

SUPPORTING MARKETS IN EMERGENCIES

Scoping Study

May 2017

A review of recent humanitarian interventions that support local markets in emergency contexts revealed a limited scope and breadth of this type of activity. While many agencies show good creativity and understanding of market systems in emergencies, most activities are in the form of small grants to traders, to help them recover and to facilitate access to markets for disaster-affected communities. Such support includes small and large, formal and informal traders, but does not often go beyond grants, although sometimes trainings and other “soft support” are provided. The limited scope of market support activities is probably linked to the focused scope of many emergency market analyses or response analysis efforts that may not study all market actors or adequately consider market support activities, due to time constraints or simply humanitarians’ comfort level. Another likely barrier to scale and quality of market support activities is a lack of clarity across agencies of good practices. More evidence-building is suggested to contribute to the collective understanding of good market support practices.

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Executive Summary

Purpose and scope. This document presents a review of current and past market-support initiatives implemented by aid actors across various sectors in emergency settings around the world. The focus is on indirect interventions. Following the different steps of the project management cycle, the study examines market-strengthening and to a lesser extent market-developing interventions to reach conclusions about the challenges, promising practices, and lessons learned when supporting markets in times of crisis.

Methodology. The work relied both on an extensive review of secondary data and on the collection of primary data through 28 semi-structured interviews. This study is coordinated with the market-based programming initiatives of the Oxford Committee for Famine Relief (Oxfam) and the SEEP Network. The study uses an inductive approach, due to the lack of theory in the field, more specifically, lack of economic theory applied to humanitarian market interventions. “Humanitarian” refers to market interventions that alleviate the suffering and improve the lives of those affected by disaster. The study relies on commonly-used humanitarian markets terminology rather than formal economics language.

Limitations. The main limitation the study faced was a lack of available documentation and robust evidence. As a result, the study relied extensively on qualitative data collected through the semi-structured interviews. In addition, due to the limited time available for the review, this study aims to identify trends as well as gaps in information, rather than draw definitive conclusions

The current range of market-support interventions. The study reviewed 14 interventions. They were spread across various sectors, such as food security; livelihood; nutrition; shelter; water, sanitation, and hygiene (WASH); and other basic needs outcomes. The interventions were geographically diverse, ranging from the Middle East to the Far East to Africa, and responded to both man-made and natural disasters in these locations.

The interventions aimed to achieve one of the following objectives:

- **Supporting traders serving specific market systems** across sectors, to enable them to help meet the basic needs of people caught in crises. Catholic Relief Services (CRS) undertook this intervention in Ukraine, in support of the market system for windows, and in the Philippines, when supporting the local tool market system. Oxfam also implemented this type of intervention in both the Philippines and Cambodia to support market systems related to water, sanitation and hygiene.
- **Supporting traders serving multiple market systems** to enable them to help meet the basic needs of people caught in crises. CRS implemented such programming in Nepal following the 2015 earthquake. Save the Children did the same in Sierra Leone during the Ebola epidemic and in the Philippines after Typhoon Haiyan. Mercy Corps implemented such programming in South Sudan following the 2013 conflict, as did CARE in Lesotho.
- **Supporting market services and infrastructure** in areas such as financial services, transportation and roads, and storage. This type of intervention can take the form of supporting either the market actors who provide these services or supporting the market system with the services

themselves. In South Sudan, Oxfam supported traders by subsidizing transportation services and in the Central African Republic (CAR) CRS supported local markets with road rehabilitation work.

- **Supporting the market environment.** The Market environment can include the institutions, rules, norms, and trends that govern each market system. This type of intervention can entail either influencing those rules and regulations directly or supporting market actors to navigate them. In Gaza, Oxfam supported water vendors with licensing and in Zimbabwe, the United Nation's World Food Program (WFP) advocated for more flexible import regulations.

FINDINGS: THE ENABLING FACTORS, CHALLENGES, AND LESSONS LEARNED FROM THE REVIEW

GENERAL TRENDS IN MARKET SUPPORT PROGRAMS

A few general trends were observed from the selection of fourteen case studies reviewed. These observations indicate the interesting but somewhat limited types of market support programs currently implanted by humanitarian practitioners:

- Market support is largely implemented as cash grants to small traders.
- Both formal (registered) and informal traders are recipients of market support.
- Most market support programs impose conditions or restrictions on the money they distribute.
- Market support by international actors is highly subsidized.
- Market support programs may include trainings or other soft components.

DESIGNING MARKET SUPPORT INTERVENTIONS

SITUATION ANALYSIS

When it comes to market-based programming, a high-quality situation analysis requires a high-quality market analysis, which will then be used to support a quality response analysis.

The International Rescue Committee (IRC) has identified the following factors as key to a quality market analysis¹:

- **Capacity of the market team members:** Team members must have technical expertise, knowledge of the field, interest in conducting the assessment; teams must speak local languages, and the team should have both men and women.
- **Communication and dissemination:** A variety of stakeholders should be involved throughout the market analysis process, through direct participation in the analysis, presence at dissemination events, or consultation on specific steps.
- **Report clarity and transparency:** The assessment methodology should be clearly explained, and complete annexes included. The report should also include evidence-based findings and recommendations.

Practitioner interviews for this study found a number of other learnings around the initial situation analysis.

¹ The International Rescue Committee (IRC), *EMMA's Impact on Program Decision-Making* (New York: IRC, 2014).

Often **market analysis exercises have too narrow a scope**, mostly focusing on the feasibility of doing a cash transfer program and the market's capacity to sustain such an intervention. The analyses also often do not recognize the complexity of relationships among the market actors and the equity and power dynamics that shape a market system; for example if a few vendors control a large part of the market share, this could influence prices, supply, product quality, and exacerbate power inequities.

Market analyses are still often “agency-centric”. Many market analyses ask the question, “How can we, as humanitarians, use local markets to deliver our humanitarian assistance?” An alternative would be to favor analyses that are people-centric, asking instead, “How are communities using and accessing markets to cover their needs, and how can we help markets to restore their ability to do that?” As a result of the focus of many analyses solely on using markets to deliver humanitarian assistance, market analysis exercises did not necessarily result in a wide range of options for different types of market-based programming.

Market analyses should intend to inform both direct and indirect interventions. In a market analysis it is common to put less emphasis on elements of a market system that may lead to “indirect” interventions, such as factors affect the market environment and the regulation of the market systems.

RESPONSE ANALYSIS

Successful market-based programming design is, not surprisingly, linked to a strong evidence-based situation analysis. Another enabling factor has been the **development of response analysis frameworks**, such as those that are part of the Emergency Market Mapping and Analysis (EMMA) or Pre Crisis Market Analysis (PCMA) toolkits that more explicitly focus on market support.

The organizational culture is also a key determining factor in designing a successful market-based program. In an organization that favors market-based programming, practitioners will be more inclined to design these types of responses. Also, **having both development and humanitarian** seems to be an enabling factor for organizations to achieve the successful design of market-based programming in humanitarian settings. The success of the double team approach is most probably due to: a) the cross-fertilization within the organization between long-term and emergency teams; and b) the fact that individuals are more daring if they have seen others implementing similar activities, even in very different contexts.

The situation analysis and, as a result, the response analysis are often quite narrow. That suggests that **gut feelings, individuals’ or organizations’ comfort zones are still driving a large part of the response design**, mostly resulting in direct interventions being favored over indirect interventions in designing and then implementing programs.

Targeting is challenging because interventions in humanitarian crises traditionally focus on providing direct assistance to those who are most in need. Indirect interventions challenge the traditional humanitarian targeting approach by directing resources to market actors, services, or infrastructure. Some projects overcome this challenge by applying a vulnerability lens to the selection of market actors with whom to work. As a result, those indirect market interventions target small traders. It is more difficult to find interventions targeting larger suppliers, financial service providers, market services, or even market infrastructure.

Supporting market actors and therefore the private sector raises ethical questions. **When it is appropriate to subsidize the private sector?** Is this the best use of humanitarian funds? Should a non-profit organization support a profit-making organization? Should private actors be asked to comply with minimum humanitarian standards? Should the informal sector be supported? Humanitarian perspectives, as opposed to the perspectives of longer-term development practitioners, may be unable to adequately address these questions. Humanitarian practitioners need to be able to step away from their traditional ways of looking at things to answer them.



Male beneficiary purchasing goods using his Oxfam-Visa prepaid card. After Super typhoon Haiyan, Oxfam used cash-for-work to rehabilitate water infrastructure, enabling the local water provider to restore its clean water services more quickly. Tacloban City/ December 2014

It is critical to **engage with existing market actors** to determine the most appropriate response. Humanitarian practitioners should not assume they can take things in a better direction by creating a market or distorting a market.

The **resistance of donor agencies and local authorities** to strengthening indirect markets and developing interventions has also been noted as a key challenge to successful response analysis.

Finally, as with any humanitarian activity, agencies must **be prepared to design indirect market interventions when appropriate**. Many of the practitioners interviewed stressed the importance of preparedness.

IMPLEMENTING MARKET SUPPORT INTERVENTIONS

The review found few challenges related to implementation of market-based programs that were different from other programs. The **increased uptake of cash transfer programming (CTP)** is one of the biggest opportunities for the successful implementation of market-based programming, as practitioners are building their capacity to implement market-based programs well

The humanitarian community is also quickly realizing that cash and market interventions can be effective and represent a unique opportunity to **bridge the gap between long- and short-term interventions**.

The private sector² is willing to collaborate with humanitarian agencies, since many businesses: a) are concerned about the well-being of people affected by crisis; b) are willing to improve their company's image and reputation; and c) have a commercial interest in partnering with the humanitarian sector³.

The main challenge related to program implementation itself is **coordination of market-based programming**. Like cash, market-based programming coordination doesn't fit within the

2 The private sector is defined here in a broad sense, as all for-profit businesses that are not operated by the government, ranging from small community-based businesses to national and multinational corporations.

3 Steven A. Zyck and Randolph Kent, *Humanitarian Crises, Emergency Preparedness and Response: The Role of Business and the Private Sector* (Overseas Development Institute(ODI), 2014).

United Nations (UN) cluster system or other coordination models. In addition, this traditional architecture is not necessarily appropriate for coordinating cross-sectoral approaches such as market-based programming.

The **skills needed** to implement quality market-support programs **are similar to those required for any humanitarian response**. Humanitarian practitioners come to better understand market dynamics as they implement, leading to a “de-mystification” around the complexities of market-based programming through experience.

Good coordination with local actors and other humanitarian actors can facilitate the implementation of effective and timely market interventions. **Leveraging existing private-sector knowledge and resources** can also be an effective and innovative way to implement quality market-support interventions at scale.

