

CVA Feasibility Assessment Report



Cash and Voucher Assistance (CVA) Feasibility Assessment Report

Lubombo Region, Eswatini

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List of Acronyms

BERCS	Baphalali Eswatini Red Cross Society
BRC	British Red Cross
CVA	Cash and Voucher Assistance
EVCA	Enhanced vulnerability and capacity assessment
DMO	Disaster Management Officer
FGD	Focus Group Discussion
FSP	Financial Service Provider
GBV	Gender Based Violence
IFRC	International Federation of the Red Cross and Red Crescent Movement
IPC	Integrated Food Security Phase Classification
KII	Key Informant Interview
MEB	Minimum Expenditure Basket
MTN	Mobile Telecommunication Corporation
NMDA	National Disaster Management Agency
SOP	Standard Operating Procedure
SZL	Swazi Lilangeni (currency of Eswatini)
WFP	World Food Programme



Executive Summary

This Cash and Voucher Assistance (CVA) Feasibility Assessment was conducted in the Lubombo Region, Eswatini, to evaluate the potential for implementing CVA as a humanitarian response modality. The assessment focused on four chiefdoms: Lomahasha, Maphiveni, Shewula, and Mafacula, which are among the most vulnerable communities in the region.

The Lubombo region faces significant challenges, including high levels of food insecurity, driven by prolonged dry spells, high food prices, and reduced income opportunities. The 2023/24 agricultural season saw substantial declines in staple crop production, exacerbating the food crisis. Approximately 25% of the population in the Lubombo Plateau livelihood zone is classified as being in IPC Phase 3 (Crisis) or worse¹.

Primary data collection methods included semi-structured interviews with key informants, focus group discussions (FGDs) with community members, and key informant interviews (KIIs) with vendors and financial service providers (FSPs). Secondary data analysis was also conducted to support and cross-reference findings.

Key findings indicate that communities have a strong preference for receiving assistance through cash transfers via mobile money, primarily due to its flexibility and accessibility. MTN emerged as the most suitable FSP, given its extensive network coverage and reliability. However, challenges such as limited access to national ID documents in Shewula and occasional liquidity issues among smaller vendors were identified.

The assessment concluded that CVA is feasible in all assessed communities, with cash transfers being the preferred modality. It is recommended to continue utilising MTN as a financial service provider, actively engaging them in community sensitisation activities in advance of further projects. The Minimum Expenditure Basket (MEB) should be updated to reflect current costs, with provisions for additional expenses considered.

The implementation of CVA in the Lubombo region has the potential to significantly improve food security and resilience among vulnerable households and support local traders, provided that the identified challenges are addressed through targeted interventions and community engagement.

¹ IPC Eswatini Report – July 2024. <https://www.ipcinfo.org/ipc-country-analysis/en/?country=SWZ>



Introduction

The Lubombo region, located in the eastern part of Eswatini, is one of the four administrative regions of the country. It is one of the poorest regions in Eswatini, Lubombo faces high levels of food insecurity. According to the latest Integrated Food Security Phase Classification (IPC) analysis, approximately 25% of the population in the Lubombo Plateau livelihood zone is classified as being in IPC Phase 3 (Crisis) or worse. This high level of insecurity is driven by factors such as prolonged dry spells, high food prices, and reduced income opportunities. The region's agricultural sector has also been hard hit by adverse weather conditions. The 2023/24 agricultural season saw significant declines in the production of staple crops such as maize, sorghum, and groundnuts, further exacerbating food insecurity¹.

Baphalali Eswatini Red Cross Society (BERCS) has established itself as a key player in the implementation of Cash and Voucher Assistance (CVA) in Eswatini. Since 2015, BERCS has been at the forefront of using cash transfers as a humanitarian response modality, working in collaboration with other Red Cross and Red Crescent Movement partners, such as the Finnish Red Cross, the International Federation of the Red Cross (IFRC), and the British Red Cross (BRC). BERCS has supported over 25,000 households through various forms of CVA, addressing food insecurity, improving livelihoods, and enhancing the resilience of vulnerable communities, including in several constituencies within the Lubombo and Shiselweni regions such as Somtongo, Matsanjani, Sigwe, Hosea, Kubuta, Sithobela, Lubuli, and Nkilonko.

This CVA feasibility and market assessment will provide insights into the most effective ways to support some of the region's most vulnerable communities.

Scope of the Assessment

This CVA feasibility assessment focuses on three chiefdoms in the Lomahasha constituency: Lomahasha, Maphiveni, and Shewula; and one chiefdom in the Mhlume constituency: Mafacula.

