

# MARKET SUPPORT INTERVENTIONS IN HUMANITARIAN CONTEXTS – A TIP SHEET



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# MARKET SUPPORT INTERVENTIONS IN HUMANITARIAN CONTEXTS – A TIP SHEET

## A CALP RESOURCE – CO-DEVELOPED WITH CATHOLIC RELIEF SERVICES (CRS)

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Date: June 2018 (first edition)

CaLP would like to specifically recognise the extensive contribution of Catholic Relief Services (CRS) to the testing and design of the tip sheet.

Cover photo: Chinow moved to an IDP camp in Somaliland after her herd of animals all died due to drought. She received a mobile cash transfer from Oxfam, which she spent in the nearby town of the town of Fahdi Gaab to buy enough food to last her family a few months.  
Photo: Allan Gichigi / Oxfam

### PURPOSE

- Define what market support programming in humanitarian contexts is and what it can look like in practice.
- Enable humanitarian practitioners to consider market support interventions from the outset by highlighting the potential benefits of market support programming alongside or independently of other programme activities.

### SCOPE OF THE TIP SHEET

- Market support focusing on supply/availability – 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 to cater for the basic needs of the catchment population.
- Market support focusing on demand/access – 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.

## WHAT IS THIS MARKET SUPPORT TIP SHEET?

### INTENDED AUDIENCE

- Technical specialists across sectors
- Project/programme managers
- Donors
- Business development specialists
- Proposal writers

### WHERE THE TIPS CAME FROM

- Primary and secondary data collation (27 documents and interviews with 14 humanitarian practitioners)
- Based on existing standards including the Minimum Economic Recovery Standards (MERS), Minimum Standards for Market Analysis (MISMA) and CaLP's Cash Transfer Programming (CTP) Programme Quality Toolbox
- *N.B. Market support is an emerging approach, gaps in practice, evidence and tips still exist and they have been highlighted throughout. This tip sheet will be periodically updated as knowledge, skills and practice in the area of market support progress. The most comprehensive review of evidence around market support intervention can be found [here](#).*

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# I SETTING THE SCENE

## I.1 WHY DO MARKETS MATTER IN CRISIS SETTINGS?

There is growing consensus in the humanitarian sector on the need to be aware of local economies and local markets, hence to be ‘market sensitive’.<sup>1</sup> Markets are recognized as a vital asset of any given community and as a lifeline for the majority of the world population. As such, they are increasingly considered as a means of supporting the delivery of assistance and as a potential direct target of assistance, to boost livelihoods and economic recovery. Beyond increasing the effectiveness of humanitarian response, the collection and use of market data can shift the humanitarian lens, moving away from an agency- and sector-specific focus to a more holistic understanding of crisis-affected people, their needs and capacities.

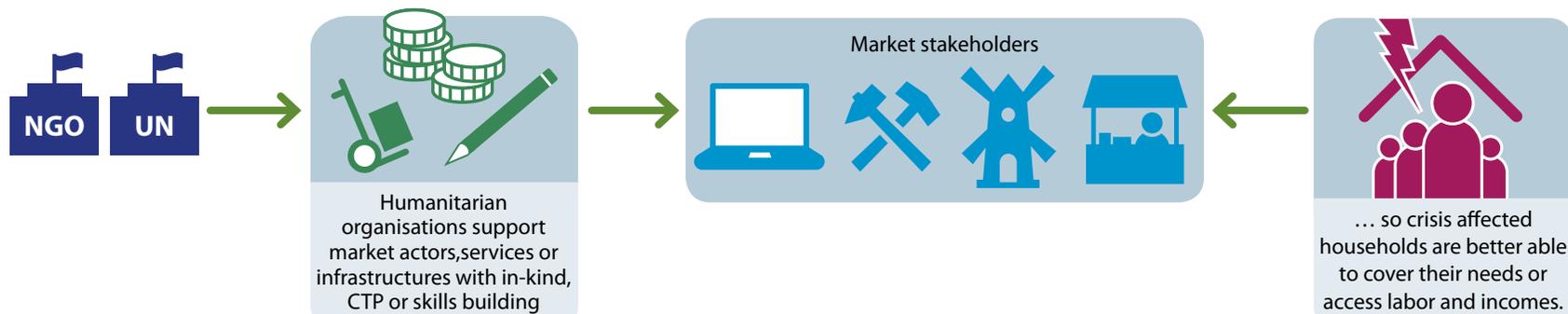
## I.2 WHAT ARE MARKET SUPPORT INTERVENTIONS?

Market support interventions are a type of market-based programming (MBP), which aim to **improve the situation of crisis-affected populations by providing support to critical market systems on which the target population relies for goods, services, labour or income**. These interventions target specific market actors, services, policies and infrastructure.

Market support interventions can take multiple forms, including activities that support market actors, market infrastructures and services. They can seek to address both obstacles to supply/availability and demand/access.

Market support is an approach that can be embedded in sector-specific and multisectoral responses (e.g. food, livelihoods, water sanitation and hygiene (WaSH) or shelter).

Figure 1 : Market support intervention



<sup>1</sup> Mercy Corps. (2018). *Beyond Cash: Making Markets Work in Crisis*, [www.mercycorps.org/research/beyond-cash-making-markets-work-crisis](http://www.mercycorps.org/research/beyond-cash-making-markets-work-crisis)

### BOX 1: THE RANGE OF MARKET SUPPORT INTERVENTIONS

- Distributing grants, in-kind assistance or vouchers to market actors to restore, strengthen or develop businesses;
- Skills development for market actors to restore, strengthen or develop their businesses;
- Sharing information about licensing processes with market actors so they can strengthen or develop their businesses;
- Facilitating access to credit by providing a guarantee of demand through an upcoming emergency project relying on local markets;
- Offering physical storage space to market actors;
- Rehabilitating a road to allow market actors access to the physical marketplace;
- Offering transportation services to market actors;
- Providing grants or in-kind material (including fuel) to transporters so they can restore, develop or strengthen the transportation services they offer to market actors;
- Developing financial service providers' understanding of the credit requirements of market actors;
- Facilitating the circulation of key information to transporters, owner of storage spaces or financial service providers so they can restore, develop or strengthen their service delivery.

Market support can be implemented both on its own or alongside complementary activities like cash transfers to the affected population. Market support interventions can help restore market activity, which in turn can improve the feasibility of CTP.

### 1.3 WHEN SHOULD MARKET SUPPORT INTERVENTIONS BE CONSIDERED?

Market support interventions should be considered when market functionality has been affected by a crisis and local markets are not able to cope in a timely manner to support access to basic needs. A disrupted market should not be dismissed as a means to deliver humanitarian assistance; rather, practitioners should consider whether market support could stimulate the local market to recover more quickly.

Market support should be considered from the outset of an emergency response. To facilitate this, staff should be familiar with the value of market support interventions.

