



# Improving the Uptake of Humanitarian Market Analysis

## BEST PRACTICE REPORT

“The international humanitarian community’s ability to collect, analyze, disseminate and act on key information is fundamental to effective response”

Mahmood et al. (2010)



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*This report was made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of the IRC and do not necessarily reflect the views of USAID or the United States Government.*

## Executive summary

This report is an initial output of the *Improving the Uptake of Market Analysis* project, which aims to advance the use of market information in program design and decision-making in the humanitarian sector. In addition to highlighting prerequisite factors that influence the use of any type of data in the humanitarian sector (capacity, quality, resources, and dissemination), it showcases 11 best practices in the collection and use of market information in humanitarian programming across the project cycle. The identified best practices are presented in five groups, based on the Key Actions presented in the [Minimum Standard for Market Analysis](#) (MISMA), relating to Scope, Market Team, Data collection, Analysis and sharing and Monitoring.

The best practices detailed in this report include the following:



- I. **Market information is gathered in pre-crisis times to inform future emergency programming, disaster risk reduction programming and market support interventions.** Pre-crisis market analysis and monitoring enable an understanding of baseline contexts and thereby reduce the need for a lengthy market assessment when crises occur. In addition, pre-crisis market analysis can help teams to develop confidence in collecting and using market data, which increases the likelihood that they will do this in crisis times.
- II. **The scope of market analysis is broad enough to encompass formal and informal influences on both market supply and demand and as such ensure a more comprehensive understanding of market supply chain dynamics.** The scope of the analysis goes beyond the market chain actors and encompasses market infrastructure, environment and rules and regulations, whether formal or informal. The data collected and subsequent analysis takes into consideration consumer behavior and preferences and different gender and ethnic dynamics within the market. The information collected is not based on preconceived assumptions of the market, nor is it limited to assessing the feasibility of cash-based transfers.



- III. **Operational departments at field level take part in market assessments.** For example, supply chain teams, trained in market-based programming and response analysis, take part in market assessments, in order to capitalize on their knowledge of the local context and to increase efficiency by ensuring procurement is aligned with the program's planned activities.
- IV. **The market analysis process engages diverse team members, from decision-makers to communication staff and market assessment enumerators, all of whom understand the rationale for collecting market data.** By including a range of actors in the market team, the uptake, utilization and appreciation of market data is heightened and systematically included in all aspects of the program cycle, culminating in the institutionalization of market analysis, market monitoring and the implementation of market-based approaches.



**V. Private sector or specialized service providers play an increased role in market assessments and monitoring.** Outsourcing the collection of market data can be a more cost and resource efficient way for different stakeholders to access standardized market information. The outsourcing can be limited to certain types of market information, such as price data.

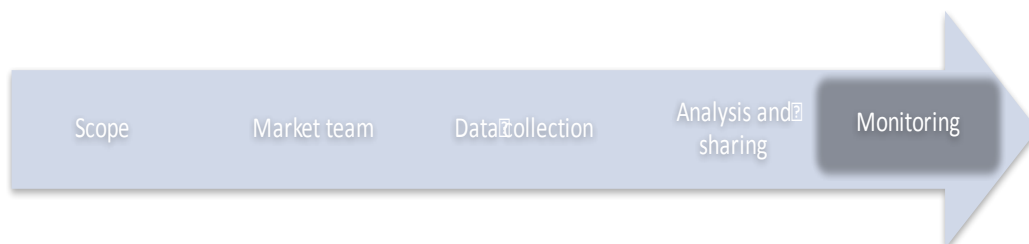
**VI. Data is collected from a range of market actors (including consumers) within the market system.** Involving a wide range of female and male market actors fosters a more holistic understanding of the strengths, weaknesses, opportunities and threats that may restrict vulnerable households from accessing the products they need. Teams engage key informants with a broad understanding of local markets in order to gather information more efficiently.



**VII. Humanitarian and development actors collaborate on market analysis, to better understand baseline contexts and the aggregated impact of the humanitarian response on markets, share information when emergencies occur and support the design of responses that take into consideration key aspects of the market system.** This will help program members gather relevant information in a quicker, more efficient way and design programs that are relevant in the short, medium and longer terms.

**VIII. Market analysis findings are shared in coordination meetings to enable a micro and macro understanding of markets within the implementation context and appropriate response analysis.**

**IX. Adaptive management is employed to ensure the program team is able and willing to adapt the response based on market assessment and market monitoring information.**



**X. Real-time market monitoring data, collected via mobile devices, facilitates program decision-making. The use of shared platforms for market information facilitates regular collection and use of data that is high quality and standardized, and thus readily comparable.**

**XI. Market monitoring is comprehensive and goes beyond price monitoring.** To provide usable and useful information, market monitoring should go beyond price monitoring, looking at additional indicators such as the volume of trade and the availability and quality of key commodities. Market data collection should take place as part of regular program activities and be tailored to data needed to inform programming. Teams should develop tools and guidance to support the translation of monitoring data into actions.

## I. Introduction

Emergency (or humanitarian) market analysis refers to the process of assessing markets and/or market systems in a crisis-affected context in order to decide whether and how humanitarian interventions should work through and/or otherwise support local markets, usually by evaluating the extent to which markets are functioning and can provide the necessary quantities of goods or services needed to support humanitarian interventions.

Although emergency market analysis<sup>1</sup> and market-based programming have become accepted as best practice in humanitarian programming, emergency-focused market assessments are conducted inconsistently, and even when they do take place, the resulting information and recommendations are not necessarily used to influence program design or decision-making. There thus remains a gap between standards and actual practice, which suggests the need to re-assess how market analysis and monitoring are conducted and how the corresponding data is utilized to ensure that market information is consistently applied across humanitarian sectors.

To that end, IRC has partnered with CRS and Mercy Corps to undertake the “Improving the Uptake of Market Analysis” project. The aim is to tackle the main factors that limit the consistent application of market data in the design, implementation and adaptation of humanitarian programs related to emergency preparedness, risk reduction, response and recovery.

This report is an initial output of the above-mentioned project, with the objective of showcasing examples of best practices in the collection and use of market information in humanitarian programming across the project cycle, from situation and response analysis<sup>2</sup> to monitoring. To that end, it aims to serve not only this specific project, but also to contribute to relevant discussions within the overall community of practice.

For the purpose of this report, a **“best practice” is a method, technique or approach that is worth replicating as it has either the proven track record or potential to encourage the collection and uptake of market analysis. It is not necessarily a practice that is well established, nor one that is appropriate or desirable in every context.** The best practices described in this report were distilled from the findings of a rapid desk review and key informant interviews. Because of the rapid and purposive nature of the research, the list of best practices is intended to be informative but not exhaustive. For the detailed methodology, please refer to Annex A.

It should be noted that measuring uptake is a significant challenge. Since response analysis is not an objective process, and as the same market analysis can lead to different response options,<sup>3</sup> it is difficult to separate this process into concrete steps so that causal factors can be isolated and analyzed. Furthermore, there are no standardized metrics for measuring the use of data. For the purpose of this study, the researchers relied on interviewees’ personal perspectives to assess whether data had been used.

This research focused on drawing lessons from cases where market information was actually used to inform the design or adaptation of humanitarian responses. Such cases are relatively rare, and in this sense “best practice” may be better constructed as “good enough practice.” To augment the case pool,

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<sup>1</sup> The authors acknowledge the difference between market analysis (the process of understanding the key features and characteristics of a market system based on the data collected during the assessment) and market assessment (the process of collecting market-related data to understand the key features and characteristics of a market system or the impact a disaster could have on the market system). The two terms are often mistakenly used interchangeably. Unless otherwise specified, the document uses the term “market analysis” to refer to the combined market assessment and analysis exercise.

<sup>2</sup> Response analysis can be defined as “the analytical process by which the objectives and modality of program response options in an emergency are determined, and potentially harmful impacts are minimised” (Maxwell et al., 2012).

<sup>3</sup> McGlinchy interview, 2017.

the research also considered cases where *any* type of information (such as information from a context or needs assessment, or from program monitoring activities) was used to influence programming, as well as cases where a practice was being implemented for the express purpose of making sure that market information would influence programming, but where the effectiveness of the practice was not yet established. It should be emphasized that the sector still lacks conclusive evidence on to what extent any of these practices positively influence the uptake of market information. More broadly, the sector lacks overall evidence of the impact of market-based programming on humanitarian response.

## II. Using market analysis to inform programming

To examine how to harness the full potential of market analysis, we first consider how *all* types of available information are used in the humanitarian sector, and then look specifically at how market-related data is used.

### A. The use of data in the humanitarian sector

The use of market information does not occur in a silo, so it is important to understand the broader factors that facilitate and impede the use of evidence in decision making. While there are other sources of research on this topic, and the scope extends beyond the use of market information specifically, the following factors nonetheless have a strong influence on the uptake of market data in programming.

#### 1. Prerequisite factors for uptake

The key informant interviews and desk review conducted for this report highlighted four main factors that are relevant to improving the collection and use of market analysis, irrespective of the best practice being applied. These factors must be in place in order for uptake to take place, but do not in themselves guarantee that uptake will happen. The factors include the “people factor,” the quality of market analysis, sufficient resources and adequate dissemination of analysis findings.