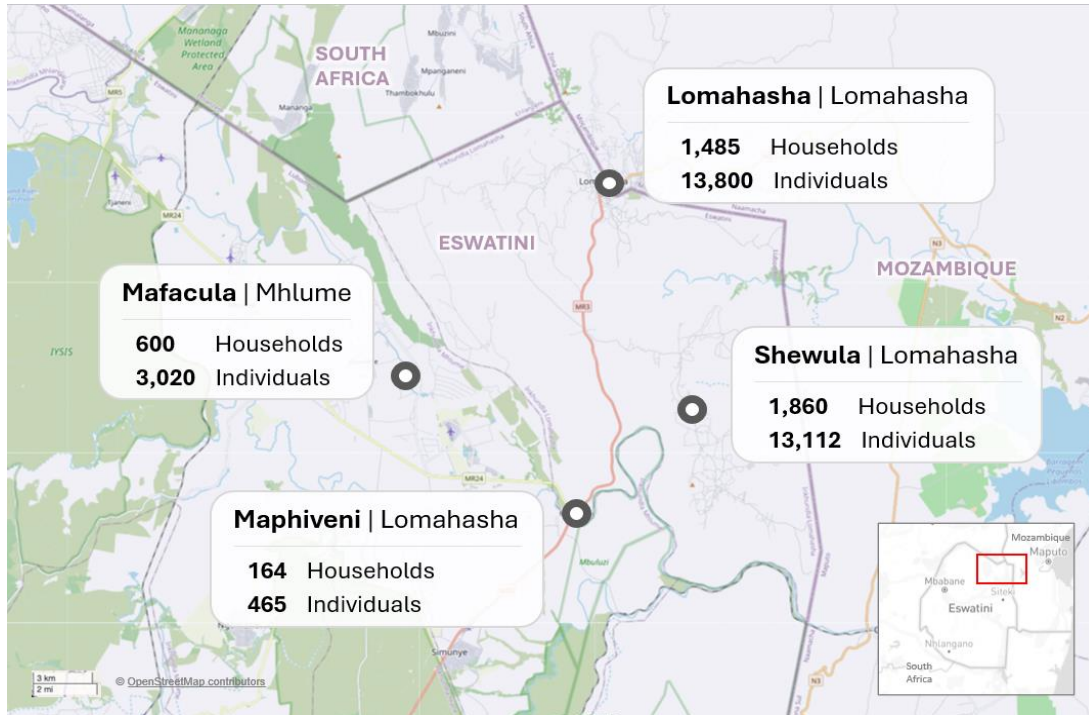
Communities

Shewula is a rural community located on the Lubombo Plateau. The chiefdom is made up of 1,860 households and has a population of 13,112. The community is largely agricultural, with residents engaging in subsistence farming of crops such as maize and vegetables.

Lomahasha is located near the border crossing with Mozambique, serving as a key border town, facilitating trade and movement between the two countries. It is also just 5km from Eswatini's northern border with South Africa. The chiefdom is made up of 1,485 households and has a population of 13,800 people.

Maphiveni is a small village situated equidistant between the larger towns of Lomahasha and Simunye, in close proximity to the main road. Maphiveni has a population of 465 which are part of 164 households.

Mafacula is a community located in the Mhlume region. The residents of Mafacula were relocated from their ancestral lands to accommodate the development of the Royal Eswatini Sugar Corporation. The community of 600 households is now located behind the sugar cane farms, approximately 2km north of the MR24 road.



Map of the four assessed Chiefdoms in Lubombo.

Objectives

The specific objectives of the assessments were to:

- Determine the feasibility of CVA from three perspectives: a) the needs and preferences of the local population; b) BERCS’s ability and suitability to engage in CVA in the region; and c) the suitability of BERCS’s existing financial service provider for this geographical area.
- Determine the market suitability for CVA in the Lubombo region.
- Identify relevant risks and propose appropriate mitigation measures

Assessment Methodology

Primary data collection

The assessment methodology included a rapid market assessment, semi-structured interviews with key informants from other humanitarian actors and the national disaster management agency, financial service providers and market vendors, as well as focus group discussions with targeted communities.

Focus Group Discussions

Location	Date	Details
Shewula, Lomahasha	18 November 2024	FGD with women FGD with men - Representation from youth, elderly and community leadership.
Lomahasha, Lomahasha	18 November 2024	FGD with women FGD with men - Representation from youth, elderly and community leadership.



Maphiveni, Lomahasha	20 November 2024	FGD with women FGD with men - Representation from youth, elderly and community leadership.
Mafacula, Mhlume	20 November 2024	FGD with women FGD with men - Representation from youth, elderly and community leadership.

Interviews with agencies and FSPs

Location	Date	Details
WFP Eswatini HQ, Mbabane	25 November 2024	Interview with Senior Programmes Officer, Programmes Officer and Budget and Finance Officer of WFP.
NDMA Office, Mbabane	26 November 2024	Interview with Field Coordinator and Food Assistance Coordinator of NDMA.
BERCS Headquarters, Mbabane	27 November 2024	Interview with Response Manager of World Vision.
Instacash Head Office, Mbabane	26 November 2024	Interview with Business Enterprise and Communications leads
MTN Headquarters, Mbabane	27 November 2024	Interview with Development Manager and Business Partner (Red Cross Account Manager) of MTN
Lomahasha, Simunye, Mafacula	19 – 21 November 2024	Interviews with four cash agents (3 MTN; 1 Instacash)

KIIs with venders

Location	Date	Details
Lomahasha, Lomahasha	19 and 21 November 2024	Interview with the owner of the New Savings Centre Interview with the manager of Ali's Supermarket Interview with the owner of Choice Investment Supermarket
Simunye, Lomahasha	19 November 2024	Interview with store manager of Boxer Supermarket
Mafacula, Mhlume	20 November 2024	Interview with the owner of Phila Ngiphile Groceries
Maphiveni, Lomahasha	21 November 2024	Interview with the owner of Maphiveni Supermarket Interview with the owner of Mpumalanga Groceries
Matsapha	25 November 2024	Interview with the Sales Manager of Southern Trading Company
Manzini	25 November 2024	Interview with the buyer of Price Right



Secondary Data Analysis

Additional documents were also reviewed to support and cross-reference any assessment findings. This included the BERCS CVA SOPs, draft findings of BERCS EVCA in the Lubombo region (October 2024), the 2024 IPC report for Eswatini and previous market assessments done in the Lubombo region.