## 2 SITUATION ANALYSIS TIPS



**Consistently include the potential option of market support as part of the objectives of any market assessment.** Do so right from the outset of the response. Lack of timely assessments have led to situations in which, by the time market support interventions have been implemented, the majority of market traders have recovered on their own, sometimes by engaging in negative coping strategies.



**Clearly identify the questions you want answered.** Such as:

- Is the market functioning or does it need support to be able to supply key goods and services to the crisis-affected population? NB: What is meant by lack of 'market functionality' needs to be clearly defined and contextualized during project design.
- If so, what kind of support is needed?



**Using the [Minimum Standard for Market Analysis](#), decide on the depth of analysis needed.** To date, the design of market support interventions has mostly required an in-depth market assessment.



**Use the [International Rescue Committee's \(IRC's\) Market Information Framework](#) to identify which market data to collect to answer the above questions and which tool to use to do so.**

### BOX 2: MARKET INFORMATION FRAMEWORK

#### What is the Market Information Framework?

The framework aims to demystify and streamline emergency-focused market analysis by:

- making clear the most common questions related to humanitarian programming for which market information is needed;
- indicating what types of market-related data are needed to answer each of these questions, and why; and
- pointing users towards tools that will help them to gather this information.

It is intended to help humanitarians step away from prescriptive tools and approaches and to reconsider the scope and breadth of information that should be gathered about markets, regardless of which tool or approach is being used, as well as the most effective ways of gathering that information.



Make sure **staff are aware of what market support interventions are and how they can benefit disaster-affected people**. One reason why humanitarians don't identify market support options is that they are not looking for them. Focus messaging around why it is important to restore markets as a means of supporting the recovery of the crisis-affected population.



**Meaningful market support interventions have been designed out of participatory market assessments**. Involve key private sector or market-related local stakeholders (e.g. Chambers of Commerce, market committees, trader associations, local leaders) and development actors. Do not forget actors that provide key supporting services, such as transport and finance.

### EXAMPLE FROM THE FIELD 1: THE CRITICAL ROLE OF PARTICIPATORY MARKET ASSESSMENT

#### Mercy Corps in South Sudan<sup>1</sup>

Through interviews with market actors and assessments of the market system, Mercy Corps in South Sudan found several reasons for weak market systems function.

A critical leverage point was that local leaders had established inter-ethnic conflict management systems to keep trade alive. After months of conflict, local Nuer chiefs in Unity State brokered a peace deal with Dinka chiefs from the neighbouring state of Jonglei to stimulate trade. The leaders agreed that they 'could not let our people starve'. Through a series of meetings, local chiefs formalized an agreement to enable trade to move freely and peaceably between the counties to keep the markets free of violence.

#### Save the Children and Catholic Relief Services in Nepal<sup>2</sup>

Partnerships with Gorkha Chambers of Commerce and Industry and market management committees by CRS and Save the Children in Nepal helped both organizations to gain more timely access to vendors and better understand their needs.

Catholic Relief Services (CRS) held a series of consultations with key stakeholders such as Gorkha Chambers of Commerce and Industry, market management committees and vendors (of different profiles, dealing with essential services and goods) across different markets to identify their recovery needs. These comprehensive consultations helped CRS to better understand the business recovery needs of the vendors and to develop a support package that was best suited to restore markets.

Including those actors did not add significant time to the assessment, rather the opposite, while giving Save the Children and CRS a broader perspective on constraints in the system preventing supply/demand from working.



**When assessing the need for market support interventions, consider the change in demand anticipated from the entire humanitarian response** (and not just from your agency's intervention) as well as which other market support interventions have already been planned/are already taking place (e.g. agreed delays to loan repayment, government subsidies, humanitarian cash transfers, etc.)



**Share the results of your assessment with other humanitarian actors, government or civil society**. They may be better placed to respond to particular market support issues. For example, recommendations to repair/construct infrastructure to improve access to markets could be shared with the logistics cluster, or recommendations on changing policies causing market restrictions could be shared with government actors.

<sup>2</sup> Mercy Corps. (2014). *Beyond Band-Aids: Rebuilding Market Systems Amidst Catastrophe in South Sudan*.

<sup>3</sup> Catholic Relief Services. (2016). *Lessons learned: Supporting markets in post-earthquake Nepal*.

### 3 RESPONSE ANALYSIS TIPS



**A participatory approach is needed not only at situation analysis stage but also during response analysis.** Test your ideas and solutions to support markets with private sector actors to ensure proposed activities are fit for purpose.



Using information from your situation analysis and market assessment, quantify the type and scale of market support needed. For supply-side interventions, try the following steps:

**Step 1. Quantify the needs of the crisis-affected population,** i.e. the volume of goods and services that the crisis-affected population needs.

**Step 2. Quantify the capacity of local market actors,** i.e. the volumes of goods and services that the local market can supply.

**Step 3. Determine the gap between what people need and what the market can supply.** Use this to decide who within the market system you would need to support/advocate with, what level of support to provide, and what type of support to provide in order for the crisis-affected population to meet their needs.



Consider the **whole range of possible market support activities.** Markets can be supported through 'hard' investments in infrastructure and economic production. But do not overlook the 'soft' investments, like advocating for low-interest loans for rebuilding, investing in financial literacy for vendors, or building vendor capacity to collectively process information through communal institutions.



**Think beyond the obvious market actors** and be prepared to work with formal and informal market actors.



In Malawi, Djžlika Ha'dara, an 18 year-old refugee who had fled conflict in Mali with her infant son, uses a pre-paid debit card provided by CRS to purchase key living supplies. Photo: Helen Blakesley/CRS

## EXAMPLE FROM THE FIELD 2: NON-TRADITIONAL MARKET ACTORS TO CONSIDER FOR MARKET SUPPORT<sup>4</sup>

Cooperatives, community-based organizations and sometimes community-wide social enterprises are important actors in improving resilience for women and vulnerable groups, while also supporting market systems. Collectives have advantages over individuals in that they can easily link with other market actors in the system; they may also be able to secure loans or more favourable profits through economies of scale and collective bargaining.

In more socially conservative contexts such as the Middle East, collectives have also benefited from the cultural acceptance of women-only groups, allowing women greater mobility and visibility in non-traditional economic spaces. Collectives can ensure value is redistributed more effectively down the value chain. Additionally, by grouping individual actors, formalizing processes and facilitating capital investment, they can also improve the capacity of the market system to adapt to shocks.

Collectives can be useful entry points for market support programmes.



**Think beyond the obvious market systems:** The best way to address people's basic needs may be to support a market system that is not necessarily directly providing for those needs but which allows the market system to function. For example, to support food security, the best option may not be to support rice traders but to support petrol stations where market actors and the crisis-affected population purchase fuel. Infrastructure is vital in ensuring and supporting market function, and potentially delivers greater long-term benefits as multiple actors (short- and long-term) utilize it over time.