**1. Capacity, or the “people factor,”** is a key prerequisite identified across several sources.<sup>4</sup> The individuals involved – including those directly engaged in collecting and analyzing the data, as well as management-level staff who design the interventions – need to possess the necessary skills and knowledge to apply information in programming. When team members lack relevant knowledge and understanding, they may lack the confidence to make programmatic changes, or to propose potential alternative response modalities that may be more appropriate. When team members have an understanding of market data’s value and are able to contribute to decision-making, it is more likely that they will collect market data pre and post shock and institutionalize the process of monitoring and evaluation.<sup>5</sup> The “people factor” also applies when selecting the person presenting the analysis findings, since this individual is just as important as the content of the presentation itself in determining whether analysis findings are eventually used.<sup>6</sup>

Market assessment teams need to include both male and female members who are able to communicate effectively with a variety of audiences as well as market specialists to enable a better understanding of the purpose of market analysis.<sup>7</sup> In addition to technical programs staff, market teams should include people with other relevant skills and knowledge, such as finance staff, logisticians

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<sup>4</sup> International Rescue Committee, 2014. EMMA’s Impact on Program Decision-Making. Unpublished.

Maxwell et al., 2012. Response Analysis: What Drives Program Choice? Feinstein International Center, Tufts University.

<sup>5</sup> Barriere interview, 2017.

<sup>6</sup> Darcy et al., 2013.

<sup>7</sup> Whitehouse interview, 2017.

and those with knowledge of local markets.<sup>8</sup>

**2. The quality of market analysis** undertaken is another minimum requirement for the uptake of findings. Quality refers to both the clarity and the content of the report,<sup>9</sup> with the latter encompassing the use of sufficient evidence and a clearly presented methodology.<sup>10</sup> Quality has been highlighted as a prerequisite for uptake in a number of sources<sup>11</sup> that discuss the use of data in general throughout the humanitarian sector, and as such this finding is not unique to market analysis.

**3. Resources** are a vital requirement stressed by a number of key interviewees for ensuring both the collection of quality data and its use. Resources are needed to fund trainings so that staff are equipped to collect and analyze data, to allow for adequate market analysis to feed into program design and to fund ongoing monitoring activities. In addition, if funding for the interventions is not consistent, the interruption of activities can cause the project to lose momentum and significance.

**4. Dissemination of market analysis findings and recommendations** to receptive audiences is also a necessary, but not sufficient, condition. The IRC identifies three elements to improving dissemination and communication of EMMA reports: a diverse team representing multiple agencies, a comprehensive dissemination strategy and timely communication to a broad audience. In addition, if information is presented and shared in a succinct way, it is more likely to have influence.<sup>12</sup>

## 2. Challenges to uptake

There are a number of challenges in the humanitarian sector that hinder the use of information to influence programming decisions. Both the situation and the response analysis can be affected by the factors described below.

One set of challenges occurs at the individual level. Decision-makers with limited time to make decisions largely rely on the judgment of those they trust.<sup>13</sup> As mentioned previously, the specific findings themselves often matter less than who is presenting them. In addition, one of the biggest roadblocks to the promotion of evidence-based decision making is people's habits of thought and inherent biases, since they make it less likely that new evidence will challenge people's assumptions or push them to consider different types of response options. On the other hand, if people are provided with incentives to improve practice and to use evidence to make decisions, they will be more likely to search for relevant information and adopt new ways of working.<sup>14</sup>

Challenges also occur at the institutional level, as they relate to the ways in which managers make decisions in the humanitarian sector. Some sources<sup>15</sup> have found that external information per se has limited impact on organizational decision-making. Most decisions appear to be made within quite tight parameters, with the range of options being limited by previously decided questions about strategic priorities, available resources, and so on. These decisions are highly "path dependent,"<sup>16</sup> meaning that the range of options is limited to previously-decided priorities and parameters set by donors,

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<sup>8</sup> IRC, 2014.

<sup>9</sup> Some market analysis exercises are not formalized through an official report, especially those intended for internal use by the organization(s) conducting the analysis. In those cases, this prerequisite should be understood solely as the quality of the analysis.

<sup>10</sup> IRC, 2014.

<sup>11</sup> For example, Darcy J., et al., 2013. The Use of Evidence in Humanitarian Decision Making - ACAPS Operational Learning Paper, ACAPS & Feinstein Centre.

<sup>12</sup> IRC, 2014.

<sup>13</sup> Darcy et al., 2013.

<sup>14</sup> Ibid.

<sup>15</sup> ODI, 2009, Darcy et al., 2007, and Haan et al., 2005.

<sup>16</sup> Darcy et al., 2013.

governments and implementing agencies. What matters as much as external information is the understanding people have of the institutional framework for decisions, the implicit values and assumptions that they apply in making decisions and the mental models by which they process available information (ODI, 2009, Darcy et al., 2007, and Haan et al., 2005). Decision-makers should be mindful of path dependence when designing humanitarian programs, in particular when they are considering how to use market data to inform programming, as they need to be innovative and flexible, reflecting the context in which they operate and the people they serve (Campbell, 2016).

A third level of challenge is sectoral. Advocating for the use of market data to inform decision-making is hindered by the paucity of rigorous evidence in the humanitarian sector in general and related to the effect of market-based programming in particular.<sup>17 18</sup> A number of factors contribute to the lack of quality evidence in this field, including a lack of baseline information for unanticipated crises and the need to act quickly, among others.<sup>19</sup>

As a result of these challenges, market information is often not included in response analysis and decision-making.<sup>20</sup> This has led to a predominance of pre-packaged, generic responses instead of smart and context-adapted market interventions.<sup>21</sup> Thus, international non-governmental organizations (INGOs) have sometimes been perceived to have inappropriate priorities and programs and a lack of contextual understanding, such as in the case of Iraq.<sup>22 23</sup>

In addition to these challenges, there is a double standard applied to market and cash-based programming. Most donors require that such programs be justified through a rigorous examination of risks, protection concerns, markets, and sometimes more before implementation, whereas there are usually not parallel requirements for in-kind programs. This double standard can sometimes discourage the uptake of cash and market-based programming, regardless of the findings from market analyses. Decision-makers will tend to choose responses “based on the amount of work required to propose the intervention, rather than...[on what is] most appropriate for the crisis.”<sup>24</sup> This double standard further reinforces the incorrect assumption that in-kind interventions do not impact markets.

## B. The uses of humanitarian market analysis

In humanitarian contexts, market analysis can potentially be used for a number of purposes.

- Pre-crisis:
  - To improve agency preparedness and support contingency planning exercises
  - To trigger early action by providing refined market related monitoring and early warning indicators that can be followed and integrated into an Early Warning System
  - To mitigate the impact of a predicted crisis and help build resilience by identifying which area of the markets may be affected, how it will be affected and be strengthening it prior to the crisis

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<sup>17</sup> A recently undertaken systematic review on the effect of market-based programming in crisis on households' food security, screened over more than 6,000 documents to ultimately select 7 to be used in this synthesis.

<sup>18</sup> Juillard, 2017.

<sup>19</sup> Puri et al., 2015.

<sup>20</sup> Levine, S., unpublished 1; Brady, 2012.

<sup>21</sup> Levine, 2016, Levine, S., unpublished 1.

<sup>22</sup> According to one study, 40% of national NGOs in Iraq stated that certain international organizations' priorities, objectives and programming for intervention were inappropriate, while over a fourth of national NGOs felt those organizations lacked a sufficient understanding of the country context, particularly in relation to understanding vulnerability.

<sup>23</sup> Taylor et al., 2012.

<sup>24</sup> Darcy et al., 2013.



- Pre- or Post-crisis:
  - To promote recovery by identifying which parts of the markets have been affected and how they can be supported
  - To assess the level of market and infrastructure functionality to determine the most appropriate delivery modality
  - To limit the risk of interventions having a negative effect on local markets
  - To build organisation staff and partners' capacity in market analysis and develop support for market-based programming<sup>25</sup>

Not all of the uses listed above have a direct impact on program-related decisions. Instead, some have an indirect impact; building staff capacity, for instance, will influence the market teams' thinking and ways of analyzing the situation, which in turn will enhance their understanding and contribute to the development of knowledge. This can encourage the consideration of markets in future programming. Similarly, even if market analysis' recommendations are ultimately not implemented, the debate over the findings can create increased awareness and contribute to action in the long-run.

In addition to these broader uses outlined above, market information can be used to inform a number of specific programmatic decisions.<sup>26</sup> Humanitarian market analysis as defined in this paper focuses on the following key questions:

Prior to the start of an intervention and throughout implementation:

- Does the market have the capacity to deliver part or all of the needed assistance?
- Does the market need support in order to be able to supply basic goods to crisis-affected people? If so, what kind of support is needed?

Once cash transfer programming has been deemed feasible:

- What payment mechanism(s) should be used to deliver cash to the crisis-affected people?
- What are an appropriate value and frequency of the cash transfer?
- Are the modality, value and frequency as well as payment mechanism still appropriate?

## C. Risks and opportunities in the collection and utilization of market data

There is a growing consensus in the humanitarian sector on the need to operate in a “market sensitive” way that takes local markets and local economies into account. Markets are recognized as a lifeline for the majority of the world's population and as vital assets of disaster-affected communities. As such, they are increasingly considered a key element in the delivery of emergency responses and as potential beneficiaries of targeted assistance, all of which help to boost livelihoods and recovery through the multiplier effect.<sup>27</sup>

Collecting and using market data can not only lead to more effective humanitarian responses, it can also help to shift from an agency- and sector-specific perspective to a more holistic perspective based on a deeper understanding of crisis-affected people, needs and capacities. Market analysis should allow for a better understanding of how people use and access markets and ultimately a better

<sup>25</sup> Juillard, 2016.

<sup>26</sup> International Rescue Committee, 2017.