Assumptions

Given pre-existing knowledge of the context, the assumption was made that Mobile Money would be the preference for people to receive cash assistance. Tools were therefore adapted with that in mind and focus group discussions did not look deeply at other modalities of cash transfer unless these were specifically raised during discussions.

Limitations

One limitation of this assessment was that members of one community as well as some retailers indicated that they utilise markets and suppliers in South Africa, which were beyond the scope of this study for reasons of practicality.

Key Findings

Communities

Basic Needs

The priority basic needs for the communities were:

- Access to food. Respondents highlighted a persistent struggle with food affordability, particularly during the lean season.
- Healthcare. Access to healthcare comes with related travel costs, and often pharmacies / healthcare providers lack access to basic medicines.
- Water. Access to clean and safe potable water is a challenge for community members in Shewula and Lomahasha, with people having to travel up to an hour to their nearest safe water source.

Other priorities highlighted by communities were:

- Education. Respondents highlighted their desire to keep their children in education into secondary school, but enrolment fees, transport and other associated costs make this unaffordable and often pushes households into debt.
- Access to employment opportunities. Opportunities to engage in income generating activities are limited and have led to high unemployment.

Key Commodities

Across the four communities, FGD respondents identified priority household commodities as per below².

² Assumption of household size of five people.



Commodity	Amount required for one month
Maize Meal	50kg
Cooking Oil	2L
Beans	5kg
Rice	10kg
Sugar	2kg
Laundry Soap	4 bars

The exceptions within this were that in Shewula there was a slight preference for additional rice, likely linked to origins of some of the population in Mozambique where it is considered more of a staple food.

There were no issues reported with access to food for respondents at their key marketplaces, but that prices have steadily increased over the past few years

Access to cash

Across all four locations, participants in focus groups indicated that community members had access to and were used to using cash, regardless of gender or age. This is predominantly through the form of mobile money, which is widely used and trusted due to its convenience and familiarity with the technology that has been developed over time. There is however a strong preference for people to withdraw their cash to use as physical cash.

Similarly, there were no known issues related to ethnicity, gender, age or security which limit the ability of certain members of communities accessing cash.

Consensus on who in the household was responsible for looking after and making decisions on the use of cash varied depending on who was asked; women indicated that this was usually them given they tended to be responsible for the cooking and food supplies, whereas men indicated that decisions were made by the people who had provided the money to the household, which was more often themselves.

Access to financial services

Mobile money is the most common form of financial services across all four communities, seen to offer a reliable and accessible means of transaction. The most popular provider of mobile money is MTN which was used by all members of FGDs in all communities.

In order for someone to open an account with MTN, they require an MTN SIM card and a national ID document. It is also required to present the relevant ID document when making withdrawals / payments. This requirement is a barrier for some community members in accessing financial services given they do not have national ID documents. It was suggested that this is particularly relevant for the community in the Shewula region, where it was suggested that as many as 50% of the population might not have an ID document. It is assumed that that is an overestimation, and KIIIs confirmed that this figure is likely closer to 10-15% and relevant for members of the community who are parts of households previously displaced from Mozambique. They are instead reliant on family members or neighbours to access the financial infrastructure. This is also the practice widely used by humanitarian actors when delivering cash assistance, whereby someone is registered as a 'proxy' to act on behalf of someone else. It is acknowledged that this is not the ideal scenario or solution, but considered the most suitable in the circumstances.



Similar ID issues were not reported in any of the other communities, where it was felt that only a small minority of residents didn't have access to documents (estimated at <2%), largely down to previous efforts of the constituency to increase uptake.

The use of formal banking services is not common in any of the four communities given the limited banking infrastructure and uptake of bank accounts for those largely dependent on informal or temporary employment.

Access to and use of Mobile Phone Technology

Mobile phone ownership is nearly universal in the assessed communities, with most households possessing at least one mobile device, or having access to one via a household member. The primary mobile network provider is MTN, which is favoured for its reliability, comprehensive service offerings and network coverage in the assessed locations.

Labour Market

The labour market in the assessed communities is characterized by a high dependency on seasonal and informal employment. Male residents predominantly seek work as seasonal labourers in the sugar cane fields, earning up to 3,000 SZL per season³, depending on how many months are worked. Women often engage in small-scale trade such as selling vegetables at small stalls or door-to-door. Permanent employment opportunities are scarce due to limited hiring by local companies and the introduction of new technology and irrigation systems which have reduced the need for manual labour. There is also a preference for companies to offer employment to people with prior experience in like-for-like work, which creates a further barrier to individuals accessing employment opportunities. Lack of stable and sustainable employment outside of the region leads to increased household sizes as individuals return to their family homes.

Although typically communities that engage in subsistence agriculture, a combination of lack of inputs and infrastructure, such as irrigation systems, mean this is not currently plausible. Limited access to land and/or fertile soil is a further barrier in Mafacula and Maphiveni, however FGD respondents discussed a willingness to expand into different livelihood practices.

Debt

Debt is a common issue within the four communities, although seen as less prevalent in Lomasha compared to the other three.