**Right from the first phase of the response, think about the long-term implications of market support interventions:**

- Be conscious of the environment and do not support market actors whose practices harm the environment or who have unsustainable resourcing practices.<sup>5</sup>
- Consider supporting components of the market that could have a positive stimulating effect within a **wider network of interconnected markets** (principles of network analysis)<sup>6</sup> and, as a result, a wider effect on the capacity of crisis-affected people to meet their needs through the markets.

<sup>4</sup> Catholic Relief Services. (2015b). *Case Study: Rent assistance for Syrian refugees*.

<sup>5</sup> Global Shelter Cluster. (2018). *CTP: Looking through an Environmental Lens*.

<sup>6</sup> Mercy Corps. (2014). *Beyond Band-Aids: Rebuilding Market Systems Amidst Catastrophe in South Sudan*.

### BOX 3: ENVIRONMENTALLY AWARE MARKET SUPPORT INTERVENTIONS

The integration of environmental considerations into market support interventions is a new field, and there are few examples from the field to share. You can, however, consider the following throughout your project:

- Include environmental criteria in the assessment phase (i.e. potential environmental impact according to supply chain, type of good or service, level of demand/pressure on the ecosystem, etc.)
- Select providers according to environmental criteria (i.e. origin of raw materials, packaging, fuel needed for transportation, existing social responsibility policies, etc.)
- Include environmental mitigation measures in the contract agreements with providers or at programme design phase. If the supplier has the capacity/responsibility to provide mitigation measures, include it systematically in the contract agreement. If the supplier does not have the capacity, the programme should aim to mitigate the effects through the inclusion of specific measures such as recycling, reforestation, and measures to favour the re-infiltration of rainwater into the aquifer.
- Include a budget for the implementation of mitigation measures when designing the global programme.



Part of the efforts to ensure that interventions do no harm to crisis-affected households should include **appropriate conflict analysis and sensitivity in both market analysis and response analysis**. Specific attention should be given to conflict dynamics when considering supporting formal and informal market stakeholders in conflict settings so as not to contribute to, or create a situation of, unfair market power and hampered market access for crisis-affected households. In conflict settings particularly, market actors and regulators may be closely interconnected to conflict dynamics and parties to the conflict. Therefore, implementing agencies should consider carefully which market actors to support and the potential implications for acceptance and neutrality. They should also ensure that appropriate due diligence is conducted, in light of organizational and donor policies.<sup>7</sup>



**Consider both stand-alone market support interventions and market support interventions as part of a holistic response.** In many instances, market support is a good complement to interventions which rely on the local markets (e.g., cash grant distribution to the crisis-affected population). Such a combination can be useful: CTP at household level can increase demand for goods/services provided by the markets.



In northern Iraq during the height of the ISIS conflict that displaced millions of people, Seham Salih, 20 (centre), and Sakina Osman, her mother-in-law (left), receive vouchers to purchase critical supplies in the local market.  
Photo: Kim Pozniak/CRS

<sup>7</sup> Also refer to: Mercy Corps. (2018). *Beyond Cash: Making Markets Work in Crisis*.

### EXAMPLE FROM THE FIELD 3: MARKET SUPPORT AS PART OF A HOLISTIC APPROACH<sup>8</sup>

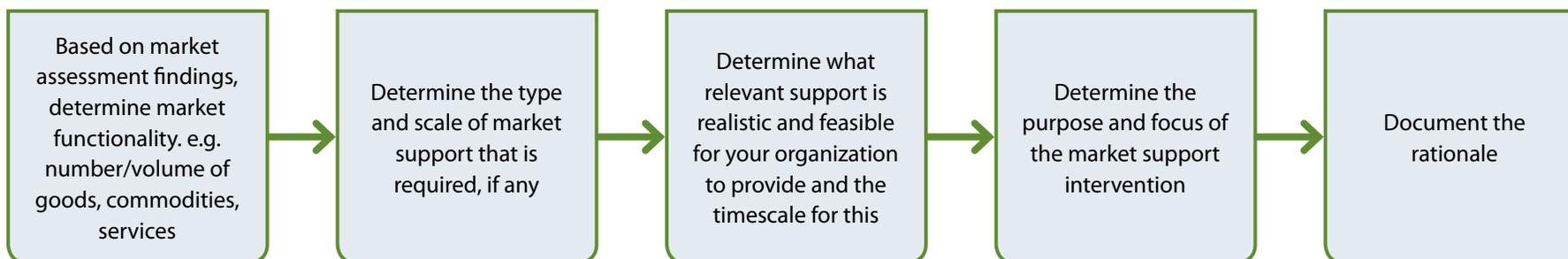
Assessment results for an Oxfam project in Gaza revealed the importance of taking a holistic approach to address people’s need for access to safe, clean water.

It was essential to address the problem by working through the whole water chain. The holistic approach included: supporting vendors to improve water quality through chlorination; supporting improved storage capacity at household level; providing education on safe water handling; monitoring water quality; and providing households with the economic means to buy safe water.



**Document the type, scale and frequency of market support that is required.** The rationale for market support intervention is commonly missing from project documents. The key steps of the response analysis are represented in Figure 2 below.

**Figure 2: Key steps of the response analysis process for market support interventions**



<sup>8</sup> Oxfam. (2013b). *Water Vouchers Evaluation Report (Gaza)*.