MONITORING MARKET SUPPORT INTERVENTIONS

The **lack of existing documentation** of market-based programming can, surprisingly, be seen as an opportunity, considering the humanitarian sector’s appetite for evidence around the impact of market-based programming. Resources could be dedicated to stronger monitoring and the collection of data on indirect market interventions.

The humanitarian community has **not yet defined what a successful indirect market intervention looks like**, nor have they determined how to quantify indirect market support. The approach taken so far has been one of “damage control.” Humanitarians monitor how well the direct objectives of the response (e.g., food security, shelter access, etc.) have been achieved and whether the response has been such as to do no harm to the market. However, they do not monitor the potential multiplier or trickle-down effects of the interventions.

There are existing guidelines for market monitoring, but there are few real standards and definitions of indicators for market support programs. This is a gap, but there are initiatives underway that will begin to address this. **Secondary data**, such as global market data, is often overlooked but can be used for monitoring.

List of Abbreviations

BEAM	Building Effective and Accessible Markets
CaLP	Cash Learning Partnership
CRS	Catholic Relief Services
CTP	Cash Transfer Program
EFSL/FSL	(Emergency) Food security and livelihoods
EMMA	Emergency Market Mapping and Analysis Toolkit
HPG	Humanitarian Policy Group
IRC	International Rescue Committee
LEO	Leveraging Economic Opportunities
MARKit	Price Monitoring, Evaluation and Response Kit
MERS	Minimum Economic Recovery Standards
ODI	Overseas Development Institute
OXFAM	Oxford Committee for Famine Relief
PoC	Protection of Civilians
SEEP	Small Enterprise Education and Promotion Network
UN	United Nations
UNCDF	The United Nations Capital Development Fund
UNMISS	The United Nations Mission in South Sudan
UN OCHA	The United Nations Office for the Coordination of Humanitarian Affairs
PCMA	Pre-Crisis Market Analysis (previously PCMMA)
WFP	United Nations World Food Program

Definitions of Key Terminology Used in This Review

Cash transfer program (CTP): “CTP refers to all programs where cash (or vouchers for goods or services) is directly provided to beneficiaries. In the context of humanitarian assistance the term is used to refer to the provision of cash or vouchers given to individuals, household or community recipients; not to governments or other state actors.”⁴

Direct interventions: Interventions whose objectives are to improve the lives of people in crisis by providing them with direct assistance, ideally in a way that considers local markets.

Indirect interventions: Interventions whose objectives are to improve the lives of people in crisis by providing support to a critical market system they rely on. Support can be provided to market actors, market infrastructures, or the market environment. In indirect interventions a distinction can be made between the “impact group” (i.e., the people who have been affected by the crisis) and the “target group” (i.e., the market actors who will receive direct assistance). Indirect interventions will “indirectly” assist a beneficiary group in crisis.

Market: Any formal or informal structure (not necessarily a physical space) in which buyers and sellers exchange goods, labor, or services for cash or other goods. The word “market” can simply mean the place in which goods or services are exchanged. Markets are sometimes defined by forces of supply and demand, rather than geographical location (e.g. “Imported cereals make up 40 percent of the market”).

Market-based programming or market-based interventions: Projects that work through or support local markets. The terms cover all types of engagement with market systems, ranging from actions to deliver a relief intervention to proactively strengthening and catalyzing local market systems or market hubs.

Market-based programming framework: Currently the most widely known classification of market-based interventions is the framework developed by Oxfam and WFP in 2013⁵, shown on the next page. A revised and updated framework, co-developed by members of the Markets in Crisis group in 2016, is in Annex 3 on page 33.

4 Cash Learning Partnership. Glossary of Cash Transfer Programme Terminology. <http://www.cashlearning.org/resources/glossary#CTP>

5 <http://foodsecuritycluster.net/sites/default/files/WFP-Oxfam%20Market%20Brief%20final.pdf>



Oxfam WFP 2013 Market-based Programming Framework

Over the course of this review, respondents indicated that the humanitarian community now needs clearer terminology. Respondents also noted that the last box, market strengthening and development, needs nuancing, as it represents a large set of activities and aims. CRS and Oxfam are currently in the process of revising this framework in a collaborative effort with humanitarian practitioners. For the purposes of this review, the 2013 definitions are being used.

Market-developing interventions: Indirect interventions aiming at making market systems unrelated to survival more efficient, more inclusive, and pro-poor. The term also includes expanding or formalizing existing market systems, or building new ones.

Market-sensitive interventions: Direct interventions that take into consideration the market-context. All direct interventions should aim at being market sensitive.

Market-strengthening interventions: Indirect interventions that support existing market systems that provide for people’s basic needs, through assistance to market actors, market infrastructures and services, or the market environment.

Market support interventions: Indirect interventions aimed at either strengthening or developing a market system.

Market system: A market system is a network of people, trading structures, and rules that determine how a particular good or service is regulated, produced, and accessed. A market system is comprised of many market “actors,” that is, buyers and sellers supported by infrastructures and services, and interacting within a trading environment shaped by institutions, rules, or norms.

Purpose and Scope of Review

Over the past three years, CRS has identified market-based programming as a critical component of its humanitarian strategy and is making significant investments in building up local capacity and a more robust institutionalized ability to implement effective market-based responses in emergencies. This review was part of that organizational effort, which was conducted in collaboration with Oxfam.

The main objective of the review was to conduct a scoping study of ongoing and past market support initiatives implemented by aid actors across sectors in the humanitarian field (Chapter 1). The review used the Oxfam-WFP framework⁶ as a starting point to characterize the state of market-based programming as it currently exists and offer suggestions, based on practitioners' feedback, that can be used to update and improve this programming in the future. The study **focuses on indirect interventions**, as they have been less documented than direct interventions. As such, the study does *not* cover market-sensitive interventions, which include the use of cash transfer programming to directly assist people living in crisis.

For the purposes of this study, **market support** is defined as including both **market-strengthening** and, to a lesser extent, **market-developing** interventions, as per the original Oxfam-WFP framework. These definitions may be revised as the framework and collective experience evolve.

Following the different steps of the project management cycle, the review explores the promising practices, challenges, and lessons learned from **market support** activities. In doing so, however, it focuses on program design, implementation, and monitoring, rather than on assessments, which have been looked at more often in the past.⁷

It is expected that this review will initiate the process of creating evidence-based guidelines for how to design and implement responses that will strengthen market systems in humanitarian settings. However, although the scoping study could be used as a starting point for the future development of such guidelines, it does not provide detailed evidence or global recommendations for how to design and implement these responses. Rather, it provides specific examples of what has been done in the past.

6 <http://www.cashlearning.org/downloads/wfp-oxfam-gb-brief.pdf>

7 For example, see IRC, *EMMA's Impact on Program Decision-Making*.

Methodology

Between September 2015 and February 2016, the producers of this study spent 19 days scrutinizing the data and selecting the best examples to use to illustrate the range of interventions. The work relied on both secondary and primary data. The review of secondary data started with existing gray and academic literature, to inform and steer the subsequent collection of primary data. This literature included:

- Case studies collected by CRS, Oxfam, Mercy Corps, Save the Children, and WFP on market-based programming
- Overseas Development Institute (ODI's Markets in Crisis case studies and reports
- Building Effective and Accessible Markets (BEAM) Exchange's evidence map and related resources
- Leveraging Economic Opportunities (LEO) project reports

A complete list of documents used for the review is available in Annex 2.

Primary data and concrete field examples were then collected through 28 semi-structured interviews. Key informants were selected first through purposive sampling, which entailed targeting people thought to be best able to provide the data needed, and then through snowball sampling, which involved asking interviewed key informants to identify others who could contribute to the review. The interview questionnaire was developed based on the review objectives and focused on learning from previous and current market-based programming. See Annex 1 for the list of people interviewed.

The study uses an inductive rather than a deductive approach. This methodology was chosen largely due to the lack of theory in the field and, more specifically, the lack of economic theory applied to humanitarian market interventions. This gap in theory freed the writers of the study to use commonly accessible terminology, such as that used in everyday humanitarian settings, rather than formal or technical economics terminology.

Due to the recent increase in interest in the study's subject area, a number of organizations have undertaken work or are currently undertaking work that is pertinent to this review or that this review could contribute to. Linkages have been sought with the following initiatives:

- **Oxfam** is developing a Market Response Analysis Framework whose overall purpose is to provide a range of concrete response options as well as practical guidance for selecting or planning effective market-based crisis programming. Oxfam's work and collected case studies inform this study. In addition, Oxfam, in partnership with the Feinstein Center, recently launched a call for proposals to produce an evidence-based synthesis of market-support interventions that are known to work in humanitarian crises. The objective of this synthesis will be to identify the impact of different market-support interventions on household food security in humanitarian crises. It is anticipated that the synthesis of market-support interventions will include the present study as one of its starting points.
- **The SEEP Network** is currently revising its Minimum Economic Recovery Standards (MERS) Handbook and has identified the subject of this review as potentially filling a major gap in the handbook. Accordingly, this scoping study will help update of the handbook.

Study limitations: One of the main limitations the review faced was a lack of available documentation and robust evidence. Several factors could explain this lack of data.

Market-based programming and, more specifically, indirect interventions are relatively new concepts in addressing humanitarian crises. Recent responses to emergencies, such as the Ukraine crisis, the Nepal earthquake, or Typhoon Haiyan in the Philippines, have provided examples of indirect market-strengthening interventions. However, most of those were ongoing at the time of the study. As a result, there was little time to study or assess them.

In addition, though market-strengthening interventions have been implemented in the past, many were not labelled as such, making it difficult to identify them for the purpose of this study.

As a result, the study relied extensively on qualitative data collected through the semi-structured interviews. It is hoped that the material in the study will help fill the gap in documented evidence that has slowed the development of the important field of indirect market interventions.

The second main limitation the study faced was the short time period available for the review.

Accordingly, the study does not aim to be exhaustive, but rather to contribute to more well documented studies of market-strengthening and market-developing interventions that will surely come in the future.

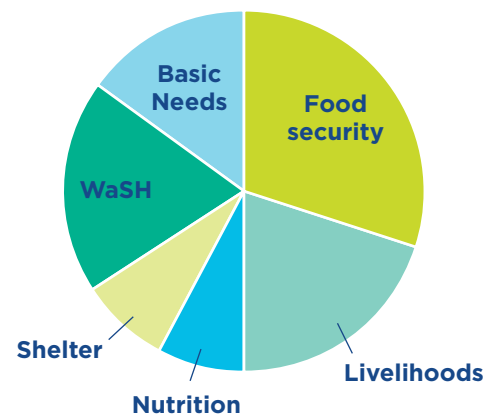
Chapter I: The current range of market support initiatives implemented by humanitarians



The study focuses on indirect intervention, or interventions whose objective is to improve the lives of those who suffer during market emergencies by supporting the relevant market system. It does not cover direct interventions, as these have been documented more frequently in the past. Within indirect interventions, this review focuses on “market-strengthening” as opposed to “market-developing” initiatives. Market-developing initiatives are rare in emergency settings, as they generally focus on long-term outcomes involving enterprise development and value chains. Such interventions depend on the business cycle of the selected value chain, which is rarely less than six months. As humanitarian practitioners normally focus on short-term activities, they tend to have less experience with market-development initiatives. Though such initiatives could theoretically be implemented in the preparedness phase, few examples of this were found in the course of this review.