The main reasons cited for incurring debt included purchasing household food stocks and covering educational or health expenses. Debt tends to be incurred either to informal loan lenders (loan sharks), to MTN – who offer loans of up to 600 SZL – or via credit to local vendors. Interest rates on loans are around 30%. Credit to local vendors is more readily available to elderly members of communities who are seen as being more vulnerable whilst also having access to more sustainable access via government elderly person grants.

Debt levels tend to be higher in January and February due to school fees and during the lean season, October – March, when food insecurity is at its peak.

Assistance

³ As of 30 November 2024, 1 USD = 18 SZL. 3000 SZL = 166 USD



The communities of Lomahasha, Shewula and Maphiveni have received various forms of humanitarian assistance from NGOs and UN agencies in the past, whilst eligible individuals receive cash grants from the government. WFP have provided food assistance during prolonged drought periods.

Respondents in Mafacula explained that they have not benefited from similar levels of support in recent years. One key informant explained that it is not uncommon for communities such as Mafacula, who are located within the sugar cane plantations and on the border of two constituencies, to not receive the required assistance as a result of challenges in coordinating assistance.

Financial Service Providers (FSPs)

Across all the communities, MTN was the unanimously preferred platform for people to access cash. As well as already being the FSP BERCS utilises in their existing cash interventions, they are also the chosen FSP of WFP, NDMA and are used to distribute assistance by the government of Eswatini under relevant social protection grants. Their network coverage was good throughout the assessed constituencies. Their business model – whereby agents offering a cash out service earn a commission on these transactions – incentivises agents having sufficient liquidity. This is complemented by MTN regional representatives who work with agents directly when it is known that there will be an increased demand for cash, such as when government grants have been paid. No participants of FGDs reported having issues accessing cash via MTN agents given the amount active in each community, even those living in the more rural locations, aside from occasionally having to wait if they need to access cash on the same day that government grants are disbursed. Planned expansions of MTNs services will see them work directly with some remittance companies, so that deposits can be made directly into an MTN account.

The only minor issues raised regarding MTN as a provider related to charges associated with withdrawing – usually around 3-5 SZL. These costs are only associated with withdrawing, and not when making a purchase directly via ‘Momo-pay’ (whereby a purchase is made directly between two accounts without the need for physical cash), which is not widely practised. MTN did however indicate that they encourage more traders to provide this function, and would be prepared to engage with traders in relevant communities to ensure this option is more readily available.

A further issue related to a history of fraudulent calls whereby people posing as MTN staff would convince people, usually elderly targets, to transfer money out of their accounts. Again, MTN showed a willingness to engage with BERCS and others to ensure recipients of humanitarian cash assistance are better informed on how to identify these threats in the future, whilst they have also managed to progress legislation to allow them to act quicker and more definitively when they are aware an account is being used for fraudulent activities.

Previously, MTN had agreed to temporarily ‘white-list’ the recipients of humanitarian cash assistance whose accounts are currently in debt, so they are able to access their cash rather than see it used to repay existing debts. This would require prior approval with MTN but should be explored should it be deemed necessary and relevant.



Two other FSPs were mentioned by respondents of FGDs: 'Intacash'⁴ and 'Cash Plus'⁵. Although Instacash are well-known amongst younger members of the population, likely linked to a campaign of organising and sponsoring football tournaments, neither are yet established enough or have sufficient coverage to suggest they might be a preferable FSP for humanitarian assistance at this moment in time.

Preferences for receiving assistance

Communities expressed a strong preference for receiving assistance through the form of cash transfers via mobile money. Respondents appreciated the flexibility and accessibility that cash assistance would offer, allowing them to prioritise the households specific needs at any given time.

The exception to this rule was in Mafacula where women respondents suggested a strong preference for food assistance citing difficulties accessing markets due to road conditions, and concerns that any financial support would not be used for the desired outcomes and that cash could create conflicts within communities. They explained that they recall previous experience from BERCS being in the form of food assistance, and how that would be preferable once more. Whilst the parallel discussion in the FGD with men from the community did invoke some debate

Risks

The use of 'proxy's' to meet the needs of those without ID documents is not the ideal situation, and means that humanitarian cash assistance may not reach its desired destination, leading to disagreements and conflicts within communities. It would be recommended that all those registered with proxy's are included as part of post distribution monitoring to ensure they receive the correct amount of money at the correct time. It would also be advisable to ensure no one is acting as proxy for more than one person, and that an agreement is established between relevant parties, including community leaders, in advance of disbursements.

Whilst MTN cash out agents are generally found to have good levels of liquidity, any disbursement of cash assistance should be done in close coordination with the FSP who can ensure sufficient availability of cash in remote locations in advance of distributions.

Scepticism towards CVA as a result of negative previous experiences poses a reputational risk to BERCS and other actors. Community engagement should therefore be well planned and context specific and selection processes transparent.

Some concerns have been raised by community members about the use of CVA in Mafacula, and the potential that any financial support would not necessarily be used in line with its intention. Again, community engagement should be well planned and implemented to address this risk, and routine monitoring should include analysis on expenditure of cash assistance.

Existing debt levels within communities mean that providing financial assistance will not necessarily provide increased spending power, but will immediately be absorbed to pay debts. This should be further analysed before any disbursement of funds, and a relevant agreement sought with MTN.

⁴ Instacash - <https://www.instacash.co.sz/>

⁵ Cash Plus (part of First National Bank) - <https://www.fnbswaziland.co.sz/>



over the best forms of assistance, again based on the belief that not all funding would be utilised in the most appropriate manner, they did reach a consensus that cash assistance would be preferable.