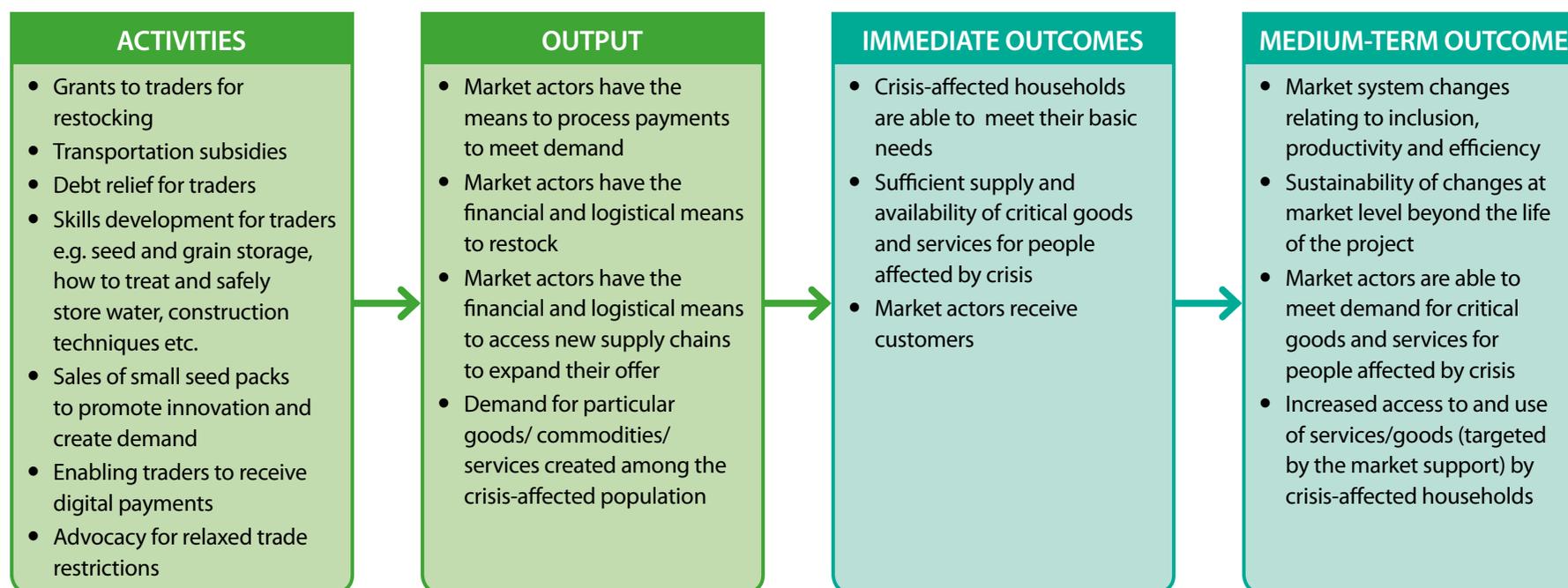
## 4 INTERVENTION DESIGN TIPS

### 4.1 ESTABLISH THE PROJECT LOGIC



**Demonstrate the logical links between activity, output and outcome levels** and document the assumptions you have made at both market and household/community level.

Figure 3: Market support intervention logic





**Consider the medium- and longer-term objectives** of your market support intervention, even when funding cycles are short. This could result in smarter allocation of the initial large injections of funds that often are donated early on in crises. For example you can:

- Help traders establish long-term relationships with suppliers;
- Help traders identify new clients;
- Help suppliers source in ways that are environmentally sustainable;
- Help establish longer-term links between communities and traders.

#### EXAMPLE FROM THE FIELD 4: DEFINING SHORT- AND MEDIUM-TERM OUTCOMES<sup>9</sup>

##### CRS in Sierra Leone

In Sierra Leone, CRS was part of a consortium that implemented market support through the LEAP project, which facilitated the provision of grants, loans and training to targeted petty traders in all 14 districts of Sierra Leone. This was part of the Government of Sierra Leone's Ebola recovery programme, six to nine months after the outbreak was controlled.

The project outcomes focused on both short-term and longer-term outcomes: Grants were given to address the short-term financial needs of the household (traders), while loan and financial management training focused on long-term changes in behaviour and approaches to business. Furthermore, recapitalization of microfinance institutions (MFIs) enabled them to continue lending to petty traders countrywide



**Be ambitious but realistic: market support that involves advocacy or policy change is not always feasible, particularly in very short-term emergency contexts.** Experience shows that policy changes can take time. While advocacy can begin in the emergency phase, do not rely on these changes for your programme to be successful, as any changes may not be achieved until much later.

## 4.2 IDENTIFY MARKET SUPPORT ACTIVITIES



Use the [market-based programming framework](#) to browse the range of market support activities.

#### BOX 4: MARKET-BASED PROGRAMMING FRAMEWORK

The market-based programming framework is a visual representation of the different type of market support activities that can be envisioned. It mimics a market map in that it captures all types of interventions, from those that target policy change and the supporting environment at the top, to those that aim to support the infrastructure and services at the bottom, and including those that rely on or support market actors in the middle.

<sup>9</sup> Catholic Relief Services. (2017). *Rebuilding Livelihoods for Ebola Affected Petty Traders. Post-project evaluation report.*

Bottom up 'reform of market policies': Mercy Corps in Liberia: During the Ebola crisis in Liberia, an assessment by Mercy Corps revealed that market activity had declined, negatively affecting household incomes. This was partially due to temporary government restrictions on markets, which intended to limit the spread of Ebola, but which also contributed to increased food insecurity at household level. Mercy Corps persistently and successfully lobbied the government to announce the reopening of markets to increase availability and quality of food items in the local markets.



Access to credit : In Sierra Leone, the LEAP project aimed to facilitate the provision of direct grants and loans through MFIs to targeted petty traders. A challenge that arose was that MFIs needed to protect their own businesses – they only wanted to provide loans to “known” clients or to traders who could provide them with a balance sheet, as the MFI was concerned that other traders may default. To overcome this, CRS leveraged its existing reputation to reinforce a level of trust with the MFIs. CRS negotiated that MFIs’ usual requirements were waived for new clients promoted through the programme.

With skills : After the Kashmir earthquake, humanitarians trained masons in earthquake-resistant building techniques. This enabled a long-term capacity within the community.

With information : If formal seed traders receive market information on demand from the government, which promotes certain crops or seed varieties, they may only stock seed for main crops, for example. However, if seed traders are linked into informal market information systems, they can access alternative information sources about other preferred crops that can be critical for recovery.

### 4.3 IDENTIFY THE MODALITY TO DELIVER YOUR MARKET SUPPORT INTERVENTION



**Offer flexible packages of support to market actors** that allow for varying levels of assistance in relation to need and market functionality. Ensure that subsidies are carefully targeted and that they support rather than undermine existing market mechanisms, including formal and informal financial service providers, and government safety net programmes.

#### EXAMPLE FROM THE FIELD 5: ADAPTIVE MARKET SUPPORT

##### Catholic Relief Services (CRS) in Nepal

In post-earthquake Nepal, different markets had unique recovery needs based on their location, the extent and nature of damage, access to external support, and ability for people to self-recover. CRS offered market traders the option of either cash or in-kind plus technical assistance to rebuild their businesses. It was important to offer the two options because the rapid needs assessment conducted by CRS could not fully ascertain the non-visible needs of traders, such as capital constraints or credit issues. The choice of cash or in-kind assistance meant that people could determine how best to meet their own needs.



If using conditional assistance, **be clear about why conditions are included**. Be aware of, and transparent about, whether conditions such as attending training are imposed in response to actual market needs, or whether these conditions are designed to bring traders up to organizational standards so that humanitarian organizations can partner with them. Appropriate conditions could include requirements to hold minimum levels of stock or to attend trainings to improve business skills or accounting practices.

### 4.4 TARGET MARKET STAKEHOLDERS TO BE SUPPORTED

Beware not to **exacerbate market power dynamics** by focusing support on a single type of market actor. Consider:

- Supporting a range of business types and sizes, depending on the market context;
- Providing blanket coverage to businesses, regardless of size;
- Providing support on a sliding scale, based on size.