The interventions discussed in this study are geographically distributed across 12 countries, pictured on the map. An interactive map of the interventions can be accessed at: https://www.google.com/maps/d/edit?mid=zPLIOx6PSzvU.km6mvdNQ_aao&usp=sharing

Four of the fourteen interventions reviewed for this study represent the food-security sector. The remainder of the interventions studied fall under these categories, as illustrated in the graph: three under livelihoods, one under nutrition, one under shelter, three under WASH, and two under basic needs.



Sector Focus of Case Studies in this Review

The main features of the case studies reviewed are described in the table below, by phase of emergency and type of market support:

Phase of emergency	TYPE OF INTERVENTION		
	Direct interventions	Indirect interventions	
	Market sensitive	Market strengthening	Market developing
Preparedness/ Resilience	OUTSIDE THE SCOPE OF REVIEW	MercyCorps in South Sudan	
Emergency	OUTSIDE THE SCOPE OF REVIEW	CRS in Ukraine CRS in the Philippines SCI in Sierra Leone CRS in Nepal Oxfam in the Philippines Oxfam in South Sudan CRS in CAR	Emergencies are not considered a good time to try to develop new market systems.
Recovery	OUTSIDE THE SCOPE OF REVIEW	CARE in Lesotho Oxfam in Gaza WFP in Zimbabwe	Oxfam in Cambodia The IRC in Kenya
Long term	OUTSIDE THE SCOPE OF REVIEW	OUTSIDE THE SCOPE OF REVIEW	OUTSIDE THE SCOPE OF REVIEW

For ease of reference, the case studies are organized as follows:

- Market support to traders working in a single, specific market system
- Market support to traders working in multiple or varied market systems
- Market support to market services and infrastructure
- Market support to the market environment

Some overall observed trends follow.



Fred Tabada checks the thickness of steel he's hammering into a blade at his blacksmith workshop in Carigara, Philippines. Machetes and other tools made in Carigara are renowned for their high quality. Photo by Laura Elizabeth Pohl for CRS

1. SUPPORTING TRADERS IN SPECIFIC MARKET SYSTEMS

A market system is a network of people, trading structures, and rules that determines how a particular good or service is produced, accessed, and exchanged. A market system consists of many market actors—that is, buyers and sellers supported by infrastructure and services, and interacting within a trading environment shaped by institutions, rules, or norms.⁸

The following case studies show the way in which, in humanitarian settings, international actors have supported market systems across sectors, to make access to basic needs possible for people affected by crisis.

A. CRS IN UKRAINE, SUPPORTING THE WINDOW MARKET SYSTEM, 2015

Geographical area: Ukraine

Phase of emergency: Emergency phase/ Market strengthening

Objective of the program: Restore housing for 400 vulnerable households affected by conflict in Ukraine.

Overall program beneficiaries: 400 households

⁸ Helene Juillard, *Pre-Crisis Market Mapping and Analysis* (New York: IRC, 2016).

Objective of the market-strengthening part of the program: Support window suppliers so they are able to repair or provide new windows to beneficiaries of CRS' shelter program.

Market-strengthening beneficiaries: 5-6 window suppliers

Description of the market-strengthening activities: CRS' shelter response to the Ukraine crisis covers home winterization, which includes window repair. CRS wanted to rely on local craftsmen to accomplish the necessary window repairs and first considered distributing service vouchers to the targeted 400 households so that they could hire the craftsmen to repair their windows. However, the window suppliers could not participate in the scheme because they had lost their capital and had no access to credit, while the materials for window repair had to be paid for up front. CRS provided support to five window suppliers by pre-financing 50 percent of the voucher amount and negotiating with the window materials wholesalers to supply the vendors with the raw material on credit.

B. CRS IN THE PHILIPPINES, SUPPORTING THE LOCAL TOOL MARKET SYSTEM, 2014

Geographical area: Leyte Province, the Philippines

Phase of emergency: Emergency phase/ Market strengthening

Objective of the program: Support the livelihoods recovery of 5,250 households affected by Super Typhoon Haiyan

Overall program beneficiaries: 5,250 agriculture-based households

Objective of the market-strengthening part of the program: Promote local production of agricultural tools.

Market-strengthening beneficiaries: 5 blacksmiths

Description of the market-strengthening activities: CRS provided unrestricted cash grants worth \$230 to five blacksmiths to restart the local production of quality agricultural tools.

At first, the grant was conditional, requiring the blacksmiths to produce at least 300 tools to be made available for sale at CRS-sponsored agricultural input fairs. The conditionality was removed after the blacksmiths expressed concern that they would be unable to meet the conditions, though in the end the blacksmiths met these quotas without difficulty. However, the initial conditionality excluded smaller vendors who would have otherwise been able to take part in the program.

C. OXFAM IN CAMBODIA, SUPPORTING THE WATER MARKET SYSTEM, 2011-2014

Geographical area: Kampong Thom and Katie Provinces, Cambodia

Phase of emergency: Recovery phase/ Market developing

Objective of the program: Improve health and livelihoods through safe drinking water.

Overall program beneficiaries: 15,445 households

Objective of the market-strengthening activity part of the program: Set up woman-owned water businesses so that the communities would have access to safe drinking water.

Market-strengthening activity duration: three years between March 2011 and March 2014

Market-strengthening beneficiaries: 47 women's groups (approximately 150 women)

Description of the market-strengthening activities: Oxfam set up and trained 47 small women's groups to operate a water purification unit to provide safe drinking water to the surrounding community. The purified water was sold at approximately \$0.03 a litre, inexpensive enough for villagers to buy it, yet sufficient to ensure that the operators could cover their costs and generate a viable income for their families. At the end of the project, the groups could live from the sales and maintain the equipment.

Oxfam supported the groups by:

- Conducting site feasibility surveys, assessing community demand for safe water, and developing business plans.
- Establishing water-production enterprises, with solar-powered, ultra-violet filtration units, and providing regular technical support.
- Training women producers and members of water management committees in technical, entrepreneurship, and leadership skills.

D. THE INTERNATIONAL RESCUE COMMITTEE (IRC) IN KENYA, SUPPORTING SEVERAL INCOME MARKET SYSTEMS THROUGH FRANCHISING, 2013–

Geographical area: Three districts in Nairobi, Kenya: Eastleigh, Huruma, and Mathare

Phase of emergency: Recovery phase/ Market developing

Objective of the program: Provide sustainable livelihoods to 3,000 poor urban women.

Overall program beneficiaries: 3,000 women

Objective of the market-strengthening part of the program: Support three local companies in setting up a franchise system.

Market-strengthening activity duration: 2013–present (ongoing)

Market strengthening beneficiaries: 3 local companies

Description of the market-strengthening activities: The IRC wanted to provide sustainable job opportunities for poor young women from three urban areas in Nairobi. To do so, the IRC supported three local companies in designing micro-franchise models. These were a company selling locally raised chickens, a beauty parlor company, and a company selling low-cost solar-powered products. All three companies wanted to expand their presence in the areas of Nairobi where the young women lived. In addition to the market-strengthening activity, the IRC provided direct livelihoods support to the 3,000 women, offering business skills training and start-up capital.



Cash tranche being delivered to beneficiary households, DFID Funded ECT Program, South Sudan, May 2015. The program also provided cash grants to traders, to stimulate both supply and demand. (Rosalind Watson, M&E and Program Development Manager, Mercy Corps South Sudan)

2. SUPPORTING TRADERS OF VARIOUS GOODS (MULTIPLE MARKET SYSTEMS)

In other instances, humanitarian actors supported traders who served multiple market systems at once. As with the previous category, the overall objective of these programs was to make access to basic needs possible for people affected by crisis.

A. CRS IN NEPAL IN THE AFTERMATH OF THE EARTHQUAKE, APRIL 2015

Geographical area: Gorkha District, Nepal

Phase of emergency: Emergency phase/ Market strengthening

Objective of the market-strengthening part of the program: Revitalize 300 vendors from market places in the Gorkha District and supply households with basic needs.

Market-strengthening activity duration: 6 months from June to November 2015

Market-strengthening beneficiaries: 300 petty traders

Description of the market-strengthening activities: The project targeted 300 vendors in market places patronized by CRS' emergency response beneficiaries, with the aim of helping those vendors meet the emergency needs of the CRS beneficiaries. Vendors were small traders of all kinds, not just those selling specific commodities. Vendors were provided with cash grants of 300 USD. The grant was disbursed in three tranches, conditional on meeting basic milestones:

- First tranche: \$75 for immediate needs, as well as labor, debt relief, or initial restocking
- Second tranche: \$150, or two bundles of corrugated iron roofing sheets and tools to build a temporary structure for a shop
- Third tranche: vendors eligible to receive an additional \$75 USD, to use on constructing at least 80 percent of a vendor stall according to “build back safer” specifications.

B. SAVE THE CHILDREN IN SIERRA LEONE DURING THE EBOLA OUTBREAK, 2015

Geographical area: Kailahun District, Sierra Leone

Phase of emergency: Emergency phase/ Market strengthening

Objective of the program: Improve food security of vulnerable communities during and after the Ebola outbreak

Objective of the market-strengthening activity of the program: Enable 600 food traders to supply Kailahun market places with key food items.

Market- strengthening activity duration: 12 months, beginning January 2015 (with a likely 12-month extension)

Market-strengthening beneficiaries: 600 food vendors

Description of the market-strengthening activities: The project targeted 600 food traders whose businesses were disrupted by the Ebola epidemic, in order to ensure that enough of certain key food items was available in the market. Each vendor received a cash grant of \$400, disbursed in two installments. The vendors could only use the grant to restock certain basic food commodities, such as rice, sugar, oil, and onions.

C. MERCY CORPS IN SOUTH SUDAN, 2015

Geographical area: Panyinjar County, Unity State, South Sudan

Phase of emergency: Emergency phase/ Market strengthening

Objective of the program: Support the most vulnerable households by improving their diets; and support market function by providing unconditional cash grants to both targeted households and traders in Greater Nyal and Ganyliel. The program aimed to reinvigorate trade on both the consumer and supplier sides.