Whilst participants in FGDs in Lomahasha were unanimous in seeing cash assistance as the preferred way to receive assistance, some concerns were raised given previous negative experiences earlier in 2024, whereby people were selected and registered to receive assistance only for the cash transfers to not be completed.

Response Options

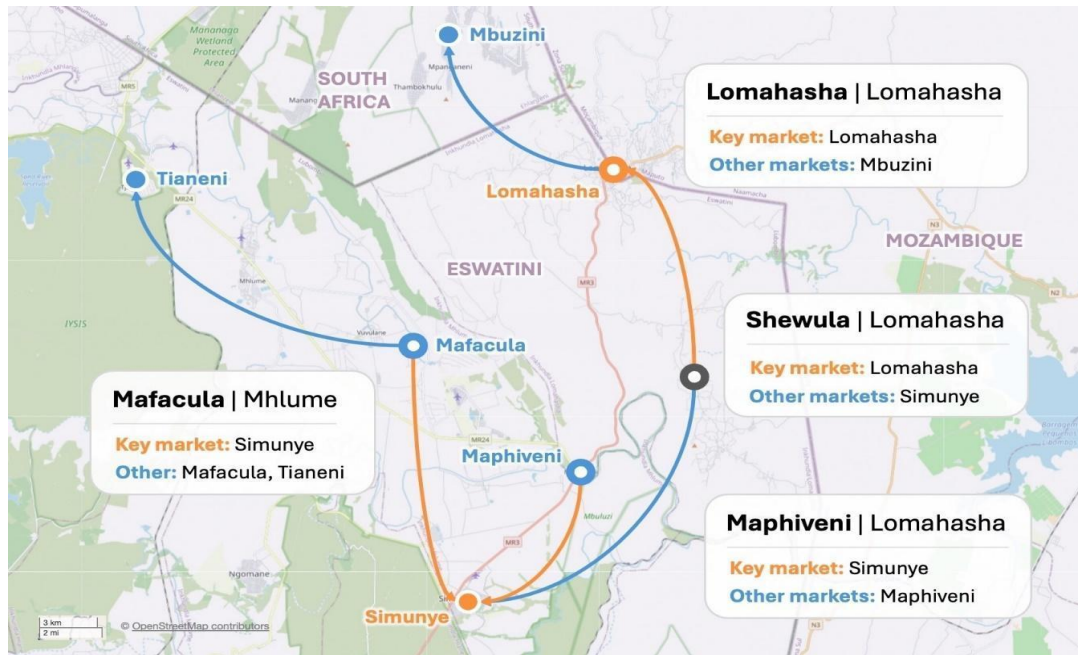
	Cash via MTN	Cash via other FSP	Vouchers	In-Kind Assistance
Satisfying Needs	Could be used to cover priority needs.	Could be used to cover priority needs.	Could be used to cover priority needs.	Could be used to cover priority needs.
Familiarity	Target population are familiar with and currently use MTN to manage and spend money.	There is limited familiarity with other FSPs amongst the target population.	There is no familiarity with voucher programmes amongst the target population, however this could be established.	Target population are familiar with in-kind assistance.
Preferences	Respondents prefer cash via MTN as a priority, given it provides the choice to make their own decisions and they are familiar with the technology.	Whilst this would give recipients the choice to make their own decisions, there is little appetite to work with an FSP that isn't MTN.	Not preferable vs. cash, although it would still provide some freedom.	Some respondents suggested this was acceptable given their desperate situation, but largely not considered popular.
Timeliness	Transfers are done remotely without the need for in-person distributions and there is already a framework agreement in place.	Transfers could be done remotely the need for in-person distributions, but there is no framework agreement in place which would take time to establish.	An agreement would need to be established with relevant suppliers and an FSP if this was to be done digitally.	Items would need to be procured and distributed.
Value for Money	Reduced costs associated with registrations and distributions.	Reduced costs associated with registrations and distributions.	Reduced costs associated with registrations and distributions.	Costs associated with storage, transport and distributions would need to be considered.
BERCS Capacity	BERCS has an existing framework agreement with MTN, a regional office in Lubombo and a volunteer network.	BERCS would have to contract a new FSP.	BERCS don't have prior experience distributing vouchers and don't have agreements in place with suppliers.	BERCS don't have existing framework agreements for food distributions. Transport and logistics would need to be considered.

Feasible	Requires adjustments / contracts	Significant challenges / barriers
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Markets

Key Markets

The four locations identified two key marketplaces and a further four alternative options, as shown below.



Map showing key and alternate marketplaces of assessed communities

Lomahasha

Lomahasha is the favoured marketplace for people residing in the chiefdoms of Lomahasha and Shewula. The marketplace at Lomahasha is characterised by vendors situated in two areas. One less than 500m from the Lomahasha Border Gate, and the other approximately 1km south of this on the MR3 road. Both areas have 3-4 independently owned supermarkets and/or grocery shops which have permanent structures. All sell all the main household commodities and food products, whilst there are also stalls selling fruit and vegetables and specialised vendors such as salons or butcheries. The two biggest retailers both have significant storage capacity (both estimated at in excess of 200m³) in addition to the space on the store floor (estimated at around 225m²) and suggest that they could increase supplies of key commodities in just 1-2 days. Typically, the larger retailers stock between 100-500 units of the key commodities, and smaller retailers stock between 20-100 units.