Following the catastrophic 2015 earthquake in Nepal, Til Maya Thapa (left) receives cash from Prabhu Bank representative (CRS services contractor on cash distributions) Janak Raj Bhujel to purchase vital shelter and other living supplies. Photo by Jake Lyell for CRS

### EXAMPLE FROM THE FIELD 6: THE TYPE AND SIZE OF BUSINESS TO SUPPORT

#### Save the Children in the Philippines

The trader support programme implemented by the Western Leyte shelter team disadvantaged vulnerable small traders who had made an effort to restart their businesses. The trader support programme supported traders with a comparatively large amount of working capital, creating a significant discrepancy with small traders who had restarted their businesses on their own, possibly by indebting themselves.

#### Mercy Corps in South Sudan

In South Sudan, Mercy Corps supported traders with cash grants for restocking. However, by the end of the programme, not all traders were in a position to continue supplying markets at the level needed without external support. To encourage sustainable market support, the subsequent programme partnered with traders to address other constraints related to transport and business capacity. In addition to continuing cash support to traders who had not yet received capital injections, the programme provided business skills training hosted and cost-shared with the local traders' association and supported the association in negotiating improved transit fees for its members. In the follow-on phase, the program made plans with the association to provide affordable loans to purchase boats for river trade.<sup>10</sup>



Be ready to shake 'traditional' vulnerability-based targeting criteria. **Target market actors who are most able to facilitate affected and vulnerable households to meet their basic needs.** Therefore, it is important to understand the catchment population of market actors and the number of traders in the same business.



**The number of market actors to support should be related to the scope of your programme and the number of crisis-affected households you are targeting.** However, there is no linear relation between the number of households and of traders to support: it will be context- and sector-specific.

### EXAMPLE FROM THE FIELD 7: THE NUMBER OF MARKET STAKEHOLDERS TO SUPPORT

#### Save the Children & Catholic Relief Services (CRS) in the Philippines

In the Philippines, recent interventions during typhoon-related emergencies have shown that support for a limited number of targeted traders can support a large number of crisis-affected households. Following Typhoon Haiyan, Save the children targeted 500 grocery store keepers in order to provide access to food for 2,300 typhoon-affected households within the same catchment area. Similarly, CRS maintained access to livelihoods of 5,200 farming households by supporting five blacksmiths.



Here again, participation is key to consider during targeting, especially as market support interventions require humanitarians to think beyond their traditional targeting criteria. You can consider targeting committees comprising representatives from the community, market(s) and in some instances the Chamber of Commerce to develop and verify targeting criteria to help ensure transparency.

<sup>10</sup> Mercy Corps. (2018). (2018). *Beyond Cash: Making Markets Work in Crisis*.

**EXAMPLE FROM THE FIELD 8: PARTICIPATORY TARGETING FOR MARKET SUPPORT**

**International Rescue Committee (IRC) in Syria**

IRC in Syria adopted a participatory approach to targeting by establishing a committee of community and market representatives. The committee helped to ensure community support and to mitigate against any potential negative effects between community, market actors and the implementing organization. This approach was time consuming and led to implementation delays, which potentially negatively affected the outcomes for the market actors supported. However, if the committee had not been involved, particularly in targeting, relations between community members (who were receiving small amounts of cash as recipients of CTP) and market actors (receiving much larger grants) and the implementing agency could have become hostile, which would also have negatively impacted the project outcomes.

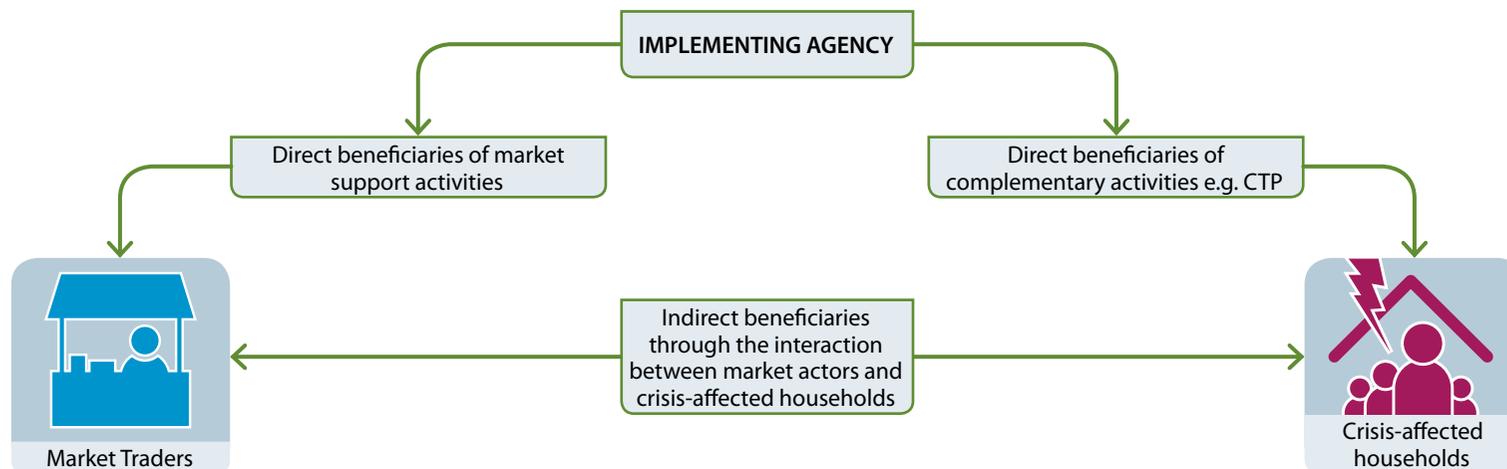


**Account for both direct and indirect beneficiaries.** Market stakeholders will be the direct recipients of market support interventions. Yet ultimately, market support interventions aim to support crisis-affected households to cover their basic needs. Market support interventions can help you to reach more people than you could with a direct intervention – a key reason for using them, but humanitarian organizations need better monitoring to understand this reach.



**Set up clear accountability mechanisms.** In addition to crisis-affected households, you will need to be accountable to those market actors that you are supporting. Also consider how market actors can be held to account not only by you but also by the crisis-affected households themselves. Formal market actors are registered by government with official licences. This can help local authorities, NGOs and UN agencies to hold these actors to account for their actions and behaviours.

**Figure 4: Direct and indirect beneficiaries of market support interventions**



## 5 IMPLEMENTATION TIPS



**Make sure your team knows that the skills needed to implement market support programmes are similar to those required for any quality humanitarian response.**



**Use iterative design and adaptive management styles, as market support requires a flexible approach.** Assessments may not be sufficient to understand how businesses will perform as partners – expect to learn from implementation and adjust. See [BEAM Exchange’s Road to Adaptive Management](#) for more information about adaptive management.