Overall program beneficiaries: 6,400 households

Objective of the market-strengthening part of the program: Enable traders to provide households with a broader food supply, leading to a more varied and nutritious diet.

Market-strengthening activity duration: 16 months, beginning January 2015

Market-strengthening beneficiaries: 50 traders

Description of the market-strengthening activities: The project provided unconditional restricted cash grants of between 600 and 800 USD (depending on the location), disbursed in two tranches, to 50 traders. Traders were tasked with buying specific staple items—rice, sugar, wheat, flour—that would help food-insecure households achieve a more varied and nutritious diet. Traders used the grants just before the outbreak of violence in the area in May 2015 to restock their goods (a mix of food and non-food items). This kept the market afloat during the crisis, when traders were completely cut off from their supply sources for more than a month.

D. SAVE THE CHILDREN IN THE PHILIPPINES FOLLOWING TYPHOON HAIYAN, NOVEMBER 2013

Geographical area: Western Leyte Province, the Philippines

Phase of emergency: Emergency phase/ Market strengthening

Objective of the program: Restore and diversify the livelihoods of the most vulnerable/landless households in targeted rice- and corn-farming communities severely damaged by Super Typhoon Haiyan in the Leyte Province.

Overall program beneficiaries: 2,338 households

Objective of the market-strengthening part of the program: Enable 500 small traders to restart their businesses, thus improving the population's access to food.

Market-strengthening activity duration:

12 months, from January to December 2014

Market-strengthening beneficiaries: 500 *sari sari*⁹ store owners

Description of the market-strengthening activities: The project supported 500 traders who had run *sari sari* stores before the typhoon with conditional cash transfers of 14,000 PhP (\$300), disbursed in two installments. Business skills training to improve the financial literacy of the supported traders complemented the cash grants. The training was mandatory and was conducted before the first installment was disbursed.

E. CARE IN LESOTHO, 2011

Geographical area: Mountainous area, Lesotho

Phase of emergency: Recovery phase/ Market strengthening

Objective of the program: Improving the living conditions of hard-to-reach communities.

Overall program beneficiaries: 1,000 households

9 In the Philippines, *sari sari* are small grocery stores.

Objective of the market-strengthening part of the program: Support more than 10 petty traders so that they could supply basic goods to the communities living in mountainous areas.

Market-strengthening activity duration: 2011, exact duration not available

Market-strengthening beneficiaries: More than 10 petty traders

Description of the market-strengthening activities: CARE used vouchers to provide approximately 1,000 households with access to basic food, hygiene items, and non-food commodities. The traders whom CARE contracted with did not have the capacity to stock these items in sufficient quantity to adequately provision the households and surrounding communities, so CARE pre-financed the traders. The traders were paid for the value of the vouchers before the beneficiaries actually received and used the vouchers, which allowed the traders to stock up on supplies.



UN House (Protection of civilian Site), Juba, South Sudan, February 2014: a beneficiary of the charcoal voucher project is exchanging her voucher for 2 bags of charcoal that will enable her to cook for approximately a week. Small traders who were operating in the camp prior to the project were selected to be involved in the voucher scheme. (Petterik Wiggers/Panos Pictures)

3. SUPPORTING MARKET SERVICES AND INFRASTRUCTURE

Market services and infrastructure allow the market system to function. They represent sectors such as financial services, transportation, roads, and storage. Supporting market services and infrastructure could mean either supporting the market actors who provide these services or supporting the market system with the services themselves.

A. OXFAM IN SOUTH SUDAN, SUPPORTING CHARCOAL TRADERS WITH TRANSPORTATION SERVICES, 2014-2015

Geographical area: UN House, Juba, South Sudan

Phase of emergency: Preparedness and resilience phase/ Market strengthening

Objective of the program: Ensure food security for the displaced people living in UN House in Juba.

Overall program beneficiaries: 20,000 individuals

Objective of the market-strengthening part of the program: Support small charcoal retailers with transportation so that they can safely provide cooking fuel to the internally displaced people (IDPs) isolated in the camp.

Market-strengthening activity duration: February 2014–March 2015

Market-strengthening beneficiaries: 9 charcoal retailers

Description of the market-strengthening activities: Oxfam implemented a voucher program to make cooking fuel safely available to those living in the displaced persons camp. The IDPs had no access to markets outside the camp due to ethnically-targeted violence. Oxfam identified and contracted nine charcoal retailers in the camp and implemented a targeted monthly charcoal voucher distribution for vulnerable IDPs.

In terms of market strengthening, Oxfam acted as a broker between transporters and larger charcoal traders outside the IDP camp. Oxfam also facilitated both the provision of charcoal to the retailers, as they did not have access to the wholesalers in town, as well as the transportation of the charcoal between the camp gates and the retailers' stalls, using Oxfam pick-up trucks.

B. CRS IN THE CENTRAL AFRICAN REPUBLIC, SUPPORTING ROAD REHABILITATION

Geographical area: Boda, Central African Republic (CAR)

Phase of emergency: Emergency phase/ Market strengthening

Objective of the program: Restore livelihoods and reinforce social cohesion in CAR.

Overall program beneficiaries: 762 persons

Objective of the market-strengthening part of the program: Improve access to markets through road rehabilitation.

Market-strengthening activity duration: April–May 2015

Market-strengthening beneficiaries: N/A (The project supported market infrastructure, not market actors.)

Description of the market-strengthening activities: In the CAR, CRS implemented a Cash for Work scheme within a broader livelihoods project whose objective was to restore livelihoods for youths and vulnerable households that were affected by the ongoing conflict. In this context of civil and religious conflict, the program aimed to reinforce social cohesion, so programs were vetted by the communities, and people participated equitably from different groups. One of the projects selected and implemented by the community was the rehabilitation of the 25 km road between Boda and Ndanga through Cash-for-Work. The project made the markets in Boda more accessible to the people living in the area, who gained not only improved access to supply markets but markets where they could sell their own produce (mostly cassava root).

C. OXFAM IN THE PHILIPPINES, SUPPORTING WATER INFRASTRUCTURE REPAIR, 2014

Geographical area: Tacloban, the Philippines

Phase of emergency: Emergency phase/ Market strengthening

Objective of the program: Provide access to safe drinking water to Super Typhoon-affected households.

Overall program beneficiaries: 300,000 individuals

Objective of the market-strengthening part of the program: Restore the capacity of the water provider to deliver safe drinking water.

Market-strengthening activity duration: January to February 2014

Market-strengthening beneficiaries: Main water provider in town.

Description of the market-strengthening activities: In the aftermath of Super Typhoon Haiyan, Oxfam aimed to provide safe drinking water to the urban residents of Tacloban. An analysis of the drinking water system after the typhoon found that the problem was mainly on the supply side. The main operator was not in a position to rehabilitate the broken water pipeline due to a lack of capital and a lack of access to fuel. Rather than distributing water by truck, Oxfam directed its Cash for Work and Food for Work schemes (set up within the Oxfam livelihoods program) toward the rehabilitation of the water pipeline.



Dudzai Dzapasi shows off some of the maize she has left to see her and her five children through to the next harvest at her home in the village of Manhete, Zimbabwe. Dzapasi is a Food for Assets 'FFA' beneficiary on the Katakura Environmental Protection Works, launched in June 2012 as part of PRIZE 'Promoting Recovery in Zimbabwe' efforts in the one year project extension period. Earlier, in 2010, low local production of maize led WFP to advocate for eased restrictions on imports, to enable people access to sufficient food. Photo by David Snyder/CRS

4. SUPPORTING THE MARKET ENVIRONMENT

The market environment covers the institutions, rules, norms, and trends that govern each market system. Supporting the market environment could mean either trying to influence these rules and regulations or supporting market actors to navigate them.

A. OXFAM IN GAZA, SUPPORTING LICENSING OF WATER VENDORS, 2010–2016

Geographical area: Gaza, Occupied Palestinian Territories

Phase of emergency: Recovery phase/ Market strengthening

Objective of the program: Provide access to safe drinking water.

Overall program beneficiaries: 300,000 people

Objective of the market-strengthening part of the program: Support the official establishment of water vendors so that they can provide sufficient safe water to Oxfam beneficiaries.

Market-strengthening activity duration: 2010–ongoing

Market-strengthening beneficiaries: 15 water vendors

Description of the market-strengthening activities: In Gaza, Oxfam has been implementing a water voucher scheme for 300,000 people since 2010. Oxfam identified several water vendors to partner with for the provision of water to the people. In terms of market strengthening, Oxfam has been supporting those vendors with technical training, so that they can improve the quality of the water they deliver. In addition, Oxfam mapped the official licencing process for these vendors, so that they could officially establish their businesses. Oxfam then advocated with relevant officials, asking them to facilitate the licencing process.

B. WFP IN ZIMBABWE, ADVOCATING FOR EASED IMPORT PROCEDURES, 2010

Geographical area: Zimbabwe

Phase of emergency: Recovery phase/ Market strengthening

Objective of the program: Ensure food security for vulnerable Zimbabweans.

Overall program beneficiaries: N/A

Objective of the market-strengthening part of the program: Allow sufficient maize imports to meet the demand of the Zimbabweans.

Market-strengthening activity duration: 2010

Description of the market-strengthening

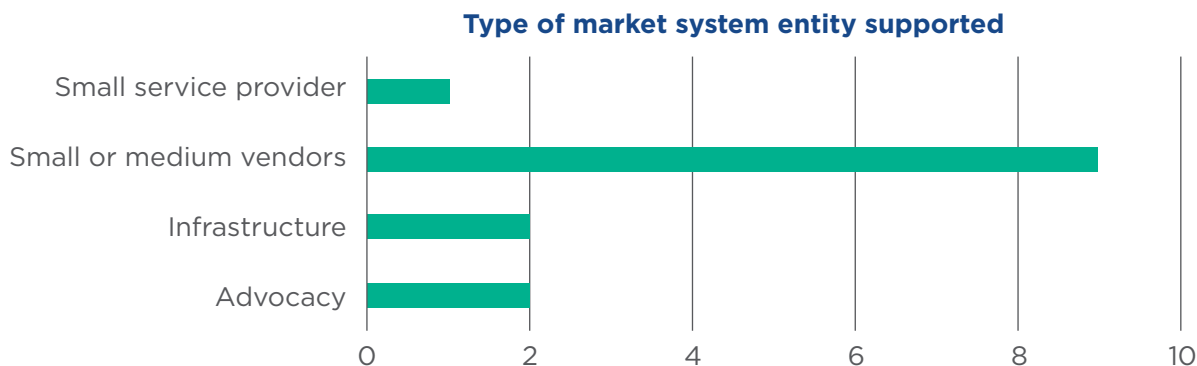
activities: Zimbabwe had a significant deficit in maize production in 2010, so the market was highly dependent on imports from neighboring Zambia. Zimbabwe had strict controls on imports, with only a certain number of maize trucks allowed to cross the border on a daily basis. WFP advocated with the Ministry of Trade to ease the import procedures, so that imports of maize would be sufficient to meet the demand of the population.