There are direct transport links to both market areas from nearby homesteads, whilst people are also known to frequent the market from bordering Mozambique. One retailer expressed a clear preference to custom from Mozambique, increasing the supply of products such as sugar which were popular in the country, and offering credit to nationals of Mozambique as a priority compared to local residents.

Simunye

The marketplace at Simunye the preferred marketplace for those residing in Maphiveni and Mafacula and is characterised by a retail park situated in close proximity to the MR3 road. There is one 'Boxer'⁶ supermarket selling all key commodities and household food products, as well as several other large specialist shops selling items such as furniture, electronics, agricultural inputs, and financial infrastructure including banks.

⁶ Boxer Supermarket chain - <https://www.boxer.co.za>



One of the two market areas at Lomahasha

The Boxer typically stocks around 500 units of key commodities, and receives stock on a weekly basis.

Tjaneni

Similarly, Tjaneni marketplace is characterised by one 'Boxer' supermarket and a few other stores selling clothing, furniture and hardware.

Maphiveni

Maphiveni marketplace is within the community itself and situated in close proximity to the MR3 road. It has three grocery stores, all selling key commodities. Whilst typically these stores only stock around 10 units of key commodities, they reported no issues in increasing stock within 1-2 days, and the largest of the stores had storage capacity of an estimated 40m³.

The marketplace is frequented by the community in Maphiveni, although is seen as an alternative option to the nearby Shewula. There are multiple agents in which money can be withdrawn via MTN.

Mafacula

Mafacula has one small grocery store within the community which sells all the key household food commodities, as well as offering cash out services. This is supplemented by several traders selling vegetable produce. Typically the vendor has less than 10 units of key commodities, but has storage capacity (estimated at 40m³) to expand stock should it be required.



The small marketplace in Mafacula



Mbuzini

The marketplace at Mbuzini was outside of the scope of this assessment. It is considered a viable alternative given the ease of access from Lomahasha and the lower prices on offer there.

Access to Markets

Key markets are functional and accessed either on foot or via transport in the form of mini-buses or shared taxis at a cost of between 60-80 SZL for a return trip. The travel time for residents in Mafacula and Shewula to their respective marketplaces can be as much as 90 minutes given their remote locations and challenging terrain.



One of three grocery stores a Maphaveni

There are no problems of socio-cultural access to any of the marketplaces.

Access to Credit

It is common for independent retailers to give credit to customers. There is no unanimously recognised criteria for being eligible for credit, but it is usually only available to individuals who are known to the retailer. It is most commonly given to elderly members of the community who are seen as being more vulnerable, but can also be relied on to repay their debts given access to social protection payments which gives them a consistent source of income. One vendor in Lomahasha explained that they were only prepared to give credit to customers from Mozambique given previous negative experiences with the local population, whilst one vendor in Maphaveni said they had stopped entirely as a result of similar negative experiences.

Retailers usually ask for this to be repaid within 1-2 weeks, however it is common for this to not be repaid within that timeframe / remain unpaid indefinitely. During the interview, the vendor in Mafacula explained how the amount of customers yet to repay credit they have been given has resulted in a significant cash flow issue that now impacts their ability to increase their stock.

Boxer supermarkets do not provide credit to customers.

Retailers have access to credit from wholesalers which is provided to retailers who have a traders licence in place, and this is usually to be paid within 1-2 weeks.

Supply Chains

All vendors interviewed demonstrated that they had established suppliers and back-up suppliers. Six different wholesalers or distributors were identified in Manzini and Matsapha as being crucial to supplying vendors in the four communities. Key commodities of maize meal, beans and sugar are largely sourced by wholesalers from producers in Eswatini, supplemented by producers in South Africa, whilst rice and cooking oil are imported.



Only one vendor indicated that they would have any issues increasing their supply of key commodities if required given the range of suppliers then had. This was in Mafacula where the owner of the only grocery store in the community indicated this could be a challenge given liquidity issues and limited credit they could acquire as a small retailer. Otherwise, retailers felt that they had sufficient options to ensure that stock could be replenished within 1-2 days.



One of two storage rooms in the biggest retailer at Lomahasha

Wholesalers and distributors stated that whilst there have occasionally been some disruption with supply chains on the key commodity of beans, this has never resulted in the product being completely unavailable. When such instances occur, the common practice would be for distributors to prioritise fulfilling orders which are part of framework agreements, as well as orders from larger retailers. It is likely therefore that any disruption would be felt by smaller retailers, such as those in Mafacula and Maphiveni, rather than those within larger marketplaces.

No KIIs indicated that there were any other significant or obvious factors that were currently impacting the supply and distribution of key food commodities, nor were any anticipated in the future.