### EXAMPLE FROM THE FIELD 9: ADDING MARKET SUPPORT INTERVENTION WITHIN AN EXISTING INTERVENTION

#### Catholic Relief Services (CRS) in the Philippines

After super-typhoon Haiyan in the Philippines, market support was not part of CRS’s initial programme. However, once further needs and market assessments had been undertaken, it became clear that providing cash grants to blacksmiths would enable local people to access preferred tools needed for their agricultural recovery. CRS worked with the donor to provide this support within the programme.



**Ensure that inductions of new team members include information on why market support is important.** To manage short-term staffing and high turnover in acute emergencies, ensure proper handover with temporary staff, particularly for those for whom market support may be a new concept.



**Identify which coordination fora are discussing market support interventions – and engage! There is no consistent place where coordination of market-based programming fits within the cluster system or other coordination models (e.g. in Nepal, market-based interventions were coordinated by the Cash Working Group; in Lebanon, they are coordinated within each sector).** Where possible, coordinate with the development actors that may be already involved in longer-term market development activities.

## 6 MONITORING TIPS

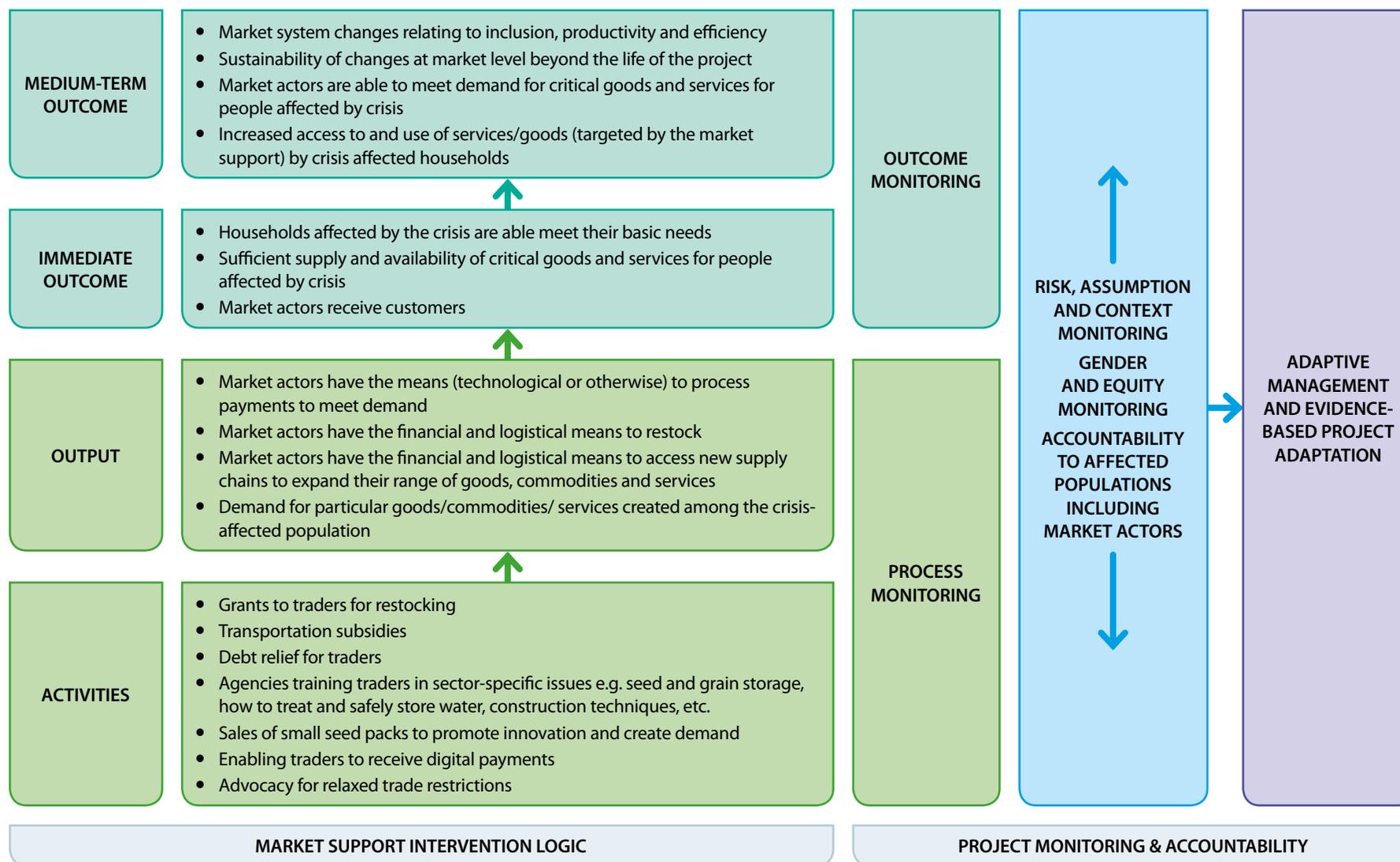


**CURRENT GAP IN EVIDENCE:** to date the suggested indicators, methods and tools for monitoring at market level have not been extensively used.



**Rely on the project logic model to set up your monitoring system.**

Figure 5: Setting up a market support monitoring framework





When implementing market support interventions, make sure you are in a position to monitor the direct effects of the intervention on market stakeholders, but also the spillover effects on crisis-affected households (i.e. the indirect beneficiaries):

- At market level, monitor if market support interventions are meeting targets, i.e. improving market functionality. What is meant by 'market functionality' needs to be clearly defined and contextualized during project design.
- At household level, monitor if market support interventions enable crisis-affected households to meet their basic needs. It will always be difficult to prove that an increased coverage of basic needs by the crisis-affected population can be attributed to the market support interventions, yet the level of contribution can be evaluated. Consider adapting and applying the [Contribution to Change](#) methodology.



Marlene St. Charles (left) uses vouchers to purchase seeds from Lecia Cemezier in the local market of Dame-Marie, Grand'Anse, Haiti following the devastating 2016 Hurricane Matthew.

## EXAMPLE FROM THE FIELD 10: MARKET SUPPORT INTERVENTIONS MONITORING

### Catholic Relief Services (CRS) in the Philippines<sup>11</sup>

CRS distributed cash grants to blacksmith to support increased tool supply in the market. The supported blacksmiths reported additional positive outcomes, including:

- Ability to invest in equipment needed to furnish tools. The cash grant re-established key productive assets for blacksmiths, through which future, longer-term business goals could be met and expanded. Blacksmiths reported that the ability to invest in equipment was an important benefit of the cash grant.
- Business expansion. Blacksmiths reported that they were able to expand their own business sales and operations due to participation in the fairs, and new relationships with consumers and the community.
- Capacity building. Blacksmiths reported an improvement in their time management skills, planning for production cycles, and documentation for transparent operations.
- Increase in business capital. Higher profits were reported as a result of both the cash grants and voucher fairs.
- Better understanding of customer needs and demand. Constant interaction with consumers in the voucher fairs allowed blacksmiths to tailor tool production to the specific needs of consumers, thereby increasing value and creating competitiveness with other tool vendors.