<sup>27</sup> As per the CaLP glossary the multiplier effect is the indirect effects of CTP whereby increased expenditures by recipients contribute to income growth for non-recipients, expansion of markets for local goods, or increased demands for services.

understanding of how they meet their basic needs. This linkage is critical; in emergency settings, the collection and use of market data should not be disconnected from crisis-affected communities. Nor should the analysis ignore the capacities, needs and constraints faced by the various inter-dependent market actors involved in the lives and livelihoods of the affected households. Market actors are not singular entities acting in isolation, but are rather part of a wider system of governing bodies, formal and informal structures, gender and cultural norms, rules and policies that also require some understanding.

In a vacuum, market data presents little added value if not linked back to the crisis-affected people accessing and using markets. Similarly, if the analysis does not consider how different groups (men and women, elderly people, people living with disabilities, displaced people and host populations, etc.) interact with markets, valuable information that is relevant to program design is not captured. Considering the relatively narrow scope of most market analysis exercises, this could be one of the main limiting factors to the relevance of market data.

In collecting and using market data, humanitarians are challenged to look at their implementation contexts from a new and unfamiliar perspective. They have to identify stakeholders they are not used to interacting with and consider responses they are not familiar with implementing. **The inclusion of market analysis presents a great opportunity to improve the efficiency and effectiveness of humanitarian responses, to demystify the private sector and create new linkages and partnerships that go beyond the traditional distributor/recipient scheme of humanitarian aid.**

The use of market data, especially to inform market support interventions, requires a change in mind set, from a needs-based approach to an opportunity-based approach. Humanitarian interventions traditionally target those who have been the worst hit by a crisis and who are unable to recover without external assistance. Supporting the market means directing resources to market actors, services and/or infrastructure, following unconventional response analysis paths to provide indirect support to crisis-affected communities by supporting the market stakeholders they rely on to cover their basic needs.

Pragmatically, promoting the use of market data could be a good way for an organization to showcase its due diligence and as such access additional sources of institutional funding. However, this opportunity can become a risk if market analysis exercises are conducted simply to “check the box” without having any real influence on programming. In the same vein, organizations sometimes commit to undertake an in-depth market analysis in circumstances where a rapid market assessment would have sufficed to inform programming. Organizations are still building their skills and abilities to collect and use market data, while institutional donors are keen to consider market analysis as a prerequisite for certain types of programming (e.g. cash transfer programming). As such, donors can largely help to increase the uptake of market analysis. But this also presents the risk that more data will be collected than is actually needed. This can be counterproductive, resulting in data analysis taking place too late to inform decision-making and/or data not being used at all. Furthermore, markets are dynamic and evolve over time, hence market analysis should be complemented by the collection of regular market data to capture these changes.

Specific challenges for using market data therefore include the sheer volume of data and its ownership. To render the volume of data manageable, organizations are considering more and more to partner (either through coordination groups or within a consortium such as the cash consortium) for market analysis and monitoring. This could broaden the scope of market analysis from one agency to a whole sector, or even to humanitarian response stakeholders with an increased multiplier effect on the local economy. Adopting a coordinated approach to market data collection and analysis could also reduce the risk of bias as to which market data to collect based on organization mandate, agenda and/or donors. This however implies that the information to collect and the process for both collection and

analysis are standardized and agreed upon across organizations, meaning that market data collection is detached from a specific organization-specific project.

Looking at the data ownership, while the humanitarian sector is organized by theme, market data does not fall into a specific sector, creating uncertainty over who owns and champions the use of the information. Yet this can also create new partnerships across sectors, humanitarian organizations and traditional emergency/development silos.

## D. Origin of the best practices

The best practices identified in this report originate from common gaps and shortfalls that the community of practice have identified in the market analysis process. The table below presents these gaps as well as the best practices that help to address them.

Market Analysis Gap	Corresponding Best Practice
<b>Setting the scope</b>	
<p><b>The types of data needed are difficult to obtain in a crisis situation.<sup>28</sup></b></p> <p><b>There is a need to understand market failure as an effect of crises.</b></p> <p><i>Market failure is no longer seen only as a possible cause of crisis, but also as one of the effects of crises. More recently it has been realized that it can even be one of the effects of inappropriate relief aid. Information is needed in advance of a crisis to avoid or mitigate market failure.<sup>29</sup></i></p>	<p><b>Market information is gathered in pre-crisis times to inform future emergency programming.</b></p>
<p><b>The market analysis scope misses important pieces of information and/or lacks other levels of analysis.</b></p> <p><i>Market analysis needs to focus on issues like households' access to markets and informal institutional arrangements of markets – including social dynamics, power relations, gender analysis, and political economy.<sup>30</sup> In addition, few agencies are sufficiently aware of market functioning beyond the availability and prices of goods in the markets in which they are interested. The demands and incentives of the aid sector encourage agencies to focus on their own projects.</i></p> <p><b>The scope of market analysis and monitoring often focuses only on food markets.</b></p> <p><i>To understand the impact of a crisis, it may be necessary to look at more than one market system, since it cannot be assumed that all markets will be affected and/or will adapt in the same way. Market analysis should also look at labor markets, and other sectors such as shelter.<sup>31</sup></i></p>	<p><b>The scope of market analysis is broad enough to encompass formal and informal influences on both market supply and demand.</b></p>
<b>Identifying the market team</b>	

<sup>28</sup> SEEP, 2007.

<sup>29</sup> Levine, S., unpublished 2.

<sup>30</sup> Barbelet et al., 2014.

<sup>31</sup> Levine, S., unpublished; Global Shelter Cluster Position Paper, 2015.

<p><b>There is a lack of skills and knowledge to engage with the market and/or conduct a market analysis.</b>  <i>Understanding how to engage with markets can require knowledge and skills beyond the technical team's expertise, involving economics, sociology, etc.<sup>32</sup></i></p> <p><b>At the organization level, operational priorities and policies do not always align with programmatic goals of supporting local markets.</b> <i>For example, program staff may want to maximize support to local markets by contracting small traders for a voucher scheme, while logistics policies often favor sourcing larger suppliers who can provide larger volumes at lower prices.</i></p>	<p><b>Operational departments at field level take a lead role in market analysis.</b></p>
<p><b>Decision-making involves a limited number of individuals, who may have limited knowledge of and experience with the market analysis process.</b></p>	<p><b>The market analysis process engages diverse team members, from decision-makers to communication staff to market assessment enumerators, all of whom understand the rationale for collecting market data.</b></p>
<p><b>Collecting market data</b></p>	
<p><b>Coordinated data collection and sharing occurs inconsistently.</b> <i>Uncoordinated data collection systems, standards and methods is inefficient, often leading to duplicated effort and/or inconsistent access to market information among humanitarian stakeholders.</i></p> <p><b>The sector lacks sufficient partnerships with the private sector.</b>  <i>Private sector entities are generally not included in humanitarian coordination bodies. Partnerships with the private sector are treated as objectives in and of themselves rather than as means of benefitting the affected population.<sup>33</sup></i></p>	<p><b>Private sector or specialized service providers play a key role in market assessments and monitoring.</b></p>
<p><b>The geographic scope of the market assessment is too narrow.</b>  <i>Organizations lack the capacity to set the adequate geographical scope to allow for decision-making and to determine what level of information is "good enough." When appropriate, the sector needs to ensure that national and regional market analyses are undertaken to understand the broader geographic scope, specifically as it relates to supply systems.<sup>34</sup></i></p> <p><b>The scope is not wide enough to incorporate all relevant actors.</b></p>	<p><b>Data is collected from a range of market actors and market locations to gain a more holistic understanding, as appropriate.</b></p>

<sup>32</sup> Levine, 2016.

<sup>33</sup> Barbelet et al., 2014, Shelter Cluster, 2015.

<sup>34</sup> Wilding, 2005.

<p><i>Market analysis should include private sector actors such as traders and assess the impact of the intervention on non-participating traders and on vendors.<sup>35</sup></i></p> <p><b>The volume of market data collected can be disproportionate to the operational decision it should inform.</b></p>	
<b>Analyzing and sharing market data</b>	
<p><b>There is a lack of coordination between the humanitarian and development sectors.</b></p> <p><i>Relief and market development activities are not coordinated; humanitarians need to build relationships with other related disciplines such as poverty alleviation.<sup>36</sup></i></p>	<p><b>Humanitarian and development actors collaborate on market analysis.</b></p>
<p><b>As markets cut across sectors around which the humanitarian sector is organized, the ownership of market data is unclear.</b></p>	<p><b>Market analysis findings are shared in coordination meetings.</b></p>
<p><b>Management and programming are inflexible.</b></p> <p><i>As there is an increased uptake of CTP, and especially at-scale CTP, the shift between different modalities based on the results of market monitoring tends to be more difficult, as large implementation schemes tend to create a certain rigidity and inertia.<sup>37</sup></i></p>	<p><b>Adaptive management facilitates programming that is responsive to changing market dynamics.</b></p>
<b>Market monitoring</b>	
<p><b>There is not enough time to collect and analyze market monitoring data.</b></p> <p><i>Paper-based data collection is time consuming during the data entry and analysis phases. Often, decision-makers do not have time to wait for the data to be analyzed to make their decisions.<sup>38</sup></i></p>	<p><b>Real-time market monitoring data is available to inform program decision making using mobile devices.</b></p>
<p><b>Market monitoring only focuses on prices and misses important pieces of information and/or lacks other levels of analysis.</b></p> <p><i>This gap generated two distinct best practices: one on broadening the scope of market analysis and another one focusing more on broader market monitoring to compensate for the absence or poor quality of market analysis to inform programming.</i></p>	<p><b>Market monitoring is comprehensive and goes beyond price monitoring.</b></p>

### III. Presentation of the Best Practices

The best practices identified are presented in five groups, based on the Key Actions that appear in the [Minimum Standard for Market Analysis](#) (MISMA)<sup>39</sup>, relating to Scope, Market Team, Data collection, Analysis and sharing and Monitoring. For each practice, summaries of examples of the practice as applied in real programs are showcased, followed by reflections of the actual and potential benefits of

<sup>35</sup> Barbelet et al., 2014, Levine 2016, Cole 2006.