Market Response Capacity

	Lomahasha	Simunye	Maphiveni	Mafacula	Tjaneni ⁷
Traders are operating.	There are multiple, independent traders operating.	There is one large chain supermarket which is operating.	There are multiple, independent traders operating.	There is one small independent retailer operating.	There is one large chain supermarket which is operating.
Markets are accessible.	There are no issues with accessing the marketplace.	There are no issues with accessing the marketplace.	There are no issues with accessing the marketplace.	There are no issues with accessing the marketplace.	There are no issues with accessing the marketplace.
Key commodities are available.	Key commodities are available in multiple retailers. Retailers typically stocking in excess of 100 units of key commodities.	Key commodities are available in the retailer and typically stocking in excess of 500 units of key commodities.	Key commodities are available in multiple retailers. Retailers are typically stocking in excess of 10 units of core commodities.	Key commodities are available in the retailer, although in short supply. Retailer typically stocks between 6-10 units of core commodities.	Key commodities are available in the retailer and typically stocking in excess of 500 units of key commodities.
Capacity to increase	Retailers suggested have sufficient	Retailer restocks weekly and has tender	Retailers suggested have sufficient	Retailer has storage capacity to	Retailer restocks weekly and has tender

⁷ The Boxer supermarket at Tjaneni was not assessed directly given it was not identified as a key marketplace. It is assumed to be equivalent to the Boxer supermarket at Simunye.



supply of key commodities.	storage capacity, access to credit and suppliers to increase supplies within 1-2 days.	agreements with suppliers to ensure consistency.	storage capacity and suppliers to increase supplies within 1-2 days, but limited access to credit compared to other retailers.	increase supply, but limited liquidity to allow.	agreements with suppliers to ensure consistency.
Prices of key commodities are / should remain stable.	Competition between retailers in the marketplace should prevent any significant increase in prices, as should access to alternate markets in South Africa (Mbuzini).	Chain supermarket which does not have control over its own pricing structure and should not be influenced by humanitarian cash assistance.	Competition between retailers in the marketplace should prevent any significant increase in prices, as should access to alternate markets (Lomahasha and Simunye).	Cash distributions could lead to an increase in commodity prices given lack of local competition.	Chain supermarket which does not have control over its own pricing structure and should not be influenced by humanitarian cash assistance.

Feasible / Functional	Additional considerations	Significant challenges / barriers
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Seasonality

Seasonal variances were observed by communities and key informants that impact access to key commodities, prices and exacerbate vulnerabilities.

During the first quarter of the year, households face the combination of higher prices, driven by depleted stock levels, increased likelihood of falling into debt given costs associated with the start of the school year, and increased household sizes linked to people returning to family homes. Price monitoring from WFP suggests that any increases during the first quarter of the year are minimal and inconsistent, but rather that prices of all commodities have been gradually increasing monthly⁸.

Season	Characteristics	Months											
		S	O	N	D	J	F	M	A	M	J	J	A
Planting Season	Farmers begin planting crops including maize. Prices of seeds and agricultural inputs assumed higher due to increased demand.												
Lean Season	Food shortages at household level since stocks are depleted from the last harvests.												
Harvest Season	Main harvesting period for crops including maize. Food availability is increased.												
Implications													
Food prices increase	Lean season brings about a reduced supply in some key commodities, pushing up prices.												
Debt increases	Increased food prices, combined with costs associated with children starting back at school pushes more households into debt.												
Increased local employment	Harvesting season creates temporary employment opportunities within the agricultural sector.												
Decreased employment opportunities elsewhere in Eswatini	Few employment opportunities result in individuals moving back to family homes, increasing household sizes.												

Minimum Expenditure Basket (MEB)

⁸ WFP price monitoring - <https://dataviz.vam.wfp.org/southern-africa/eswatini/economic/prices>



The current transfer value for cash assistance in Eswatini, as determined by the national cash working group, stands at **190 SZL** per person for one month. This amount is calculated at 70% of the costs of the food items in the MEB. This figure was last updated in 2022 and is due to be reviewed early in 2025.

MEB	Commodity	Assumption	Key Markets (SZL)	
			Lomahasha	Simunye
Included in transfer value	Maize Meal	10 kg per month @ 289g per person based on 26 days	490	600
	Beans	5 kg (20 days)	188	200
	Oil	13g /person/day	59	60
	Chicken	4 days (Sunday meal)	160	152
	Cabbage and other vegetables	6 days (100g is 23 cal) / 2 cups per person (89 grams per cup)	53	53
	Bread	28g per slice (2 slices per day)	210	165
	Rice	4 days rice (Sunday)	28	30
	Tea	1 teabag per person per day	38	30
	Milk	1 cup of maas @ 250 ml	169	150
Not included in transfer value	Transport			
	Medication	Panado, scopex, (1 person per month)		
	Education	1 child in high school		
	Clothing	5 people (250 per quarter)		
	Communication			
	Housing	2 rooms		

Based on the quantities listed in the existing MEB and the above price analysis, covering 70% of food items would mean a transfer value of **195 SZL** per person for a month in Lomahasha, and **202 SZL** per person for a month in Simunye.

One limitation of this analysis is that the price points are collected as per the quantity determined in the MEB. In reality, the majority of people will not have the purchasing power to buy items in bulk at the start of the month, so their expenditure will be in excess of the amount shown. WFP's price monitoring projects the actual increase in costs of key commodities, as identified by community members, to be in excess of this. Food price inflation returned to below 5% in 2024 having been in excess of 15% in 2022 and 2023¹⁰, largely driven by the war in conflict in Ukraine which impacted food prices across Africa¹¹.

Commodity	Projected price increase Nov 2021 ⁹ - Nov 2024 (%)
1kg Maize Meal	36.8
1kg Rice	72.0
1kg Beans	14.9
1L Oil	42.6

⁹ November 2021 used as comparison as the last November before MEB was most recently updated.