### Save the Children in Sierra Leone

Save the Children supported market traders during the Ebola response by providing restocking grants and training for traders, with a focus on improving costing and pricing, record-keeping and marketing techniques. By the end of the project, observed secondary/multiplier effects included:

- The supported traders recognized the importance of working together by pooling resources and assigning one person to take advantage of wholesale prices for bulk purchases or by pooling resources in a village savings and loan association. Save the Children did not set up these groups; traders organized themselves.
- Female traders targeted with grants used their own initiative to start savings groups. They made sure that those traders who had not received grants from Save the Children would be considered for loans via the saving group first.
- Transporters benefited from an increase in their business from transporting stock for the targeted traders.
- The project helped widen the traders' business – some traders targeted with a grant started with one stall and ended up with two or more stalls within the same market.
- The project helped traders think more strategically about their business model. By the end of the project some traders were buying palm oil when it was cheap and selling it when it was more expensive.



**Ask not only about what is changing in local markets but also, and crucially, why.** This will help you understand what contribution your organization's market support intervention is having. Putting these questions to both crisis-affected households (who use the market) and market actors can help identify and triangulate issues and important changes.



Based on your project logic, select your process and outcomes indicators:

- Household-level indicators will be similar to those used for CTP monitoring. Refer to CaLP's [Monitoring4CTP guidance](#) for a long list of indicators to choose from.
- Market level indicators will always go beyond traditional price monitoring but should be based on the market changes you are aiming for, as described in your project logic. Use Figure 6, below, as a long list of indicators to pick from.

<sup>11</sup> Catholic Relief Services. (2015). *Support to the Local Tool Market Post-Typhoon Haiyan*. Case study. Baltimore: CRS.

Figure 6: Suggested monitoring indicators for market support interventions

	INTERVENTION LOGIC	WHAT COULD BE MONITORED	SUPPORTING MATERIALS/METHODS
MEDIUM-TERM OUTCOMES	Households affected by the crisis are able to meet their basic needs	<ul style="list-style-type: none"> <li>Household-level perceptions of ability to meet basic needs of all household members through using local markets</li> <li>Do we see at household level an increase in access to, and use of, the services that were supported through the market support intervention?</li> </ul>	CaLP's <a href="#">Monitoring4CTP guidance</a> contains guidance on household-level monitoring including ability to meet basic needs.
	Market system changes relating to inclusion, productivity and efficiency, and the sustainability of changes beyond the life of the project	<ul style="list-style-type: none"> <li>Number and diversity of suppliers</li> <li>Creation of new networks, associations or business models</li> <li>Increased access to information</li> <li>Shifts in power dynamics</li> <li>Collaboration around jointly agreed objectives</li> <li>Questions relating to the perceptions of market actors of business improvements and the reasons for these; and which, if any, services are improving and the reasons for this</li> <li>How businesses have changed their behaviour (since the start of the market support intervention)</li> <li>Changes in business for non-participating traders and actors in target markets</li> </ul> <div style="background-color: yellow; padding: 5px;">  <b>CURRENT GAP IN EVIDENCE:</b> How to identify and monitor changes for other market actors that we may be intending to have an effect on through policy and services/infrastructure interventions         </div>	<a href="#">Contribution to Change</a> methodology may provide some ideas for how to think through monitoring of these changes.
	Market traders are able to meet demand for critical goods and services for people affected by crisis	<b>Supported traders:</b> <ul style="list-style-type: none"> <li>Total sales</li> <li>Average profit increases from the beginning of the programme to the end</li> <li>Reinforced positive commercial links between traders and crisis-affected communities</li> <li>Business outside of vouchers/direct links</li> <li>Have sales and profits increased enough to mitigate inflationary pressure from increased demand?</li> </ul>	CaLP's <a href="#">Monitoring4CTP guidance</a> contains guidance on market monitoring, which, although focused on CTP, highlights ideas and good practices that are relevant for market support monitoring.
	Increased access to and use of services/goods (targeted by the market support) by crisis-affected households	<b>Household Level</b> <ul style="list-style-type: none"> <li>From where and from whom do household members buy goods/services/commodities</li> <li>What has changed in their access to markets – financial, physical and social</li> <li>Changes in access to and usage of those services/goods sold by traders/market actors who have been supported by the implementing agency</li> <li>How hard was it to get the goods/commodities/services they needed and were they always able to buy what they wanted?</li> <li>Perceptions of increased stocks and increased number of traders</li> <li>Perceptions of price changes of key goods/services</li> <li>Are there other types of actor that they rely on whose businesses/operations are suffering as a result of this?</li> </ul>	CaLP's <a href="#">Monitoring4CTP guidance</a>

	INTERVENTION LOGIC	WHAT COULD BE MONITORED	SUPPORTING MATERIALS/METHODS
MEDIUM-TERM OUTCOMES	Increased access to and use of services/goods (targeted by the market support) by crisis-affected households	Household Level <ul style="list-style-type: none"> <li>From where and from whom do household members buy goods/services/commodities</li> <li>What has changed in their access to markets – financial, physical and social</li> <li>Changes in access to and usage of those services/goods sold by traders/market actors who have been supported by the implementing agency</li> <li>How hard was it to get the goods/commodities/services they needed and were they always able to buy what they wanted?</li> <li>Perceptions of increased stocks and increased number of traders</li> <li>Perceptions of price changes of key goods/services</li> <li>Are there other types of actor that they rely on whose businesses/operations are suffering as a result of this?</li> </ul>	CaLP's Monitoring4CTP guidance
IMMEDIATE OUTCOMES	Market traders receive customers	<ul style="list-style-type: none"> <li>Trader reported number of customers</li> <li>Trader reported income</li> </ul>	The monitoring issues for immediate outcomes and outputs are similar/the same as those asked during market assessment. The following tools are therefore recommended: <ul style="list-style-type: none"> <li><a href="#">RAM Tool 8: Discussion with market representatives or key informants.</a></li> <li><a href="#">RAM Tool 9: Discussions with traders (wholesalers/retailers)</a></li> <li><a href="#">Box 4.9 Sample Questions. EMMA Toolkit</a></li> </ul>
	Sufficient supply and availability of critical goods and services for people affected by crisis	<ul style="list-style-type: none"> <li>Changes in stock levels of the supported traders</li> <li>Changes in diversity of stock of the supported traders</li> <li>Changes in the quality of goods stocked by the supported traders</li> <li>Price of key goods/commodities/services</li> <li>Changes in relationships with other traders/aspects of the market</li> <li>Number and diversity of suppliers</li> <li>Appreciation for an activity</li> <li>Reinforced positive commercial links between traders and crisis-affected communities</li> <li>Financial services provide clients greater flexibility and affordability in their financial management to avoid adverse coping mechanisms</li> </ul>	
OUTPUTS	Traders have the means (technological or otherwise) to process payments to meet demand	<ul style="list-style-type: none"> <li>Number of market actors receiving information through formal or informal market information systems</li> <li>Number of traders who received grants</li> <li>Number of traders who received training</li> </ul>	
	Traders have the financial and logistical means to restock and/or access new supply chains to expand their range of goods, commodities and services	<ul style="list-style-type: none"> <li>Number of traders who received in-kind support (e.g. storage, transportation)</li> <li>Number of financial institutions providing financial resources to petty traders</li> <li>Proportion of targeted traders with access to financial services</li> <li>Microfinance institutions identified and links created with petty traders for onward disbursement of loans</li> <li>Network and connections established to support the supply chain of key goods/services</li> <li>Market services reinstalled</li> <li>Market norms and regulations that have been adapted</li> </ul>	
	Demand for particular goods/commodities/services created among the crisis-affected population	<ul style="list-style-type: none"> <li>Number of awareness-raising campaigns/social marketing campaigns</li> <li>Breadth of reach of awareness-raising campaigns/social marketing campaign</li> </ul>	