<sup>36</sup> Levine, S., unpublished 1.

<sup>37</sup> Sissons interview, 2017.

<sup>38</sup> EMMA, 2017, key informant interviews.

<sup>39</sup> Julliard, 2017.

their application as perceived by the key informants and authors. In some instances, opportunities to merge or strengthen best practice examples are provided. Please note that some of the best practices relate to more than one Key Action, but that in the interest of space, these are only presented once.

To support an understanding of the contexts in which these best practices were implemented, a short summary of the programs referenced is provided in Annex C.

## Step 1: Setting the scope of the assessment

### **I. BEST PRACTICE: Market information is gathered in pre-crisis times to inform future emergency programming, disaster risk reduction programming and market support interventions.**

Pre-crisis market analysis and monitoring can enable a good understanding of baseline contexts and thereby reduce the need for a lengthy market assessment when crises occur. In addition, pre-crisis market analysis can help teams to develop confidence in collecting and using market data, which increases the likelihood that they will do this in crisis times.

#### **I.1 EXAMPLE: Oxfam Zimbabwe, WASH pilot program**

- Based on a global review of pre-crisis market analysis uptake, the scoping phase of the market analysis that Oxfam conducted was modified to place more emphasis on understanding the wider context prior to identifying specific market systems for analysis. In the case of Oxfam Zimbabwe, this wider contextual analysis involved the production of market flow maps of clean water and sanitation services, key stakeholder discussions and causal analysis of waterborne diseases.

*Benefit of the best practice: This additional scoping phase allowed for a more in-depth secondary data review, which ultimately led to a more rapid and less resource-heavy pre-crisis market analysis exercise. The scoping phase also focused on getting the buy-in of decision makers by organizing a workshop to present the results of the scoping exercise. This workshop was framed as a review of contingency planning using a market lens, which raised interest across the team in Zimbabwe.*

- The analytical scope of the assessment questioned existing humanitarian response approaches to addressing waterborne diseases (NGO provision of goods/services) and looked to explore more local market system solutions that understood consumer behavior. The assessment did not assume that all previous responses had been appropriate.

*Benefit of the best practice: Involving local actors and framing the assessment in terms of how to reduce dependency on NGOs sparked a proactive and cooperative interest among representatives of governments and utilities. The process has resulted in Oxfam catalyzing multi-stakeholder discussions on improved contingency planning in WASH and positioning itself as a focal point for information and coordination in WASH.*

#### **I.2 EXAMPLE: Oxfam Iraq: Pre-Crisis Market Analysis: Credit, Drinking Water and Wheat Flour Market Systems<sup>40</sup>**

- Oxfam, along with 12 other organizations, organized a PCMA in Iraq in early 2016 to predict the effect of the anticipated Mosul counter-offensive on markets' capacity to supply goods

<sup>40</sup> PCMA was conducted in February 2016, with the final report released in March. It is available here: <http://www.emma-toolkit.org/report/pcma-northern-iraq-credit-water-wheatflour>.

and services key to basic needs. Many of the agencies involved in the PCMA, including IRC, ACTED and World Vision, went on to do further market analysis in their program areas, utilizing the skills and knowledge gained from participating in the initial PCMA.

*Benefit of the best practice: The presence of existing market analysis capacity enabled staff members to utilize their skills when the Mosul counter-offensive (and other displacements) took place.*

- Findings and recommendations from the PCMA were incorporated into the proposals of some participating agencies. However, it is not clear how many of these proposals were accepted. Many of the recommendations in the PCMA were related to preparedness and unfortunately were not funded, potentially due to a lack of donor interest in light of the impending offensive. The lack of donor uptake in this example highlights the importance of involving donors as key stakeholders in the PCMA approach to create buy-in and potentially galvanize interest and the utilization of final outputs.

### ***1.3 EXAMPLE: USAID Food For Peace proposal procedures***

- To promote the collection and use of market data, the USAID funding system's Annual Program Statement (APS) now includes a section on market analysis and trends. Applying agencies must justify their modality choice on the basis of the market analysis and outline how market monitoring will take place going forward. This will de facto create a baseline of market information that could then be used to inform future programming or forecast the effect of future crises on markets.
- USAID accepts varying levels of market analysis data, depending on the country, context and availability of quality secondary data. Despite the inclusion of articulated monitoring plans in proposals, these plans are not always realized for the whole duration of the program, as seen in some quarterly and annual reports. This requirement is fairly recent, and although it is expected to lead to an increase in partners collecting market price data and articulating monitoring plans in the proposal stage, it is unclear what the final outcome in NGO practice will be.

### ***1.4 EXAMPLE: Mercy Corps Ethiopia, RAIN Project***

- Pre-crisis livestock market analysis data was utilized to identify key market actors (traders, slaughterhouse owners, transporters, etc.) that could play a key role in a drought response. Mercy Corps used existing livestock market data when they designed a response to support pastoralist households during the 2006 drought. Livestock traders were identified, provided with loans and connected with communities in need of commercial destocking, resulting in the destocking of over 8,000 small ruminants and 478 cattle.

## **II. BEST PRACTICE: The scope of market analysis is broad enough to encompass formal and informal influences on both market supply and demand and as such ensure a comprehensive understanding of market supply chain dynamics.**

The scope of the analysis goes beyond market chain actors and encompasses market infrastructure, environment and rules and regulations, whether formal or informal. The data collected and subsequent analysis takes into consideration consumer behavior and preferences and different gender and ethnic dynamics within the market. The information collected is not based on preconceived assumptions of the market, nor is it limited to assessing the feasibility of cash-based



transfers.

### **II.1 EXAMPLE: Oxfam Zimbabwe, WASH pilot program**

- This market analysis exercise used a broad scope, looking first at how consumers interact with markets to cover their overall WaSH-related needs across the different seasons and how this interaction evolves depending on the prevalence of waterborne diseases. In addition, the Oxfam team undertook a waterborne disease causal analysis alongside market analysis, which facilitated an understanding of what was happening concurrently within the households and markets at different times (before, during and after high levels of waterborne disease) and related triggers.

*Benefit of the best practice: Using a market lens to understand WaSH-related behaviors has renewed interest in preparedness and prevention of disease at the government and UN levels. UNICEF is also reviewing the timing of its hygiene promotion to better align it to these trigger points. In addition, this PCMA has informed Oxfam's contingency planning.*

### **II.2 EXAMPLE: Katalyst Program, Bangladesh**

- The Katalyst program (a market development program) in Bangladesh gathered information on women's engagement in vegetable markets via participatory methods. Market actors were able to tell their stories, providing data that was not influenced or restricted by the pre-determined questions from a survey. Specifically, this provided valuable information on how women and men interact with the vegetable market system (e.g., in terms of access and traditional roles). For assessment teams to apply such techniques successfully, they require training and practice, as well as sufficient self-awareness and sensitivity to ensure their attitudes and opinions enable discussions and delicate disclosures.

*Benefit of the best practice: Qualitative tools (such as focus group discussions, popular theatre, role play, storytelling, episodic interviews<sup>41</sup> and validation workshops) can support the collection, probing and articulation of market information. Those tools can contribute to the understanding of causal factors and complex relationships within market systems (such as gender, power, cultural and ethnic dynamics) and ultimately facilitate market analysis. These approaches can be used to enrich survey data (by investigating specific issues that arise from surveys) or to triangulate findings to ensure their applicability to various stakeholders (women, men, displaced and host populations, for example). In the case of Bangladesh, qualitative data on women's participation in vegetable markets allowed for the design of market development activities tailored to the distinct needs of men and women.*

### **II.3 EXAMPLE: ACF Nigeria, market assessments**

- Understanding the supply of food items in the area of implementation was vital for ACF in Monguno, a context of security and protection risks resulting from Boko Haram activity. ACF undertook a market assessment to ensure the appropriateness of their existing response and will repeat assessments in the future to assess any changes in the market system and subsequently the feasibility of a cash response. The initial analysis indicated the inability of suppliers to meet demand due to security and access issues.

*Benefit of the best practice: The analysis highlighted the impact of the security situation on the capacity of traders to transport their goods safely and at an affordable cost. The utilization of the WFP supply chain and access to army escorts was identified as the most*

<sup>41</sup> This is an approach where participants are encouraged to recall concrete events, situations and episodes around an experience.



*appropriate response until the situation improves.*

- An understanding of market supply and demand enables ACF to assess whether the markets utilized by cash-assisted households will be able to respond to an increase in demand for the goods likely to be purchased. In addition, household baseline data gave indications of households' priority needs and preferences for delivery modality. As such, in Yobe ACF decided to reduce the portion of unconditional cash distributed due to poor market elasticity to respond to demand. In addition, ACF shifted a portion of its assistance to food vouchers, as baseline data indicated that households had low food consumption scores.<sup>42</sup>

*Benefit of the best practice: By broadening the scope of the assessment and complementing it with **the** household baseline survey, ACF was able to tailor its programming to deliver an appropriate response that did not distort local markets.*

#### **II.5 EXAMPLE: Mercy Corps Ethiopia, PRIME Project**

- The first six months of the PRIME project involved undertaking a detailed analysis of seven market systems. The analysis was used to inform programming, identifying both humanitarian activities that could be implemented when an emergency struck and development activities to establish, develop and build resilience in key market systems on which vulnerable pastoralist communities relied, such as the animal fodder market system. The animal fodder market system was established, supported and then utilized by Mercy Corps during its drought response, using the results of the analysis that Mercy Corps had undertaken at the beginning of the project. Specifically, retailers willing to provide fodder were supported to do so by linking them with wholesale suppliers and partnering with them in a fodder voucher scheme. After the drought, some of those retailers stayed in business, and when the drought hit again, this initial effort paved the way for a larger response that involved commercial destocking and veterinary voucher activities along with the distribution of cash for fodder and other needs.