¹⁰ Eswatini inflation - <https://dataviz.vam.wfp.org/southern-africa/eswatini/economic/inflation>

¹¹ Ukraine war toll on African economies - <https://odi.org/en/publications/impact-of-the-russia-ukraine-war-on-africa-policy-implications-for-navigating-shocks-and-building-resilience/>



Transport costs and costs associated with education (both enrolment fees and transport costs) are also consistently cited as two of the more significant household expenditures, outside of food costs, but are not currently considered as part of the transfer value.

Conclusions and Recommendations

- Cash is feasible in all of the communities assessed, and the overwhelming preference for receiving assistance. Despite the uncertainty of some community members in Mafacula, cash should be considered the most appropriate form of providing assistance and preferable to providing food assistance. The community has access to functioning markets where they can purchase key commodities. The use of cash in the community will also support the local vendors in Mafacula itself. Although this marketplace does not have the storage capacity to provide all the necessary food products for the community, increased cash access within the community should allow the marketplace to improve its functionality. This will provide an alternate marketplace within the community itself, which would reduce the need for people to travel elsewhere with such frequency and the associated costs.
- The concerns about CVA in Mafacula should be considered as part of sensitisation and community engagement in advance of the utilisation of any cash assistance. The preference for food assistance likely comes from limited knowledge and experience of cash programming and its potential to meet their needs in a dignified and timely manner. Respondents who preferred food assistance also described how they associate BERCS with food assistance, recalling having received this assistance in the past and before BERCS had established CVA as a preferred response modality. It is plausible therefore that this association led to a preference for food to be expressed, assuming this would equate to more immediate assistance being provided.
- MTN are the most suitable FSP given their coverage of agents, network coverage and wide usage amongst populations. In the future, it might be interesting to further explore the service offering and coverage of 'Instacash' particularly if cash assistance was being

Risks

The use of 'proxy's' to meet the needs of those without ID documents is not the ideal situation, and means that humanitarian cash assistance may not reach its desired destination, leading to disagreements and conflicts within communities. It would be recommended that all those registered with proxy's are included as part of post distribution monitoring to ensure they receive the correct amount of money at the correct time. It would also be advisable to ensure no one is acting as proxy for more than one person, and that an agreement is established between relevant parties, including community leaders, in advance of disbursements.

Whilst MTN cash out agents are generally found to have good levels of liquidity, any disbursement of cash assistance should be done in close coordination with the FSP who can ensure sufficient availability of cash in remote locations in advance of distributions.

Scepticism towards CVA as a result of negative previous experiences poses a reputational risk to BERCS and other actors. Community engagement should therefore be well planned and context specific and selection processes transparent.



provided to younger populations, given their increasing popularity within that demographic. As it stands however, MTN is a proven and reliable FSP, and planned expansions to increase the use of 'Momopay' and working directly with remittance companies will positively impact the financial inclusion of the population.

- BERCS is well placed to respond using CVA in the assessed communities given their extensive experience elsewhere in the country, established operational procedures and working arrangements with MTN and their extensive volunteer network.
- The two key marketplaces have different characteristics, but both have established and diverse supply chains that would respond to a shock or increased purchasing power of users. Whilst the stores in Lomahasha are largely independently owned and have control over their own pricings, there is sufficient competition and relatively easy access to other marketplaces to ensure that prices won't increase following cash disbursements. Whilst there is not the same competition at Simunye, the main supermarket is part of a chain and therefore does not control its own pricing structures. Since users of this supermarket are from a wider number of constituencies than those assessed as part of this assessment, humanitarian cash assistance should not impact any changes to prices of key commodities.
- There is more potential for price increases following disbursement of cash assistance in the marketplaces at Mafacula and Maphiveni, although this should not be significant given the access to other marketplaces. Price monitoring should therefore be included as part of routine programme monitoring.
- The socio-political situation in Mozambique should be monitored. The marketplace at Lomahasha is the border town closest to Maputo and it is already used by people in Mozambique seeking cheaper prices and certain brands of items (such as sugar). If further insecurity results in an economic downturn or increased inflation, more people will use that marketplace. This will impact demand and potentially prices.
- The community in Lomahasha are sceptical of CVA given previous negative experiences with other agencies. Sensitisation and community engagement in this community needs to be well planned, with processes and criteria well communicated and coordinated with community leaders.
- Engage MTN as part of the sensitisation and community in all communities in advance of any future intervention using CVA. They're keen to see more vendor's use 'Momo' pay, which would reduce the costs associated with people withdrawing. They can also provide messaging and information on fraudulent calls and how to identify these.
- In advance of any CVA, seek agreement with MTN to 'white-list' any prospective recipients of assistance to ensure that they are able to use their assistance as desired, rather than to immediately pay any existing debt.
- The ID issues in Shewula should be further explored within the social protection cluster to establish an accurate number of people in that chiefdom who do not have access to ID documents, whether or not they would be able to receive them with the documents that they do have access to, and how they can be supported to obtain them.
- When using proxys, ask that the proxy, recipient and community leader sign a document confirming that they are acting as a proxy and that the person will receive the money.



- Ensure all people who are using proxys are included in PDMs in addition to the usual sample number and ask specific questions on how much money they received and when, to ensure that funding is reaching its intended destination.
- The MEB should be updated at a national level, given it has not been updated since 2022 and price monitoring suggests that commodity prices have increased. Consideration might be given to travel costs which are currently excluded but are incurred by those living in rural areas for them to be able to access key marketplaces.