**Be as inclusive as possible while monitoring market support interventions.** Involve the local private sector for the monitoring of market support interventions: trader associations, Chambers of Commerce and of course market stakeholders directly benefiting from the intervention.



**Be humble about the outcomes you report.** Put into perspective the size of the markets and the size of your assistance and **focus on contribution rather than attribution.**



**Adjust market monitoring frequency based on market volatility** and the assumptions you have made at response analysis stage.



**Ensure programme complaints and feedback mechanisms are accessible to market stakeholders.**



**As much as possible, generate evidence on the effects of market support interventions** not only on crisis-affected populations but also on targeted market actors. Consider monitoring outcomes on non-targeted market actors who may have benefited from spillover effects of the market support intervention.



A Syrian refugee uses a CRS-provided debit card to access cash for purchases supplies after fleeing to Jordan for refuge. Photo: Maggie Holmesheoran/CRS

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# ACRONYMS AND KEY TERMS

## LIST OF ACRONYMS

- AAP** Accountability to affected populations
- BEAM** Building Effective and Accessible Markets
- CALP** Cash Learning Partnership
- CRS** Catholic Relief Services
- CTP** Cash Transfer Programming
- EMMA** Emergency Market Mapping and Analysis
- HH** Household
- IRC** International Rescue Committee
- MERS** Minimum Economic Recovery Standards
- MFI** Microfinance Institution
- MISMA** Minimum Standards for Market Analysis
- RAM** Rapid Assessment for Markets

## KEY TERMS<sup>12</sup>

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

**Market actor:** All the different individuals and enterprises involved in buying and selling in a market system, including producers, suppliers, traders, processors and consumers.

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

**Marketplace:** A marketplace is where exchanges happen. This is typically a physical place where different wares or goods (and sometimes services) are sold – such as a village or livestock market. Marketplaces are a common starting point to assess the potential to fulfil demand for many consumables from food items to soap and clothing. (NB: The internet is providing an increasing number of 'marketplaces' too, however its use by target populations is not well understood.)

**Market trader:** Supplier of goods and services. They may be contracted by a humanitarian organization to participate in a cash-based intervention. The term is sometimes used interchangeably with the term 'market vendor'.

**Market Services:** Market services (also called business services or support functions) refers to any service – public or private – which helps a market to function. This market 'support' can also be helpful for other aspects of people's well-being. For example, a road helps traders transport goods, but is also used by people to access hospitals, schools, visit family, etc.

**Market support intervention:** Market support interventions can be defined as interventions in which the goal is to improve the situation of the crisis-affected population by providing support to critical market systems on which the target population relies for goods, services, labour or income. These interventions can target specific market actors, services and infrastructures through dedicated activities (i.e. market support activities) to enhance the situation of crisis-affected people.

**Market system:** Market system refers to all the players or actors, and their relationships with each other and with support or business services as well as the enabling environment – or rules and norms that govern the way that system works. Market systems are interconnected when they share the same set of enabling environments/rules/norms and business/support services, for instance, when they operate within one country.

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<sup>12</sup> All definitions are taken from the CaLP glossary unless otherwise specified.

**Market system change:** is a type of market-based programming, predominantly implemented as part of development programmes that address the underlying causes of poor performance in specific markets that matter to people living in poverty, with the aim of creating lasting changes that have a large-scale impact. It also includes developing non-existing market systems or the formalization of informal ones. Project examples could include: i) Improving the incomes of poor rural households by helping small-scale livestock farmers gain better access to markets, information, veterinary drugs and services, ii) Developing pro-poor financial markets, iii) Value chain development projects, etc.

The objectives and methodologies applied in humanitarian-oriented market support intervention responses are not the same as those used in market development or market systems approaches. The main differences are in timeframe (these are multi-year programmes that aim for long-term sustainable change), objectives (aiming to address the root causes of market failure) and target groups (the impact of change is oriented to a wider population group). Such lasting and large-scale change is achieved through interventions that ‘modify the incentives and behaviour of businesses and other market players – public, private, formal and informal’ on the basis of careful analysis and an understanding of a specific value chain or industry (BEAM Exchange website).

**Response analysis:** The link between situational analysis (broadly speaking, situation analysis, needs assessment and other contextual information) and programme design. It involves the selection of programme response options, modalities and target groups, and should be informed by considerations of appropriateness and feasibility, as well as simultaneously addressing needs while analysing and minimizing potential harmful side effects.<sup>13</sup>

**Service provider:** A service provider is an entity that provides a service or a set of services to market actors so that the market is able to function. Service providers range from transporters to financial service providers, managers of storage space, etc.

**Situation analysis:** The process of assessing a complex situation within its wider context, systematically gathering information, identifying the main problems and needs within a crisis-affected population, identifying the principal resources within that population, and analysing the primary and secondary information gathered in order to facilitate the process of planning in a systematic, strategic, integrated and coordinated manner. Traditionally, it includes a needs assessment, but lately the inclusion of market-related information has become good practice. This market-related information should assess how markets function and how the crisis-affected populations (or populations vulnerable to future crisis) access and use the market to serve their needs.

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<sup>13</sup> Maxwell et al. (2013). *Response analysis and response choice in food security crises: a roadmap*.



This tip sheet defines what market support programming in humanitarian contexts is, and what it can look like in practice. It enables humanitarian practitioners to systematically consider market support interventions alongside other programme activities. The scope includes support interventions focusing on supply/availability and on demand/access.

The tip sheet is based on secondary data collation, interviews with humanitarian practitioners, and existing standards. It was developed by CaLP with members of its Markets Working Group, with particular support from Catholic Relief Services (CRS) who contributed extensively to the testing and design of the tip sheet.

This tip sheet was funded by the United States Agency for International Development's Office of Foreign Disaster Assistance (OFDA).