*Benefit of the best practice: By undertaking a market analysis with a broad scope, Mercy Corps gained a good understanding of market dynamics and how vulnerable pastoralist households interacted with markets. As a result, the market support interventions implemented have had a lasting effect.*

## Step 2: Identifying the market team

### **III. BEST PRACTICE: Operational departments at field level take part in market assessments.**

For example, the supply chain teams, trained in market-based programming and response analysis, take part in the market assessments, in order to capitalize on their knowledge of the local context and to increase efficiency by ensuring procurement is aligned with the program's planned activities.

#### **III.1 EXAMPLE: IFRC: Logistics CTP Competency Framework (work in progress)**

- The International Federation of Red Cross and Red Crescent Societies (IFRC) logistics competency framework requires all logisticians to have an understanding of markets.

<sup>42</sup> The [Food Consumption Score \(FCS\)](#) is a composite score based on dietary diversity, food frequency, and relative nutritional importance of different food groups.

Knowledge and skill level requirements become more specialized with increasing levels of responsibility. The competency framework was developed in workshops led by a joint working group involving logistics and emergency relief intervention units. The process considered (a) the skills within each unit (logistics and relief); (b) the required competencies for cash feasibility and programming; and (c) splitting the competencies between the two teams and ensuring their complementarity. Currently, market assessments to determine the feasibility of cash transfer programming are predominantly led by program staff, while logistics staff have been responsible for market assessments focused on local procurement, resulting in some duplication of effort. The IFRC is working towards rectifying this by integrating the two types of assessments into a single comprehensive analysis. Given logistics' comparative experience in market analysis, the approach should allow logistics to lead the assessment, with the participation of programs staff (whose competency framework also demands capacity in market analysis).

*Benefit of the best practice: Given that logistics staff undertake market analysis for procurement purposes as well as to assess cash feasibility, it now seems possible that the tools can help serve both purposes will be integrated to make the overall process more effective and efficient.*

NB: As this process is still quite new, it has not been rolled out widely, and therefore the ultimate impact of this effort is still to be determined.

### **III.2 EXAMPLE: CRS: Quick Appraisal of Local Market (QUACK) Tool (under development)**

- In CRS' emergency responses, market analysis has become more in depth and strategic as program and supply chain team members collaborate more often in market assessment and analysis as well as on the use of market data. In the past, each department did its own distinct market analysis to inform its own particular engagement with the market, but now supply chain and program staff can combine forces and perspectives. This enhanced coordination is being facilitated by the inclusion of an experienced operations staff person from headquarters in "first wave" large-scale emergency deployments and the "seating proximity" of operations and program staff within the humanitarian response department.
- The Nepal earthquake in 2015 provides an example of a first wave deployment and the benefits of this approach. It enabled strong collaboration between the market programming Senior Technical Advisor (STA), the Shelter STA, and the Operations and Supply Chain STA to carry out strategic supply chain analysis and design, looking in particular at Corrugated Galvanized Iron (CGI) Roof Sheets. Combined analysis determined the need to quickly (due to the impending rainy season) source CGI sheeting from the manufacturing area near the Indian border. This streamlined decision-making process enabled CRS to secure an initial supply of CGI before other actors in the area. In addition, it was also possible to extend this coordination/sharing of information with the local logistics and shelter clusters to help improve the overall response.

*Benefit of the best practice: Greater involvement of operations staff in program design could be beneficial, with operations bringing a more strategic approach to supply chain analysis and design (such as those applied in the private sector). A strategic approach to procurement and supply chain analysis<sup>43</sup> focuses on identifying those suppliers that produce, import or distribute the goods needed at best value for money and setting up long term strategic relations with them.*

- The development of a shorter market assessment tool that incorporates information needs

<sup>43</sup> Strategic sourcing is forward looking with a desire to be ready when it is needed, and it relies primarily on in-depth market analysis, favorable term negotiation, and relationship building with chosen suppliers. In practice and depending on the supply chains in place, strategic approaches can include more socially orientated procurement approaches (in which markets actors in the vicinity of the affected population are favorably identified and supported to create more locally orientated benefits).

from both CRS supply chain and program teams is in development. This tool, called the Quick Appraisal of Local Markets (QUACK), includes 3 key components: market mapping, price baseline, and local supply stock and restocking time estimates from large, medium and small suppliers. The information gathered by this tool, within a 1-3 day timeframe, should be enough to decide if it is possible to test the local market's ability to provide relief items via its normal market chains.

*Benefit of the best practice: In the absence of market data, CRS initiates responses in-kind. The Quick Appraisal of Local Markets Tool should enable a quicker understanding of markets and appropriate modality choice.*

#### **IV. BEST PRACTICE:<sup>44</sup> The market analysis process engages diverse team members, from decision-makers to communication staff to market assessment enumerators, all of whom understand the rationale for collecting market data.**

Market analysis involves a team that includes all staff engaged in the process of the collection, analysis, use and communication of market assessment data and outputs. The data collection team itself should include both women and men, to be better prepared to engage with both female and male informants.

When decision-makers understand the importance of market data, they dedicate sufficient resources to its collection and use. The implementation team should have the necessary space and support to adapt the response options based on market assessment and monitoring information (linking with adaptive management). Market team member engagement in market analysis will vary according to their roles and responsibilities within the organization. By including a range of actors in the market team, the uptake, utilization and appreciation of market data is heightened and systematically included in all aspects of the program cycle, culminating in the institutionalization of market analysis, market monitoring and the implementation of market-based approaches.

##### **IV.1 EXAMPLE: Oxfam Zimbabwe, WASH pilot program**

- Engaging members from Oxfam's leadership team in the PCMA planning and preparation stages and throughout the whole PCMA positively influenced the incorporation of market assessment data in response analysis, programming and decision-making. Some stakeholders participated only at strategic times, and not throughout the entire process, since "not everyone needs to understand markets, just the value of understanding them."<sup>45</sup> As of March 2017, the results of market analysis have been used to inform Oxfam's contingency planning, and the government is exploring the possibility of using the results to inform its longer-term strategy for reducing the prevalence of waterborne diseases in country.
- Unlike other market analysis efforts, the training provided prior to the exercise looked at the whole process of collecting and using data and included participants beyond the market team. This created buy-in and interest in multiple stakeholders, from enumerators to decision-makers, who gained a heightened understanding of market-based programs. In addition, as right from the start the market team had an understanding of the whole assessment process - of where, how and for what reason the data collected would be utilized - the quality of the data collected was high.

*Benefit of the best practice: Raising awareness of decision-makers increased the uptake of market information in strategic documents such as the Oxfam humanitarian response plan. The training delivered led to a higher quality of data ultimately collected.*

<sup>44</sup> This best practice was identified after the inception report.

<sup>45</sup> Whitehouse interview, 2017.

#### **IV.2 EXAMPLE: CRS, DRC DRIVE project**

- The project entitled “Displaced and Recent Returnee Households Invite Recovery in Democratic Republic of Congo” (DRIVE) is being implemented in a protracted conflict context in Eastern DRC. The project’s strategy involves conducting a rapid multi-sectoral assessment in the aftermath of massive displacement of people. In addition to this assessment, CRS is conducting a market assessment inspired by the MARKit tool, including questions to assess the market functionality and vendor’s capacity to respond to increased demand that an eventual cash or voucher intervention may provoke. The project team includes multi-sectoral assessment teams (including CRS and partner staff), market assessment teams, response teams, and area coordinators (per province). The coordinator who supervises the project activities in all the provinces is responsible for coordinating the decision-making process.

*Benefit of the best practice: as the response options and transfer modalities are discussed and decided based on the multi-sectoral assessment findings, the different sectors are in a position to use the market data.*

### Step 3: Collecting market data

#### **V. BEST PRACTICE: Private sector or specialized service providers play an increased role in market assessments and monitoring.**

Outsourcing the collection of market data can be a more cost and resource efficient way for different stakeholders to access standardized market information. The outsourcing can be limited to certain types of market information, such as price data.

#### **V.1 EXAMPLE: FEWS NET<sup>46</sup> (Famine Early Warning System Network) Nigeria collaboration with USAID implementation partners**

- FEWS NET developed a number of outputs for the humanitarian and development sectors to use, including regional and country profiles, market analysis (including cross border trade), price bulletins and forecasts. To develop such products, FEWS NET relied on a number of data sources, most significantly government data. FEWS NET Nigeria lacked access to government data, and their own primary data collection efforts were limited in geographical scope. To mitigate this limitation and enable the nuanced analysis that was required in Nigeria, FEWS NET, with support from USAID and WFP, developed a harmonized methodology for market data collection and a guidance sheet. Both were shared with USAID’s in-country partners, who were encouraged to adopt the methodology and share data with FEWS NET on a monthly basis for aggregation. The tools were also shared with non-USAID partners via the cash and food security working groups. Though this effort is relatively new, multiple agencies have already adopted the harmonized data collection approach.

