place to coordinate	3
Coordination is poor	3
We are not consulted about what we want to receive	4

CTP relevance x_i	SV_x^i
Don't know	1
Maybe	3
No	0
Yes — we could have met all our priority needs	5
Yes — we could have met some of our priority needs but not all	5

Assistance preference x_i	SV_x^i
Cash	5
Voucher	3
Voucher for food	3
Voucher for agriculture tools and seeds	3
Voucher for shelter and repair materials	3
Voucher for water and sanitation products	3
Voucher for essential goods	3
Receive food	0
Receive agriculture tools, seeds	0
Receive shelter and repair materials	0
Receive water and sanitation products	0
Receive essential goods	0

CTP type preferred x_i	SV_x^i
Cash with no restrictions	5
Vouchers (to buy specific things)	3

CTP appropriate x_i	SV_x^i
Yes	5
No	0

Market capacity tables

X	W_x
Province	0,3
Market type	0,2
Vendor type	0,1
Vendors number	0,05
Products frequency	0,1
Customers numbers	0,1

Vendors number x_i	SV_x^i
5	2
10-20	4
5-10	3
Less than 5	1
more than 20	5
None (0)	0

Province x_i	SV_x^i
Malampa	1
Penama	2
Sanma	4
Shefa	5
Tafea	3
Torba	0

Products frequency x_i	SV_x^i
At least once a week	3
Every day (or most days)	5
I don't have a schedule	0
I only sell when I have supply	1
Once a month	1
Once every two weeks	2

Market type x_i	SV_x^i
Central (large city) market	5
Medium size community market	3
Not in market/outside/in community	2
Other	0
Regional supply market	3
Retail	4
Small community market	1

Customers numbers x_i	SV_x^i
10-20	4
5	2
5-10	3
Less than 5	1
More than 20	5

Vendor type x_i	SV_x^i
Individual vendor; (sells own production, vegetables, fruits, meats, handicrafts etc)	2
Other type of vendor	0
Retail shop vendor (works for the shopkeeper)	5

Annex 4 - Raw CTP feasibility scores

Province	Area council	Overall Score Low 0 - 1.60	Overall Score Med 1.61 - 3.2	Overall Score High 3.21 - 4.8	Market Capacity Low 0 - 1.60	Market Capacity Med 1.61 - 3.2	Market Capacity High 3.21 - 4.8	Access Low 0 - 1.60	Access Med 1.61 - 3.2	Access High 3.21 - 4.8	Acceptance Low 0 - 1.60	Acceptance Med 1.61 - 3.2	Acceptance High 3.21 - 4.8	Appropriateness Low 0 - 1.60	Appropriateness Med 1.61 - 3.2	Appropriateness High 3.21 - 4.8
MALAMPA	CENTRAL MALEKULA		2.45			1.98			2.67				3.40		2.47	
	NORTH AMBRYM		2.45			1.64			2.85				3.21		2.90	
	NORTH EAST MALEKULA		2.12			1.64			1.95				3.30		2.84	
	SOUTH EAST MALEKULA		2.03		1.45				2.62			2.70		1.68		
	SOUTH MALEKULA		2.40		1.60				2.96			3.02			2.61	
	WEST AMBRYM		2.30			2.17			2.15				3.31		2.39	
PENAMA	NORTH MAEWO		1.75					1.03					3.61		2.84	
	SOUTH PENTECOST		2.16		1.48				1.95				4.15		2.75	
	NORTH PENTECOST		2.14		1.59				2.17				4.16		2.11	
SANMA	CANAL - FANAFO		2.62			1.62			3.28			3.10			1.69	
	EAST MALO		2.69			2.30			3.16				4.09		2.61	
	EAST SANTO		3.08			1.93			4.15			3.01			2.01	
	LUGANVILLE			3.24		2.58	3.35		3.80				3.35		1.88	
	SANTO SOUTH EAST		2.51			2.25			3.05				3.38	1.53		
	SOUTH SANTO		2.37			2.18			2.74				3.37	1.50		
	WEST MALO		2.73			2.54			3.26			2.52			2.15	
	WEST SANTO		2.04		NA				2.04			3.00		1.56		
SHEFA	ERATAP			3.69			4.00		4.07			NA			2.32	
	ERAKOR			3.67			3.67		4.34				3.73		2.32	
	MELE			3.55			3.56		3.82				3.88		2.87	
	NGUNA			3.30		2.97			4.07				3.61		2.28	
	NORTH EFATE			3.30		3.13			4.07			2.43			2.55	
	PORT VILA			3.97			4.0		4.70				3.70		2.62	
	TONGOA			3.35		2.68			4.33				3.91		2.46	
	VERMALI			3.33		2.98			3.97				3.66		2.60	
TAFEA	ANIWA		2.63			2			2.51				4.88		3.02	
	MIDDLE BUSH TANNA	1.197			0.75			0.74				2.78		2.21		
	NORTH ERROMANGO		1.91			1.75		0.96					4.26		3.00	
	SOUTH WEST TANNA		2.98			2.23			3.48				4.16		2.94	
	WEST TANNA			3.23			3.38		3.34				3.70		2.52	
	WHITESANDS		2.25		1.48				2.22				3.88		3.09	
TORBA	GAUA	1.206			NA			0.13				2.95		2.48		
	VANUA LAVA	1.200				3.14			2.00			2.89			2.81	

The Vanuatu Cash Transfer Feasibility Assessment conducted in 2018 was supported by the Australian Government under the Australian Humanitarian Partnership Disaster READY program.