A farmer holds maize over his mill in Zimbabwe.
Photo by David Snyder/CRS

5. GENERAL TRENDS IN MARKET SUPPORT PROGRAMS

Although the cited case studies are not a statistically significant sample of market support programs, they do illustrate some trends that provide insight into the current thinking about market support.



Market support is largely implemented as cash grants to small traders. Nine of the fourteen case studies are examples of direct support to traders, and 8 of the 9 programs supporting traders did so through cash grants. Support did not take the form of loans, possibly because NGOs are not “set up” to issue loans. Support also did not take the form of direct assistance to financial service providers. However, one program (CRS windows in Ukraine) facilitated links between traders and sources of formal credit. Support by international actors to and links with financial service providers for market support loans or other services is an area fertile for more exploration.

Only two cited programs (Oxfam water licensing in Gaza and WFP advocacy on imports in Zimbabwe) exemplify support for the market environment. Both of these programs focused on advocacy and both of them took place during the recovery phase rather than the acute emergency phase.

Both formal (registered) and informal traders are recipients of market support. In the cases cited, small traders, both formal and informal, received more support. One exception noted in this review was the WFP program, which advocated for the relief of import restrictions, as arguably this would also benefit larger, formal importing companies and contractors. But the importance of informal traders in market systems cannot be overlooked. In the seed market system, for example, local market actors trade 50 percent of the global supply of seed purchased by smallholder farmers.¹⁰

Most market support programs impose conditions or restrictions on the money they distribute. Only one of the nine examples of trader support did not impose conditions or tranches for the cash support they offered. The tranche systems that several programs utilized required vendors or service providers to meet certain criteria. For example, they could receive follow-on grants only if they met certain milestones, or if they could prove that they utilized cash grants as intended.

Both of the infrastructure support case studies utilized cash-for-work programs, which is a common form of infrastructure rehabilitation in emergencies.

¹⁰ Shawn McGuire and Louise Sperling, “Seed Systems Smallholder Farmers Use,” *Food Security* 8 (2016).

Market support by international actors is highly subsidized. None of the fourteen programs cited requirements for repayment or high levels of co-investment. This is likely due to the fact that donors and NGOs/ UN actors in humanitarian contexts are not “set up” to provide loans, nor do they perceive that requiring a co-investment is “ethical” in an emergency. However, vendors in one study (CRS tool producers in the Philippines) requested low- or no-interest loans, but the NGO was not able to manage these. This is changing, and it is another area that should be investigated further.

Market support programs may include trainings or other soft components. The majority of surveyed market support programs included some form of cash grants. Eight of the fourteen programs (more than 50 percent) also included some kind of soft skills. The range of activities varied from business and financial literacy training to connecting vendors to credit providers.

Chapter II: Promising practices, challenges, and lessons learned

The present study does not provide global recommendations on how to design and implement emergency response options. It presents case studies and examples of what has succeeded in the past and the challenges and lessons that stakeholders have highlighted when interviewed about these experiences. Examining the challenges and lessons learned should make interventions even more successful in the future,

1. DESIGNING MARKET SUPPORT INTERVENTIONS

A. SITUATIONAL ANALYSIS

Situational analysis include initial needs assessments, market analyses, and other contextual information collected in a crisis. Market assessment and analysis has been discussed at length in other publications and is not the focus of this review.¹¹ However, many people interviewed for this review highlighted market analysis as a particular challenge for market-support programs, so it is addressed here.

ENABLING FACTORS

In 2014, the IRC researched the extent to which the findings and recommendations in various EMMA reports had influenced the design and implementation of market intervention programs. The IRC found that three main factors determined whether EMMA recommendations actually influence project design. Although the study focused on EMMA and not market analysis in general, it is likely that these same factors would be equally important for other market analysis approaches. The factors are as follows:

- **Good capacity of the market analysis team:** The experience and skills of the team members, their roles and responsibilities within their agencies, in addition to the awareness and understanding of market analysis, are all important. Team member capacity should include technical expertise, field knowledge, and interest in the exercise; team members should also speak the local language, and be comprised of both men and women. Team members must be skilled and experienced, but the team should not be comprised solely of technical specialists. The roles and responsibilities of the market team members should be varied, as different skills are useful throughout the process.
- **Communication and dissemination:** The involvement of a variety of stakeholders throughout the market analysis process, through direct participation in the analysis, presence at dissemination events, or consultation on specific steps, is key to the level of acceptance of EMMA recommendations. EMMA results should also be communicated in a timely, and a team leader should be present throughout the dissemination efforts. This cross-cutting finding indicates the need for a comprehensive dissemination plan to be developed right from the beginning of the assessment.

¹¹ See Oxfam's Market Response Analysis Framework document and the IRC, *EMMA's Impact on Program Decision-Making*.

- **Clarity of the final report clarity:** The final market analysis report should clearly explain its methodology and include complete annexes detailing data sources. The reports should also include evidence-based findings and recommendations, which form part of an operational action plan.

CHALLENGES

One of the key challenges highlighted during the interviews and the desk review was the **narrow scope of the market analysis exercises**¹² that international humanitarian actors implement in general. Most of the market analysis exercises discussed or reviewed primarily focused on the feasibility of using cash transfer programming and the market's capacity to sustain such interventions.

It is also a challenge in an emergency context to be able to understand the complexity of the roles and relationships among market system actors, including the equity and power dynamics at play. A recent report on seed market systems underlined the critical importance of informal channels in ensuring consistent access to seed, since more than 90 percent of seed is sourced through informal channels and more than 50 percent is sourced from local markets (i.e., not formal agro-dealers).¹³ The report underscored the importance of recognizing people's main sources of seed—which include many informal actors—and ensuring that humanitarian and development actors are supporting these regular channels. This depth of understanding is difficult to capture in initial, very rapid market and needs assessments. This underscores the need to update assessments and information continually as the emergency evolves.

In addition, market analyses are still mostly agency-centric (i.e., how can we, as humanitarians, use markets to deliver our response?) as opposed to people-centric (i.e., how are communities using and accessing markets to cover their needs?). If humanitarian organizations are looking primarily to see how best to deliver aid, then market analysis exercises may not identify access constraints or assess overall market functionality.

For example, in South Sudan, one of the critical issues affecting most of the traders since the beginning of the December 2013 conflict has been a lack of access to foreign currency and the very volatile exchange rate between the USD and the South Sudanese Pound. Even going back to 2011, the Central Bank of South Sudan limited currency exchange, which led to the development of an unofficial exchange market. Since the start of the recent conflict in South Sudan, the difference between the official and unofficial exchange rates has increased significantly. The widening gap between the two exchange rates have meant that profits that can be made on currency differentials



Zenaida was the first woman to receive rice seeds. 'I'm really happy this is just what I want at the moment. I'm a rice farmer and we'd lost everything.' Tacloban City/ December 2013 (Jane Beesley/Oxfam)

12 Information on existing market analysis tools can be found in the CaLP/IRC Comparative Table of Humanitarian Market Analysis Tools <http://www.cashlearning.org/downloads/comparative-table-of-market-analysis-tools-final.pdf> or in the Oxfam Market Analysis Compass https://prezi.com/f_4js9m1Oex2/copy-of-pezs5/?utm_campaign=share&utm_medium=copy.

13 McGuire and Sperling, *Seed Systems Smallholder Farmers Use*. *Food Security*. February 2016, Volume 8, Issue 1, pp 179–195

has grown, further discouraging commodity trade and favoring currency trade.¹⁴ Although these issues are critically important, the South Sudan market analysis reports examined for this study did not address them.

As a result of their rather narrow scope, the market analysis exercises discussed during the literature review that preceded this publication did not necessarily trigger a wide range of ideas about market-based programming. Discussion focused mostly on questions related to direct interventions (e.g., the use of cash transfer programming). Writing about the conflict in Mali, Veronique Barbelet and Marthe Diallo Goita reach a conclusion that applies equally well to the field of market intervention programming in general. They observe that market analysis “did not result in creative market-based programming during the emergency response, nor did it prompt agencies to look further into how and why markets were changing. Instead, humanitarian organizations...considered the market narrowly as a delivery mechanism for humanitarian assistance, rather than as a mechanism people rely on for their livelihoods.”¹⁵ If all humanitarian actors view markets as critical to livelihoods and people’s quicker recovery, then perhaps this can lead to more creative and holistic program design.

LESSONS LEARNED

Market analysis exercises should inform both direct and indirect interventions. Market actors form part of a larger market system and thus market analyses that look at broader, system-level information may enable practitioners to identify both direct and indirect interventions, even in the case of a smaller marketplace analysis. A Humanitarian Policy Group (HPG) paper about South Sudan makes a recommendation that has broad applicability: “Market assessments—based on systems analysis— ... should include a clear understanding of the political economy, power relations and the war economy.”¹⁶

Market assessment and analysis should take a people-centered perspective, rather than a traditional agency-centric perspective. While humanitarian actors may utilize local market actors to contribute to the humanitarian response—i.e. contracting with local transporters or suppliers to deliver aid—care should be taken that these partnerships are based on analysis and that they equitably support market actors and market systems. Currently the humanitarian community lacks ways of systematically measuring the equity impacts of humanitarian aid delivery.

14 Irina Mosel and Emily Henderson, *Markets in Crises: South Sudan Case Study*, Humanitarian Policy Group working paper (London: Overseas Development Institute (ODI), 2015).

15 Veronique Barbelet and Marthe Diallo Goita, *Markets in Crises: The Conflict in Mali*, Humanitarian Policy Group working paper (London: Overseas Development Institute (ODI), 2015).

16 Mosel and Henderson, *Markets in Crises: South Sudan Case Study*.

17 John Service, “Local Regional Procurement and Move Towards Strategic and Social Sourcing,” a paper presented at a TOPS Knowledge Sharing Meeting (Washington, D.C., 2016). http://www.fsnnetwork.org/sites/default/files/Presentation_Service.pdf

Opportunity: Supply chain and distribution activities as a kind of market support?

There is movement within supply chain and procurement teams of humanitarian organizations toward “strategic” or “social” sourcing in emergencies.¹⁷ This procurement approach sources goods and services needed for emergency responses from local service providers where feasible and appropriate, rather than importing them from large wholesalers outside the crisis-affected area, despite higher costs.

This approach may gain traction as supply chains and logistics teams work more closely with cash and markets program teams in the field.

Secondary data can be leveraged better. With the increased reliance on market analysis, secondary materials have become more and more plentiful. A literature-based understanding of the factors influencing market systems is a critical part of humanitarian response, although it is not yet utilized with regularity.