*Benefit of the best practice: Although this collaboration is still in its infancy, FEWS NET has seen an increase in the number of Nigerian regions from which they receive data. It is expected that this market information will in turn be used by implementing organizations to inform their programming.*

#### **V.2 EXAMPLE: Save the Children Philippines, Haiyan response evaluation**

<sup>46</sup> <https://www.fews.net/>

- To inform their market-based response, Save the Children relied on secondary data compiled into a report by an external service provider, ACAPS (Assessment Capacities Project). The document included an overview of the different market analyses that had been carried out post-typhoon and summarized the findings for different types of market systems. The document contained relevant and useful information across humanitarian sectors and provided a good basis to support organizations' response analysis, decision-making and planning. Essentially, most assessments stated that markets were recovering quickly and CTP was appropriate if implemented at a moderate pace.  
*Benefit of the best practice: Relying on secondary data, especially when it combines the outcomes of several organization level market analysis, can save resources, reduce bias of the data collection and be used as a source for triangulation.*

### **V.3 EXAMPLE: CRS' use of MARKit in the Middle East**

- Macro-level market data is regularly collated and shared by the REACH Initiative<sup>47</sup> in coordination meetings. This data provides participating agencies with useful information regarding the market supply systems required for humanitarian and recovery responses. CRS has included data coming from REACH, especially on prices of key commodities, in their regular monitoring. CRS is thereby saving resources and has the capacity to focus on smaller market places and specific commodities. As a result of this strong market monitoring, CRS has switched modalities several times over the course of their food security project in the area, from vouchers to cash grants to in kind, and vice versa. Modality switches are decided at the local level and do not necessarily apply to the full project.

## **VI. BEST PRACTICE: Data is collected from a range of market actors (including consumers) within the market system.**

Involving a wide range of female and male market actors fosters a more holistic understanding of the strengths, weaknesses, opportunities and threats that may restrict vulnerable households from accessing the products they need. Teams engage key informants with a broad understanding of local markets (such as representatives of Trade Unions, Chambers of Commerce, etc.) in order to gather information more efficiently.

### **VI.1 EXAMPLE: Nigeria Labor Market Recovery assessment; Economic Impact of the Ebola Crisis on Select Liberian Markets<sup>48</sup>**

- To gain an understanding of the wider market environment, as part of the market analysis, a variety of market actors were interviewed for varying lengths of time depending on their roles and level of involvement in the market system. As market actors are linked to and do business with each other, perhaps "the best way to support vulnerable households to access their needs is to try and understand the restrictions market actors face regularly."<sup>49</sup>

### **VI.2 EXAMPLE: CRS Philippines, blacksmiths**

- CRS' market analysis of agricultural inputs following Typhoon Haiyan indicated that households lacked the agricultural tools and inputs they needed to rehabilitate their fields, and that many blacksmiths had been affected by the typhoon and had diminished capacity to manufacture the required tools. The analysis also looked at households' preferences and willingness to buy agricultural inputs and tools, and found that households preferred locally-produced tools. CRS used this information to design its livelihoods program. This project targeted both agricultural households and blacksmiths, distributing tool vouchers to households and providing grants to local blacksmiths so they could restart tool production.

<sup>47</sup> <http://www.reach-initiative.org/>.

<sup>48</sup> Funded by OFDA. Mercy Corps is the leading agency; other partners include IRC, CRS, ACF, Oxfam, and COOPI.

<sup>49</sup> Swift and Hemberger interview, 2017.

*Benefit of the best practice: By considering the market systems that farming households relied on for their livelihoods, CRS was able to identify key market systems to analyze and actors to support.*

### **VI.3 Example: Oxfam Haiti, canteens and trader grants**

- Interagency baseline and post-earthquake assessments that sought an understanding of the earthquake's impact on the market systems of key goods and services relevant to the humanitarian response (rice, beans, construction labor and corrugated iron) were conducted over a two-week period within weeks of the earthquake. Market analysis findings showed that there was a breakdown in the market, particularly around storage, security, and access to formal and informal credit. Small retailers and middlemen<sup>50</sup> in the supply chain were badly affected, with major losses to their productive assets. The results of the labor survey showed that there was a shortage of skilled labor in Haiti, and moreover, that many of the skilled laborers had lost their tools or equipment in the earthquake. As a result of this market analysis, Oxfam implemented a multi-faceted livelihood project. It offered different packages of assistance to various market actors. For example, canteen owners were supported with cash grants, fuel efficient stoves and business management training, and skilled workers were supported through the provision of cash grants to buy equipment so they could restart their activities.

### **VI.4 EXAMPLE: CRS use of MARKit in the Middle East**

- CRS's needs assessment asked household members (organized according to gender and residency status (displaced, host etc.)) for information regarding their access to and preferences for market places. It found that men were typically able and willing to access more insecure markets than were women.  
*Benefit of the best practice: CRS took beneficiary groups' different experiences regarding security and access into account in the program design and consequently included smaller local markets in the voucher scheme to allow safe access for women.*
- Non-food item (NFI) emergency focus group discussions (FGDs) challenged CRS staff's assumptions about which market places assisted households would use to purchase goods. The discussions, coupled with assessment data, demonstrated that households were willing to travel farther for NFIs than was otherwise assumed, especially when cash and vouchers were provided. The data illustrated that households would purchase different NFIs in different markets (e.g., purchasing clothing in one market and household items in another), often choosing larger markets with greater choice and cheaper prices over the closest market place.  
*Benefit of the best practice: CRS in Turkey is more inclusive of market places located farther away from beneficiary residences, registering vendors in several markets in the area to provide their beneficiaries with more choice. CRS has also started tracking beneficiaries' movements across different market places.*  
*The process of establishing thresholds in prices and distances to markets (among others) should be done with the participation of beneficiary households, through FGDs that ask about where people prefer to buy both food and NFIs. Recipient households should help to identify thresholds (e.g., in the cost of transport) that may trigger a change in response modality.*

<sup>50</sup> Middlemen in Haiti are often women.



## Step 4: Analyzing and sharing market data for formulating responses

### **VII. BEST PRACTICE: Humanitarian and development actors collaborate on market analysis, to better understand baseline contexts and the aggregated impact of the humanitarian response on markets, share information when emergencies occur and support the design of responses that take into consideration key aspects of the market system that could be addressed in a humanitarian response.**

This will help program staff to gather relevant information in a quicker, more efficient way and design programs that are relevant in the short, medium and longer terms.

#### **VII.1 EXAMPLE: Oxfam Zimbabwe, WASH pilot program**

- The market assessment report recommendations (developed by staff having both development and humanitarian backgrounds in collaboration with local actors) were integrated into a strategic document. The process galvanized organizational “buy in” for market informed responses and signaled management and technical team acceptance of recommendations that are therefore more likely to be funded and implemented. Such a process is useful in ensuring the data collected is utilized and does not remain unused in an assessment report.

*Benefit of the best practice: Including recommendations in strategic documents can promote a change in mindset and approaches to responses. Not long after the PCMA, the Zimbabwe WASH team was offered an in-kind donation of soap to distribute, which they subsequently declined, as the PCMA results show that soap is widely available in the local market.*

- To gain an understanding of the wider “waterborne disease” context and access existing information, the PCMA scoping phase workshops and meetings actively targeted and involved key market actors and representatives from the development sector. Involvement of these actors continued throughout the assessment process, from data collection to analysis to the development of program recommendations. Because of this collaboration, participants found it easier to think of both humanitarian contingencies and of opportunities for market-based programming; the need for resilience building with market actors; and the implications of humanitarian interventions on development work.<sup>51</sup> While some of the resulting recommendations are more emergency/preparedness oriented (e.g., the distribution of cash and vouchers in case of waterborne disease outbreaks), others are aimed at decreasing structural vulnerabilities to such outbreaks (e.g., the government is considering including the results of the analysis in its strategy to reduce the prevalence of cholera in country).

#### **VII.2 EXAMPLE: Nigeria Labor Market Recovery assessment; Economic Impact of the Ebola Crisis on Select Liberian Markets**

- Market analysis in Liberia during the Ebola crisis was implemented by Mercy Corps’ emergency and development teams. The assessment highlighted market limitations related to transportation and market place closure by the authorities. Because of the diverse perspectives on the assessment team, solutions that addressed both immediate needs and longer term recovery were identified: using open markets, while advocating with the authorities to lift the market closure and avoid this in the future by highlighting the key role that markets play in people’s livelihoods. The short-term activities were included in Mercy Corps’ emergency response, but the longer-term program has yet to adopt the recommendations.

<sup>51</sup> Whitehouse Interview, 2017.