B. RESPONSE ANALYSIS

Response analysis is the link between situational analysis—comprised of the needs assessment, the market assessment, and other contextual information—and program design. It can also be described as “the analytical process by which the objectives and modalities of program response options in an emergency are determined and potentially harmful impacts are minimized”.¹⁸ Basically, response analysis includes looking at the information about a situation, analysing the different possible actions to take, and deciding on the best “Do No Harm” option.

ENABLING FACTORS

The review’s interviewees stated that successful market-based programming design is, not surprisingly, linked to a **strong evidence-based situational analysis**. Interestingly, interviewees who lacked good data (e.g., in Sierra Leone) cited the strength of the available data as a key enabling factor to good program design. . Strong data and analysis could be hampered by a lack of theory and, especially, economic theory as it applies to humanitarian market interventions. Although not explicitly stated by interviewees, the development of response analysis frameworks (e.g., in the EMMA or PCMA toolkits) that more explicitly focus on market support have likely contributed to overall improvement in response analysis and market-based program design.

In addition, what seems to create an enabling environment for market-based programming is **the organizational culture** of NGOs or other international humanitarian actors. For example, since 2002, CRS has been implementing market-based programming that links farmers with food-insecure households through seed fairs and also supports farmers’ production. Initially, these interventions were not labeled as market-based programming, but their existence created a supportive environment for such programming within the organization. All the CRS interviewees mentioned this as a factor that pushed staff to consider market-based programming in every intervention such programming.

¹⁸ Daniel Maxwell and Heather Stobaugh, *Response Analysis: What Drives Program Choice?* (Somerville, MA: Feinstein International Center, Tufts University, 2012).

A parallel could be drawn to findings from *Response Analysis: What Drives Program Choice?*,¹⁹ whose objective was to understand what factors determine the design of responses to food-security crises. The study found that the mandates and culture of the organization were among the most influential factors in the choice of programs, regardless of what an assessment might suggest.

Long-term livelihoods interventions have taken markets into consideration for a very long time, long before humanitarians became aware of the complexity of markets and began using them to respond to emergencies. Hence, the body of knowledge and evidence is larger in development contexts than in humanitarian settings. **Having both development and humanitarian teams within an organization** seems to be an enabling factor for the successful design of market-based programming in humanitarian settings.

CHALLENGES

As discussed, the situation analysis and, as a result, the response analysis are often quite narrow, essentially leading to one predetermined response option. Gut feeling and individual comfort zones are still driving a large part of the response design, mostly resulting in a preference for direct interventions. There is still a need to make the case for indirect market-strengthening and market-developing interventions, especially in preparedness and humanitarian settings.

Interviewees attribute the low implementation of indirect market interventions to a combination of factors: a shift in targeting approaches, an ethical debate around providing support to market actors, and, in some instances, security constraints.

Targeting: from a needs-based approach to an opportunity-based approach. Humanitarian interventions target those people who have been the hardest hit by a crisis and for whom recovery will be a struggle. Targeting is traditionally based on needs, with the limited available resources allocated to those who need them the most. Indirect interventions challenge this approach by directing resources to market actors, services, and/or infrastructure. Though such interventions will ultimately benefit the people most in need, the primary recipients of the resources will be the market actors who are the most likely to successfully deliver the needed goods or services or who present the best opportunity for partnership. As mentioned by one of the interviewees, “This is not a humanitarian mindset, but more of a development one.”

Some projects reviewed for this study overcame this challenge by applying a vulnerability lens to the selection of market actors with whom to work. This was, for example, the case with the CRS project in Nepal. In order to qualify for support from CRS, traders had to meet the following selection criteria:

- Business function reduced to less than 50 percent of pre-earthquake levels
- Inability to restore business function within three months without outside support
- Agreement by the vendor to offer credit, debt relief, discounts on goods, or other incentives to customers, up to an agreed-upon value
- Agreement to participate in cash/voucher programs if necessary (agreement to serve as a point of sale)

¹⁹ Maxwell and Stobaugh, *Response Analysis: What Drives Program Choice?*

- Agreement by the vendor to track sales, provide data to Caritas and CRS on business activity levels, and provide periodic price data for basic goods
- Agreement by vendors to publicly advertise the factory price and Maximum Retail Price (MRP) shared by main corrugated iron roofing manufacturers

The first two targeting criteria are similar to those applied in traditional humanitarian programming: they focus on a group that has been affected by a crisis and is unable to cope. A consequence of applying a “humanitarian targeting approach” to market-based programming has been that **most of the indirect market interventions this study came across have targeted small traders**. There were very few examples of interventions targeting larger suppliers, financial service providers, market services, or even market infrastructure. It seems easier to make the case—both internally and externally—to support small traders, who may be seen as a vulnerable group similar to the ones with which humanitarian practitioners are accustomed to working.

This situation may change with the development of additional literature on the topic, such as, for example, CRS’ recently published [Guide to Strengthening Business Development Services in Rural Areas](#). The aim of this guide is to equip new and existing service providers with a set of methods and tools to help smallholder producers engage more effectively in local, regional, and global markets. Although it looks mostly at direct interventions aimed at improving smallholders’ livelihoods, it may be useful for indirect interventions as well.

Other projects reviewed for this study overcame the targeting challenge by applying a needs-based lens to the selection of market actors, but one that focused on the needs of the aid sector as opposed to the needs of the communities. This was especially the case with examples of traders being provided support in terms of business development services (business plan, accounting, etc.). There is very little evidence that those services were provided in response to actual market needs; rather, it seems likely that they were designed to bring traders up to organizational standards so that humanitarian organizations could partner with them. For example, one organization provided support to contractors to help them complete the paperwork required for the tendering process that this same organization had launched. Supporting traders to participate in the aid system is not consistently classified as market-based programming, as often the underlying objective is to support crisis-affected people in an indirect way. (See Section 1.a.)

Supporting the private sector: The ethics of market support Providing direct support to market actors, specifically direct subsidies to the private sector, raised numerous questions among the interviewees.

How far should we go in supporting private sector actors? Is this really the best use of humanitarian funds? How can a non-profit organization support a profit-making organization? Should we require private-sector actors to comply with minimum humanitarian standards?

Answering these questions goes beyond the scope of this review, and indeed, these are **ethics questions** that the traditional humanitarian perspective (which focuses on directing resources to the people most in need) may be unable to address. Humanitarian practitioners need to be able to challenge their perspectives to answer them. Some of these answers may be found within the longer-term development sector.

Another related question interviewees mentioned is if and how to support the informal sector, or actors who are often unregistered and unregulated. This question is especially pertinent when it comes to certain livelihoods inputs, such as seeds, as farmers globally access 90 percent of their seeds from informal systems.²⁰

Many donor agencies and local authorities share these concerns and are resistant to supporting indirect market-strengthening and market-developing interventions. Donor and government resistance was also cited by interviewees as a key challenge to successful response analysis. For example, some potential indirect interventions in Nepal were called off because the relevant authorities would not approve them. Donor reluctance to fund indirect interventions was cited as a challenge by one in six interviewees. That reluctance is likely the reason that none of the indirect interventions examined for this review were stand-alone interventions; rather, all were components of broader responses tied to direct interventions.



Female beneficiary received her prepaid card that can be used for purchasing various types of goods for disaster survival, recovery and rehabilitation like basic commodities, lumber, hardware, tools, etc. at any Visa card accepting stores. Catbalogan/ February 2015 (Christian Poleno/Oxfam)

Security constraints: a very context-specific challenge. There are several examples of direct market-based interventions being a way to overcome access and security constraints (e.g., the use of mobile money in Somalia, etc.), but this is not always the case. In the very specific context of South Sudan PoC (Protection of Civilian) camps, market-based programming was hampered by United Nations Mission in South Sudan (UNMISS) restrictions. UNMISS refused to allow bank branches inside the displaced persons camp, which made it difficult to provide cash to traders. UNMISS also rejected for security reasons the idea of organizing fairs with vetted traders from outside the camps. Other constraints mentioned related to U.S. counter-terrorism regulations or Office of Foreign Assets Control (OFAC) regulations. These are linked with money transfers in general and are not specific to indirect market interventions; hence they will not be examined here in detail.

LESSONS LEARNED

It is difficult to decide when it is appropriate to subsidize the private sector, and how best to do it.

There were conflicting lessons learned around subsidizing market actors to be part of humanitarian responses. Some interviewees felt that market actors should not be subsidized as part of the response if the goal was to encourage market linkages and the sustainability of the intervention. Others, however, felt that it was more important to be pragmatic and acknowledge that there might not be time to nurture sufficient buy-in among market actors to change their way of thinking about the intervention. In such cases, subsidies can serve as a way to ensure timely and effective responses. What seems to be the breaking point between these two points of view is the context and the urgency of the needs that the market interventions ultimately aim to cover. For example, in Ukraine, it was decided to pay the market

²⁰ McGuire and Sperling, *Seed Systems*.

actors upfront so that they could quickly serve crisis-affected people and be part of the response. This is discouraged in other contexts.

Livelihoods-focused programs blur the lines of direct and indirect interventions. Several practitioners interviewed for the review were confused between direct and indirect interventions, especially when looking at longer-term livelihoods interventions. When collecting examples and case studies for this review, several projects were mentioned that were market-sensitive, long-term livelihoods interventions mistakenly classified as indirect market support interventions.

A good example of this was a livelihoods intervention to benefit female coffee traders in Ethiopia. The intervention was aimed at improving the coffee traders' livelihoods through better connections with the coffee market system and improved business services (e.g., literacy training). This intervention is a direct intervention, that is, an intervention whose objective is to directly improve the situation of the vulnerable group (in this case the women coffee traders) in a market-aware manner. Such livelihoods interventions often focus on individuals and enterprises, and may have secondary benefits to local markets.

Being market-sensitive should be considered a minimum requirement of all programming and not an achievement of its own. Livelihoods-focused programs blur these lines of traditional market-based programs in emergencies. Thus CRS, Oxfam and others are revising the market-based programming framework to make the distinction between direct and indirect interventions clearer and easier for practitioners to understand.

It is critical to engage with existing market actors to determine the most appropriate response. Humanitarians must improve their engagement with local business communities. Market actors do not operate independently; rather, they operate within a system. Humanitarian practitioners need to understand this community better, to engage more with trade unions and/or Chambers of Commerce and to provide private-sector actors with the space to come up with their own ideas and solutions to support disaster relief and recovery. As one interviewee mentioned, "We need to treat (local) market actors with a lot more respect."

Humanitarian practitioners should not assume they can create a market or distort a market for the best. If the private sector is not doing something, humanitarian practitioners should first try to understand why and should not assume they know better. In addition, humanitarian practitioners should understand that they too can impact markets.