**VIII. BEST PRACTICE: Market analysis findings are shared in coordination meetings to enable a micro and macro understanding of markets within the implementation context and appropriate response analysis.**

**VIII.1 EXAMPLE: Joint Market Monitoring Data Collection and Harmonized Tool, Niger**

- Key market information related to the supply of goods and items pertinent to the response is shared via cluster meetings and cash working groups. The IRC is using this monitoring data to inform both the appropriateness of CTP to deliver their response in country and the delivery modality for their new project. As of now, market data showed the constant appropriateness of CTP, so market data has not been used to support a shift in modality.  
*Opportunity: NGOs provide a micro level perspective of markets that can be combined with information from other NGOs' more regional perspectives to support a macro level analysis. This approach could be systematic and harmonized across cluster meetings. In addition, the potential to use technology (such as Cloud) to share market data across organizations is largely untapped.*

**VIII.2 EXAMPLE: Haiti earthquake response, cash working group**

- Within weeks of the Haiti earthquake in 2010, inter-agency market analysis was undertaken for four prioritized market systems for the immediate needs and recovery of the earthquake-affected households. Simultaneously, the establishment of a cash working group was underway, established by agencies who were able and interested to utilize cash, and also agencies that had learned lessons from the implementation of cash transfer programs in response to the Asian tsunami in 2004. Market analysis findings and recommendations were shared in coordination meetings and included in proposals. Agencies actively shared information in the working group meetings that included monitoring methodologies and tools, cash feasibility studies, additional market analysis and response strategies. Information dissemination and sharing within the cash working group facilitated coherent and harmonized responses to the disaster, especially with regards to markets and cash. Aligned approaches included: establishing cash assistance values according to activity and objective (cash for work payment rates, livelihood grant sizes according to a range of livelihood activities), and inclusion of humanitarian activities to support market traders (of varying sizes from street vendors and kiosk traders to larger traders).  
*Benefit of the best practice: Cash working groups have continued to provide a vital service in sharing market analysis. Subsequent disasters have seen evidence of this role culminating in the formation of market analysis sub-working groups within the cash working group.*
- Coordination groups can play a key role in collecting and sharing market analysis between humanitarian and development agencies.<sup>52</sup>

**VIII.3 EXAMPLE: CRS Mali Kisili project**

- The Kissili project is implemented in a conflict context characterized by multiple and repetitive large displacement of populations. Such displacements trigger a rapid multi-sectoral assessment led by CRS which is combined with a market assessment. The assessment report and findings are systematically shared within the humanitarian community and the response is also coordinated.  
*Benefit of the best practice: Humanitarian organizations are able to coordinate their market-based responses, and the response analysis process is more consistent across organizations. In addition, this practice allows for the optimization of resources, with one organization (CRS) being responsible for the assessment while the response belongs to the broader*

<sup>52</sup> Smith, 2015.



humanitarian community.

- IX. BEST PRACTICE: Adaptive management is employed to ensure the program team is able and willing to adapt the response based on market assessment and market monitoring information.**

**IX.1 EXAMPLE: Mercy Corps South Sudan**

- In the vulnerable and dynamic context of South Sudan, Mercy Corps is advocating for an adaptive approach to programming on the basis of the context and past programmatic learning and decision-making. As both the functionality of markets and the conflict are rapidly changing in South Sudan, Mercy Corps is advocating for adaptive food security and livelihood responses. Changes to programming broadly speaking and delivery modalities specifically should be informed by market monitoring and conflict analyses.

**IX.2 EXAMPLE: USAID Food For Peace proposal procedures providing an enabling environment for adaptive management**

- In contexts where markets are volatile and where their capacity is therefore likely to change, USAID Food For Peace provides its implementation partners with the option to switch response modalities mid-program by including modality flexibility in their contracts. A decision to change modalities would be determined by market data collected alongside other elements related to organizational capacity and other factors. A number of programs have been designed this way, including programs in the Congo (implemented by ACTED and CRS), and learning is being collected by the USAID TOPS<sup>53</sup> program.

## Step 5: Monitoring markets

- X. BEST PRACTICE: Real-time market monitoring data, collected via mobile devices, facilitates program decision-making. The use of shared platforms for monitoring information facilitates regular collection and use of data that is high quality and standardized, and thus readily comparable.**

**X.1 EXAMPLE: Joint Market Monitoring Data Collection and Harmonized Tool, Niger**

- IRC and Save the Children programs harmonized their monitoring tools and are utilizing KoBo<sup>54</sup>-based surveys to collect data, which is then uploaded onto the Segovia<sup>55</sup> platform for analysis and sharing. The teams use the monitoring data to ensure the amount of cash distributed is still appropriate to meet the program objectives. To ensure the consideration of supply and demand within the monitoring data, the program teams are in the process of incorporating supply-related questions into the Kobo survey. This approach is being replicated in other locations where Save the Children is working with the Segovia platform (e.g. Sierra Leone).  
The use of the platform facilitates the harmonization of approaches, better data management, and the standardization of tools. Prioritized commodity monitoring data can

<sup>53</sup> Technical and Operational Performance Support (TOPS) Program is the USAID/Food for Peace-funded learning mechanism that generates, captures, disseminates, and applies the highest quality information, knowledge, and promising practices in development food assistance programming to ensure that more communities and households benefit from the U.S. Government's investment in fighting global hunger.

<sup>54</sup> An online digital data collection and analysis tool (KoBoCollect) often referred to as KoBo. <https://www.humanitarianresponse.info/en/applications/kobotoolbox/document/kobotoolbox-excel-data-analyzer-v123>.

<sup>55</sup> Segovia platforms are used to facilitate payments across Africa and Asia in humanitarian crises (<http://www.thesegovia.com/>). Other platforms available include RedRose and sQuid.

be displayed on a dashboard where specific elements (such as seasonality) can be highlighted, and analysis and communication tools (such as graphs and tables) can be generated.

To date, this data has not been used to inform ongoing programming, but it has been used to help determine the appropriateness of CTP to deliver future projects, providing readily available market-related data for the market analysis component of cash feasibility studies. *Opportunity: Utilize price thresholds (such as those used in the MARKit) in digital platforms to ensure that further analysis and decision-making are triggered when required. This approach could be further complemented with FGDs with local households, where thresholds could be set, and with FGDs with trader associations, where key issues within local market systems (ongoing and upcoming) that should be considered could be identified.*

## **XI. BEST PRACTICE: Market monitoring is comprehensive and goes beyond price monitoring.**

To provide usable and useful information, market monitoring should go beyond price monitoring, looking at additional indicators such as the volume of trade and the availability and quality of key commodities. Market data collection should take place as part of regular program activities and be tailored to data needed to inform programming. Teams should develop tools and guidance to support the translation of monitoring data into actions.

### ***XII.1 EXAMPLE: CRS' use of MARKit in the Middle East***

- CRS collects basic information on the quantity and availability of items and households' consumption patterns to better understand the demand and supply for food and non-food items. This is done as part of their regular price monitoring, guided by MARKit. A scale of 1 to 4 is used to summarize the supply of items, and CRS is using pre-defined triggers (e.g. prices, beneficiary preferences) to determine the appropriateness of delivery modality. Based on data gathered through this monitoring system, CRS has changed the delivery modality used in its program several times, from in-kind to vouchers and from vouchers to unconditional cash transfers.
- To ensure that the vouchers provided to their beneficiaries provides consistent purchasing power, CRS' Middle East program reviews the value of the vouchers on a monthly basis, taking into consideration price data for 18 key commodities (both food and non-food items) and any fluctuations in currency value.

### ***XI.2 EXAMPLE: Mercy Corps Ethiopia, PRIME Project***

- The market system analysis undertaken in the initial phases of the program was used to try and identify "humanitarian" indicator triggers and corresponding thresholds that could be monitored, thereby enabling the program team to know when an emergency was occurring. These triggers were market system specific (e.g., related to the fodder market) and included indicators such as price, volume, quality, provenance and availability of the commodity (including the number of traders selling the item), and drew upon existing market analysis data. The identification of triggers supported the adaptive management approach that was central to this program due to the drought prone and vulnerable context in which it was being implemented. To access the crisis modifier attached to the program, evidence of there being an emergency was required. In this instance, the challenges faced limited the success of this approach. However, the process of identifying triggers from the market system analysis and discussing their implications was a valuable experience for the assessment team and supported a "bottom-up" approach to identifying triggers. *Opportunity: Use market system analysis in disaster prone areas to identify triggers and their corresponding thresholds for monitoring purposes. Link triggers and thresholds to crisis modifiers to enable adaptive programming to achieve potential outcomes.*

### ***XI.3 EXAMPLE: Save the Children Ethiopia, destocking***

- The availability of baseline and monitoring data related to livestock prices and quality, trading routes and livestock trading patterns enabled Save the Children and partners to identify the onset of a drought that was having a detrimental impact on livestock market value. The ongoing livestock program had considered the possibility of a drought occurring during the two-year program and had included an emergency destocking fund for use should an emergency arise.

*Benefit of the best practice: Although the ensuing drought response was implemented later than ideally required, thousands of households were able to benefit from the destocking program. The existence of an emergency fund, and good baseline and monitoring data, enabled the emergency response.*

## **IV. Conclusion**

The best practices presented in this report have either succeeded in improving the collection and/or uptake of market information in programming in the specific contexts where they were implemented, or have been conceptualized to do so. They have been utilized either individually, for example in Oxfam's pre-crisis market analysis in Zimbabwe, or in combination with other good practices, as Mercy Corps did in Liberia by both enhancing collaboration between humanitarian and development sectors and considering market supply and demand.<sup>56</sup>

This research has helped to form the groundwork for the second phase of the *Improving the Uptake of Humanitarian Market Analysis* project. During that second phase, when some of the practices identified in this report will be further developed and piloted, it is important to keep in mind that these best practices are necessary, but not sufficient factors for success. As discussed in depth earlier in this report, additional factors must also be present to facilitate the uptake of market information, most notably the "people factor."

It is also essential to keep in mind the difficulty of measuring uptake. During the pilot and evaluation phases of this project, it will not be possible to definitively attribute the uptake of market information to a specific best practice or set of best practices. Rather, we can only hope to determine that the best practices may have *contributed to* the increased uptake of market information in programming. The focus of the latter phases of this project, then, should be on the feasibility of replicating the best practices being piloted and on providing practical guidance for doing so.

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<sup>56</sup> Key informant interviews, 2017.

## V. Annexes

### A. Methodology

After a kick-off webinar between the consultants and the *Improving the Uptake of Humanitarian Market Analysis* focal points from IRC, CRS, and Mercy Corps, an initial list of best practices was brainstormed by the focal points. This initial list evolved into the list of best practices presented in this report through further data collection by the consultant team.

Data was collected remotely in January and February of 2017 through desk review and key informant interviews. Due to time constraints, the desk review was not a systematic review of the relevant literature, but rather was guided by research that the consultants had recently conducted to produce the report [Evidence Synthesis: The Influence of Market Support Interventions on Household Food Security](#). The consultants screened the full list of 148 sources identified during the synthesis review, along with available literature on market analysis and literature on the use of evaluation information and evidence in the humanitarian sector in general. The documents specifically consulted for this assignment are listed in Annex B.

In addition to the desk review, interviews with 16 key informants were conducted remotely via Skype; the interviewees are listed in Annex C. The consultants employed purposive sampling, with the objective of targeting people thought to be best able to provide relevant information within the overall community of practice.

Influential factors for market analysis uptake were organized into distinct, though inter-related, best practices to provide a framework through which we can analyze and perhaps predict the potential of such practices to be used.

## B. List of materials reviewed

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## C. List of key informant interviews

	Name	Position	Organization	Country
1	Carol Brady	Multi-sector Market Analyst and Cash Programming Advisor	Oxfam	United Kingdom
2	Julia Grasset	Emergency Food Security and Livelihoods Specialist	Save the Children	USA
3	Mary Morgan	Inclusive Market Development Specialist	Economics Unplugged	Canada
4	Ruco Van Der Merwe	Food Security & Markets Advisor	USAID	South Africa
5	Kassoum Ouattara	Technical Advisor – Food Security & Markets	CRS	Burkina Faso
6	Emily Sloane	Market Specialist	IRC	USA
7	Karri Byrne	Consultant	Independent	United Kingdom
8	Alison Hemberger	Markets and Learning Advisor	Mercy Corps	USA
9	Megan McGlinchy	Markets Advisor	CRS	Turkey/USA
10	Corrie Sissons	Emergency Food Security & Vulnerable Livelihoods Coordinator	Oxfam	Iraq
11	Katie Whitehouse	Global Urban WASH Markets Advisor	Oxfam	United Kingdom
12	Sana Khan	Research & Development Officer	IRC	USA
13	Alexa Swift	Early Economic Recovery Advisor	Mercy Corps	UK
14	John Service	Humanitarian Response Officer	CRS	USA
15	Megan Bassford	Logistics Coordinator	British Red Cross	United Kingdom
16	Cécile Barriere	Nigeria National Technical Advisor	Action Contre la Faim	France

## D. Overview of programs included in the best practice summary tables

To aid the understanding of the best practices included in the Findings section of this report, an overview of some of the highlighted programs is provided below.

### 1. ACF Nigeria, market assessments

Best practices were identified in relation to the Monguno market assessment (see below) and assessments of the appropriateness of the ongoing response (Report on Rapid Market Assessment), in which in-kind and cash assistance is being provided for food and non-food items.

Monguno Market Assessment: Northeast Nigeria has been affected by the Boko Haram crisis since 2009, where insecurity and armed conflict have resulted in a humanitarian crisis affecting 14.8 million people. 7 million affected people are in need of humanitarian assistance, and 2.2 million are displaced. The Monguno market assessment was conducted to inform the programming direction for food security and livelihood interventions, specifically to see if it was viable to shift to cash or food vouchers from the current food aid through local procurement. Key questions guiding the assessment included:

- a) Are local markets functioning well?
- b) Are food insecure households well connected to local markets? Do food insecure households have a preference over the form/mix of aid they receive?
- c) How much additional food will traders supply at near or current costs?

### 2. Oxfam Zimbabwe, WASH<sup>57</sup> pilot program

Under a USAID/OFDA funded project, Oxfam has been exploring the use of pre-crisis market analysis and market-based programming approaches to improve WASH-related humanitarian preparedness and response. As part of this, it has conducted pilots in Bangladesh, where a response has now been implemented, Zimbabwe, where a response is likely to be imminent, and Indonesia, where risk reduction and preparedness activities have taken place. This approach is also being used in Haiti and South Sudan.

The Zimbabwe pilot is referenced in the good practice summary table. The objective of this pilot was to identify responses to waterborne diseases in Harare in six areas.

### 3. Mercy Corps Ethiopia, PRIME Project

Launched in late 2012, the Pastoralist Areas Resilience Improvement through Market Expansion (PRIME) project is a five-year USAID-funded effort led by Mercy Corps Ethiopia, designed to increase household incomes and enhance resilience to climate change through market linkages in Ethiopia's dry land areas.<sup>58</sup> Intermediate results under the PRIME project include: increased livestock productivity, increased capacity of communities to respond to climate change, improved access to alternative livelihoods, improved nutritional outcomes, and improved knowledge management and learning for pastoralist issues.<sup>59</sup>

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<sup>57</sup> Water, Sanitation and Hygiene.

<sup>58</sup> <https://prime-ethiopia.org/>.

<sup>59</sup> USAID and Mercy Corps, 2014.



The PRIME project follows the RAIN project, which implemented a similar market-centered approach to programming. Analysis indicates that the best practices described in this report that have been attributed to PRIME are also relevant to RAIN, with the exception of the example given below.

#### **4. Mercy Corps Ethiopia, RAIN Project<sup>60</sup>**

Mercy Corps implemented the relief-to-development program “Revitalizing Agricultural/Pastoral Incomes and New Markets” (RAIN) from 2008–2013 in the Somali and Oromia regions of Ethiopia.

Program activities addressed the immediate needs of drought-affected populations during the food price crisis in an area prone to recurrent humanitarian emergencies. The project aimed to prevent food insecurity and livelihoods collapse via improved preparedness; protect the existing productive asset base to strengthen and diversify livelihoods; and promote market-based business models, local economic development, and economic integration and trade with neighbors.

Due to a drought that occurred during the program implementation period, a destocking activity was undertaken within the market system program component.

#### **5. CRS Philippines, Blacksmiths<sup>61</sup>**

The identification of a cash response for blacksmiths came from the supply chain analysis undertaken alongside the needs analysis of affected farming households. CRS was keen to identify and support the market chain actors who were relevant for the early recovery of typhoon Haiyan-affected farming households. The analysis highlighted the importance of local tool manufacturing for local farmers.

The analytical approach provides insight into how the needs assessment of crisis-affected households should be understood in an integrated manner, considering needs not only from the household perspective, but also considering households’ ability to recover their roles as market actors (consumers and suppliers of goods and services). The analysis also illustrates how households rely on a number of market actors of varying size that may be overlooked or underestimated without appropriate analysis.

#### **6. Oxfam Haiti, canteens and trader grants<sup>62</sup>**

Following the earthquake in 2010, Oxfam undertook a range of assessments to inform decision-making before finalizing the design of the long-term food security and livelihood response strategy. The inclusion of market analysis was seen as pivotal to taking a more market-oriented approach to emergency and early recovery programs. The paper outlines the various program responses that Oxfam developed, the targeting methodologies, the activities and impact.

Oxfam took an integrated programming approach and included market analysis in decision-making, noting markets’ centrality to the lives and livelihoods of the affected households. Their response included cash grants and fuel efficient stoves for canteen/restaurant owners and grants for traders of various sizes.

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<sup>60</sup> For additional information refer to: Celebic, Z. 2014. Revitalizing agricultural/pastoral incomes and new markets. USAID and Mercy Corps.

<sup>61</sup> Taken from CRS, 2015 and adapted from Julliard et. al., 2016.

<sup>62</sup> Taken from Young et. al., 2010 and adapted from Julliard et. al., 2016.

## **7. Save the Children Ethiopia, destocking<sup>63</sup>**

The monitoring of livestock prices in 2006 highlighted the onset of a drought in arid lands of Ethiopia and triggered a destocking response. Until 2006, the potential for destocking as a drought response in pastoral areas of Ethiopia was limited, despite there being a strong rationale for its application. As part of a consortium that was implementing a longer-term program (Pastoralist Livelihood Initiative), Save the Children piloted a destocking response. The objectives of the pilot complied with the aims of the initiative, which were to “mitigate the impact of drought and other shocks by sustainably improving preparedness, livelihoods and incomes of pastoralists.”

The intervention led to the purchase of an estimated 20,000 cattle and involved 5,405 households. Households used their proceeds from destocking to buy food and tend to remaining livestock and other needs.

## **8. Save the Children Philippines, Haiyan response evaluation<sup>64</sup>**

In response to Typhoon Haiyan (November 2014), Save the Children was one of around 45 agencies that chose to implement cash programs to meet the various needs of the affected population. Market support interventions were implemented as part of an integrated program. Market support activities included conditional cash grants, working capital and skills development to small-scale grocery stores (*sari-sari* stores). One of the main objectives of the market support activity was to improve market recovery and the affected populations’ access to food and non-food products.

Save the Children commissioned a study to review the agency’s use of cash transfers and market-based responses in the Haiyan response. The study’s objectives were to contribute to Save the Children’s global agenda on the inclusion of market analysis in response analysis and project implementation and to help meet the need for evidence on the role of market-based programming in supporting market recovery. The study also intended to contribute to learning on the design, implementation and monitoring of multi-sector CTP, integrated programming and the potential value for money of these approaches.

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<sup>63</sup> Taken from Abebe et al., 2008 and adapted from Julliard et. al., 2016.

<sup>64</sup> Taken from Pelly et al., 2015 and adapted from Julliard et. al., 2016.