A successful example of engagement with market actors for response design comes from Nepal, in the aftermath of April 2015 earthquake. Save the Children and CRS met with the Chamber of Commerce of Gorkha District early in the recovery process, and the Chamber's support was critical in mapping out the key markets and identifying which ones were most critical to provisioning poor, rural communities that were heavily affected by the earthquake. The Chamber of Commerce acted as a partner in the response design, also helping to create selection criteria, design an appropriate response, and provide access to community markets. Their knowledge of the local context was essential to the collective humanitarian response.

As with any humanitarian activity, preparedness is crucial to the design of indirect market interventions. The practitioners who were interviewed stressed the importance of preparedness. Staff training and awareness raising around market-based programming should be done during the

preparedness stage and not in the response analysis stage. This will support stronger situational and response analysis, as well as timely implementation of the subsequent interventions.

2. IMPLEMENTING INDIRECT MARKET INTERVENTIONS

ENABLING FACTORS

According to the interviewees, enabling factors for the successful implementation of indirect market interventions are both internal and external to the humanitarian system.

Internally, the **increased uptake of cash transfer programming** seems to be one of the biggest opportunities for the successful implementation of indirect market interventions, as well as market-based programming in general. Market analysis should be implemented irrespective of the type of delivery modality (i.e., in kind, CTP, or mixed). In practice, however, humanitarian practitioners have only been analyzing markets systematically since the onset of widespread cash transfer programming. The range of types of market-based programming emerging from such market analysis is still limited, as noted in the section 1, in but more and more practitioners are implementing responses with a market lens.

The humanitarian community is quickly realizing that cash and market interventions can be effective and represent a unique opportunity to **bridge the gap between long- and short-term interventions**. The humanitarian interviewees saw the development sector as a reliable source of knowledge to tap into, while development practitioners have shown an interest in the market-based responses implemented by humanitarians. This is still largely undocumented, and was identified as an enabling factor based largely on the interviewed practitioners' feelings and perceptions. The body of evidence is quickly growing, though, through several ongoing initiatives, including the present review. Other initiatives that may demonstrate mutual interests between development practitioners and humanitarian practitioners include, but are not limited to:

- BEAM (Building Effective and Accessible Markets) Exchange's [evidence map](#)
- [LEO](#) (Leveraging Economic Opportunities) project reports
- ODI—[Private sector and markets program](#)
- ODI—[Markets in crisis and transitions](#)
- Oxfam and the Feinstein Center—Humanitarian Evidence Program's systematic review of the impact of different market-support interventions on household food security in humanitarian crises
- [SEEP Network](#)—an umbrella group of markets-focused organizations in both emergency and development contexts
- UN Office for the Coordination of Humanitarian Affairs (OCHA)'s increasing interest, research, and analysis in the private sector's engagement in humanitarian responses

The private sector²¹ is generally willing to collaborate with humanitarian agencies. An indication of this could be that none of the projects reviewed faced a lack of market actors with which to work.

²¹ See footnote 2 on page 7 for a definition of private sector.

On the contrary, most saw an increase in the number of existing private sector actors involved in the project's lifespan; for example, Save the Children in Sierra Leone saw the number of traders in their project area increase from 400 to 600 over the course of their program. In Nepal following the 2015 earthquake, the UN Capital Development Fund (UNCDF) updated its mapping of existing financial service providers so that humanitarian actors could link up with them, either to support these service providers or to leverage them for the response.

A recent ODI study²² attributed this willingness to collaborate with humanitarians to three main factors:

- A concern for the well-being of the people affected by a crisis who are benefiting from humanitarian aid. This is especially the case with national and local businesses whose customers, team members, or suppliers may have been affected by this same crisis.
- A willingness to improve the company's image and reputation.
- A commercial interest, since partnership with the humanitarian sector may offer an opportunity for the company to gain new customers, develop new products, or enhance existing relationships with customers.

Opportunities and enabling factors for the implementation of indirect market interventions come from both inside and outside of the humanitarian system. But the challenges are mostly internal to the humanitarian system.

CHALLENGES

Interestingly, the implementation component of indirect market interventions was not deemed to be the most challenging step; indeed, very few specific challenges were related to the implementation itself. According to the interviewed practitioners, once the response had been designed and the stakeholders engaged, implementation was quite straightforward. The skills needed to implement indirect market interventions are quite similar to the ones needed to implement other humanitarian programs.

The only challenge specified was related to **the coordination of market-based programming**. The coordination challenges mentioned are similar to those faced in any humanitarian cash transfer program. As with cash, there is no consistent place where coordination of market-based programming fits within the cluster system or other coordination models. For example, in Nepal, market-based interventions are coordinated by a Cash Working Group, whereas in Lebanon, they are coordinated within each sector.

Another challenge may be the slow adoption of standards for market- support interventions. The Minimum Economic Recovery Standards (MERS)²³ from the SEEP Network had only been used by one of the interviewees, as interviewers mentioned that some of the standards were not relevant for humanitarian settings. According to the document itself, MERS is designed to “promote strategies and interventions that are cognizant of the longer term, namely, rebuilding working markets that

²² Zyck and Kent, *Humanitarian Crises, Emergency Preparedness and Response*.

²³ <http://www.seepnetwork.org/minimum-economic-recovery-standards-resources-174.php>

will endure for years to come, well beyond the recovery phase to a non-emergency phase.”²⁴ This longer-term lens could explain the limited adoption to date of MERS for market-strengthening interventions in emergency settings.

However, MERS can be an asset to humanitarian practitioners because it takes into account not only the early stages of a rapid-onset disaster, but the longer-term impacts. For example, at the beginning of the Nepal earthquake response, the SEEP Network shared a one-page document highlighting the key parts of MERS to integrate into the response design. The ongoing MERS revision (aiming for end of 2016) will continue to promote medium- and longer-term thinking in the design of programs that support enterprises and market systems during emergencies.

LESSONS LEARNED

Leveraging existing private-sector knowledge and resources can be an effective and innovative way to implement quality market-support interventions at scale.

The skills needed to implement market-support programs are similar to those required for any high-quality humanitarian response. More important investments may be in building technical market analysis capacity of humanitarian staff during the design stage.

Clear coordination channels can facilitate the implementation of effective and timely market interventions. Coordination mechanisms can streamline assessments, help ensure that grant amounts are similar among actors, encourage shared learning around the presence of financial service providers, and promote other good practices.

More attention to global humanitarian standards around market support could help ensure the quality of intervention programs. The revised MERS standards encourage good practice in market interventions—both direct and indirect—from the outset of a humanitarian response.

3. MONITORING INDIRECT MARKET INTERVENTIONS

ENABLING FACTORS

Interviewed humanitarian practitioners had little to say about how to design a monitoring framework to measure the success of indirect market interventions. However, it is likely that, if properly framed, practitioners would see the monitoring of market-based interventions as quite similar to the monitoring of any type of humanitarian intervention. This is not unlike the difficulty humanitarians might face in designing actual interventions, though the work of implementing the interventions afterwards fits well with the humanitarian skill set. Thus, while humanitarians might find it difficult to design a monitoring framework for an indirect market intervention, it is likely that once the monitoring framework has been designed, humanitarians would find the actual data collection and monitoring activities to be no more difficult than the activities performed for any other intervention.

Interviewed practitioners, when asked about the monitoring of indirect market interventions, also flagged the **lack of existing documentation for market-based programming**. Since humanitarians

²⁴ SEEP Network. <http://www.seepnetwork.org/minimum-economic-recovery-standards-resources-174.php>

seem to have an appetite for documentation, the lack of documentation could represent an opportunity to combine monitoring and evidence collection in a way that would appeal to the humanitarian sector and at the same time do the field of indirect market intervention some good. This opportunity is already illustrated by the ongoing research initiatives around market-based programming mentioned above. (See Section 2)

CHALLENGES

Most of the challenges flagged by practitioners interviewed on the subject of monitoring indirect market interventions came down to the fact that **humanitarians have not defined yet what a successful indirect market intervention looks like**. As mentioned by one interviewee, “We know the changes we want to bring to our beneficiaries, but we do not know the changes we want to see in the markets.” Humanitarians have **not been able so far to quantify indirect market support**.

Practitioners find it difficult to define what result indicators should be used in monitoring and how to explain the expected results of the project. None of the logical frameworks reviewed for this study included indicators looking at the impact of the indirect market support component of the response and other factors.

Without knowing what results a given program is seeking relative to market support, it is difficult to assess the financial costs involved in an intervention and ultimately justify those costs to a potential donor.

To date, humanitarians monitor the achievement of the direct objectives of the response (i.e., the food security situation of the targeted population, its shelter access, etc.) and make sure that they do no harm to the market. As such, they mostly monitor prices to ensure that responses do not create inflation. In some rare instances, they also monitor the quality and volume of goods available in the market, the type and number of traders for the key commodities present in the market, the level of stocks, and the main terms of trade. However, they do not monitor the intervention’s potential multiplier or trickle-down effects in a systematic way. Limited outcome monitoring may be sufficient for direct, market-sensitive interventions, but it is not sufficient to ensure the quality of indirect market interventions.

Standards would be useful in monitoring market-based interventions. Potentially relevant standards and guidelines include MERS, CaLP’s minimum requirements for market analysis in emergencies,²⁵ and MARKit,²⁶ developed by the Local and Regional Procurement (LRP) Learning Alliance. So far, humanitarian practitioners have adopted these standards and guidelines only in a very limited way.



Cash tranche being delivered to beneficiary households, DFID Funded ECT Program, South Sudan, May 2015 (Rosalind Watson, M&E and Program Development Manager, Mercy Corps South Sudan)

²⁵ <http://www.cashlearning.org/resources/library/351-minimum-requirements-for-market-analysis-in-emergencies>

²⁶ <http://www.crs.org/our-work-overseas/research-publications/markit>

Some reasons for the limited response might be: MERS does not include standards specifically for monitoring; CaLP's document focuses on market analysis as opposed to market-based programming; and MARKit focuses on the monitoring of prices.

LESSONS LEARNED

Existing guidelines and standards could be used to clearly define monitoring indicators. Although they each have specific limitations, they can be useful for identifying good indicators, analyzing gaps, and creating standards and common monitoring indicators. Coordination platforms are good fora to discuss this.

Local private sector actors can be leveraged for the monitoring of market-based programming. Humanitarian practitioners should get better at identifying key informants for monitoring. Trader associations, Chambers of Commerce, and other local actors are very good sources of information that are rarely considered.

Secondary data is key. This lesson learned is not specific to market-based programming, but is quite common when looking at monitoring in general in the humanitarian sector. Practitioners have a tendency to overlook existing secondary data and to collect too much primary data, which they do not know how to use. In the market-based programming context, humanitarian practitioners should be encouraged to look into global market data for help with price monitoring and quantifying indirect market support.

Concluding remarks

By gathering context-specific examples of programs that support market actors, market services, and the market environment during emergencies, this review begins to meet the need for more evidence-based guidelines for designing and implementing market-based programming. It is also meant to generate more creative response analysis by showcasing what has been done successfully in the past.

There are significant opportunities for increased numbers and improved quality of market support programs in the humanitarian sector, building on successes and challenges to date. The humanitarian community should continue to gather lessons learned and grow the evidence base around market support programs, to continue to develop this type of programming in humanitarian response.

ANNEX 1: INTERVIEWEES

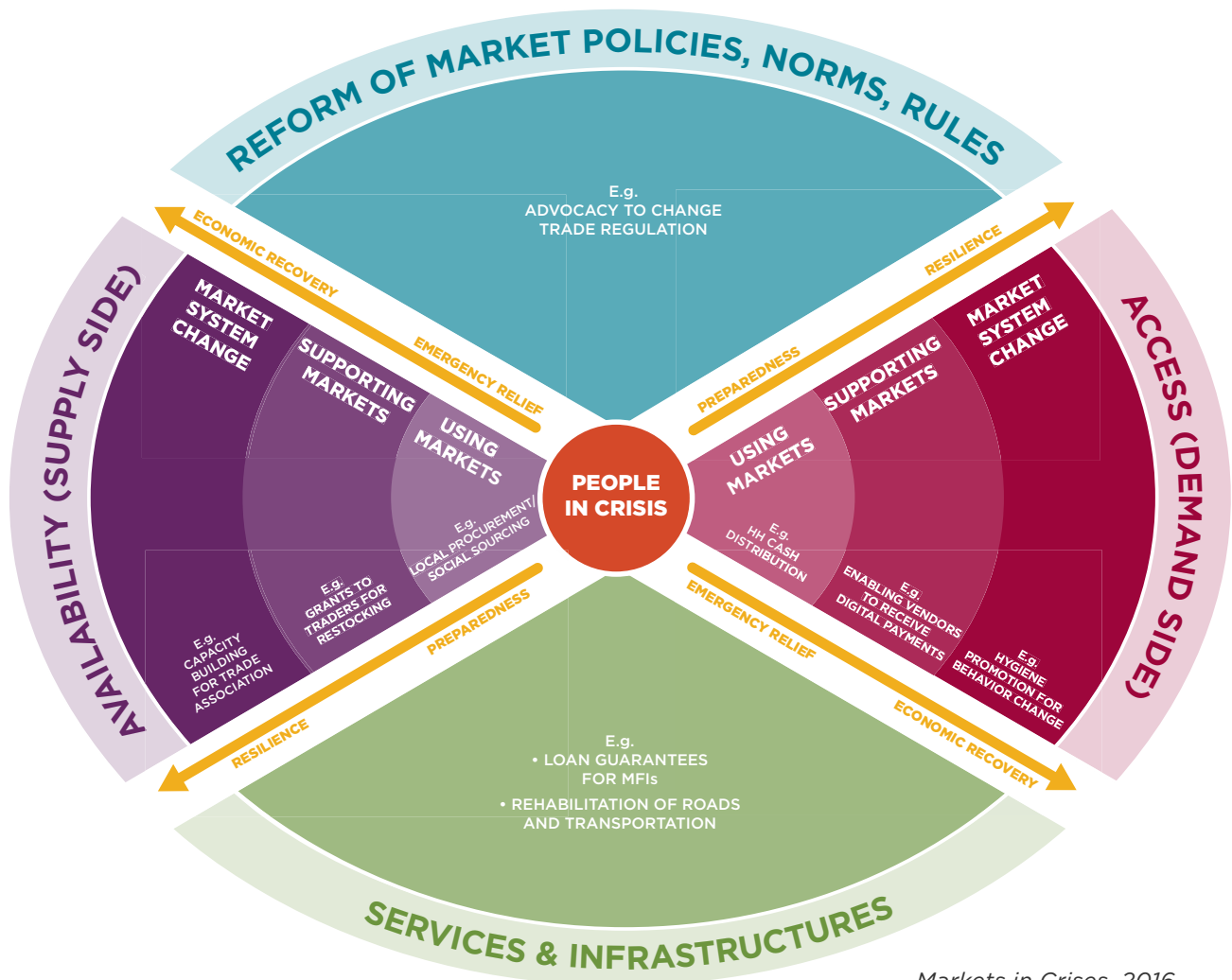
	NAME	AGENCY	POSITION	COUNTRY OF WORK
1	Justus Liku	CARE	Senior Advisor, Emergency, Food & Nutrition Security	Kenya
2	Scott Merrill	CARE	Senior Technical Advisor for Livelihoods & Markets	US
3	William Martin	CRS	Technical Advisor—Cash & Markets	India
4	Ana Ferreira	CRS	Former Program Manager	Nepal
5	Jamie Richardson	CRS	Global Shelter Advisor	US
6	Louise Sperling	CRS	Senior Technical Advisor—Agriculture & Livelihoods	US
7	Ian MacNairn	CRS	Regional Technical Advisor— Agriculture & Livelihoods	West Africa
8	Tom Shaw	CRS	Senior Technical Advisor—Microfinance	US
9	Dina Brick	CRS	Technical Advisor—Food Security & Markets	US
10	James Hazen	CRS	Chief of Party	Madagascar
11	Mario Patino	IRC	Coordinator, Economic Recovery & Development	Iraq
12	Barri Shorey	IRC	Technical Advisor—Enterprise Development & Employment	US
13	Yoann Tuzzolino	IRC	Cash Preparedness Advisor	US
14	Alexa Swift	Mercy Corps	Economic Recovery Advisor	US
15	Rosalind Watson	Mercy Corps	Program Manager	South Sudan
16	Ghada Al-Najjar	NRC	WaSH Coordinator	Gaza
17	Pierre Dassonville	Oxfam	WaSH Coordinator	Jordan
18	Mahmoud Shatat	Oxfam	WaSH PM	Gaza
19	Luay Alwuhaidi	Oxfam	Humanitarian PM	Gaza
20	Raissa Azzalini	Oxfam	Public Health Promotion Advisor	UK
21	Jemaine Bayas	Oxfam	EFSL Coordinator	Philippines
22	Alexandre Gachoud	Oxfam	Global Emergency, Food Security & Vulnerable Livelihoods Advisor—Market Lead	UK
23	Isabelle Pelly	Save the Children	Humanitarian FSL Advisor (Cash & Markets)	UK
24	Andrew Simbwa	Save the Children	Project Director FEEDS	Sierra Leone
25	William Brian Wallis	SEEP network	Senior Program Associate	US
26	Tobias Flaeming	WFP	Head, Market Analysis Unit within VAM	Italy
27	Oscar Caccavale	WFP	Market Specialist	Italy
28	Simon Renk	WFP	Regional Market Advisor	Senegal

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ANNEX 3: UPDATED MARKET-BASED PROGRAMMING FRAMEWORK

The framework illustrated in the diagram below was revised and updated by members of the “Markets in Crisis” group in 2016. In the illustration, 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 catalyze local market systems or market hubs. Some degree of market analysis is a critical part of all situation and response analyses. At a minimum, all humanitarian programming should be “market aware”. The better humanitarian and development actors understand markets, the deeper they can engage with markets.



HOW THIS FRAMEWORK DIFFERS FROM THE ORIGINAL

The original framework for market-based programming is quite useful as an overview of market-based programming. This revised framework aims to elaborate in more detail on the types of market-based programs implemented by humanitarian and development actors.

HOW TO READ THE FRAMEWORK:

- The yellow arrows show the progressive depth of humanitarian program engagement with the market, from activities that are limited to using markets to those that aim for market system change. Programs that use markets often are part of emergency relief efforts, while programs aiming for market system change are more relevant for economic recovery. An example of each type of program is provided.
- The framework mimics an Emergency Market Mapping and Analysis (EMMA) map, in that the market actors are across the middle, with policies and supporting environment across the top, and infrastructure and services along the bottom. All elements make up a market system.
- People should be the focus of all market-based programming, so they are central to the framework.
- Humanitarian and development actors should consider activities that promote “preparedness”, and those that lead to greater “resilience”. For illustrative purposes – so that we don’t forget them – these terms are included along the yellow arrows, but it is recognized that these do not necessarily fall along a spectrum as such.

TYPES OF MARKET-BASED PROGRAMS

SUPPLY/AVAILABILITY

Outcome sought: Using or supporting the local market to ensure sufficient supply and availability of critical goods and services for people affected by crisis.

USING MARKETS: Providing temporary direct support to market actors, or other entities that make up a market system, so that users have access to a sufficient supply of goods, services, or income to meet needs in a crisis.

Sample activities: Grants to traders for restocking; Transportation subsidies; Debt relief for vendors.

SUPPORTING MARKETS: Providing direct support to market actors, or other entities that make up a market system, to restore or build sufficient supply of goods and services.

Sample activities: Grants to traders for restocking; Transportation subsidies; Debt relief for vendors.

Market system change: Longer term projects aimed at enabling sustainable changes in market access and demand for goods and services, supporting the development of viability and resilience within existing and new market systems.

Sample activities: Hygiene promotion campaign to promote behavior change and create demand for hygiene products and services.

DEMAND/ACCESS

Outcome sought: Using or supporting the local market to ensure access to the market by people affected by crisis.

USING MARKETS: Working through local markets to provide access to locally-available goods and services for people in need.

Sample activities: Cash transfers to affected households; Cash or vouchers for shelter materials

SUPPORTING MARKETS: Providing temporary support to market actors, or other entities in a market system, so that users can adequately access goods, services or incomes needed to meet needs in a crisis.

Sample activities: Sales of small seed packs to promote innovation and create demand; Enabling vendors to receive digital payments; “Societal marketing”.

Market system change: Working through the whole market system to create sustainable access to and demand for goods and services.

Sample activities: Hygiene promotion campaign to promote behavior change and create demand for hygiene products and services.

REFORM OF MARKET POLICIES, NORMS AND RULES

Outcome sought: The market environment is a driver for a well-functioning market system.

Sample activities: Advocacy for trade regulations reform; community approaches to ensuring more equitable gender roles in marketing and decision-making.

SERVICES AND INFRASTRUCTURE

Outcome sought: Market services and infrastructures are restored, strengthened or developed to allow functioning of critical market systems and market places.

Sample activities: Loan guarantees for microfinance institutions (MFIs); Rehabilitation of roads, transportation, or cell phone networks; Provision or restoration of digital cash delivery technologies; Support to improved market information.



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