

# Market System Approaches to Food Security and Nutrition Programming

## Module 3

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MARKETS IN CRISIS

# Learning Objectives

- **Market Systems in Crisis** – you will be able to apply your basic understanding of how market systems function to meet the needs of certain group into crisis contexts. You will be able to distinguish between how crisis may cause new constraints or exacerbate existing constraints in systems.
- **Market Based Programming (MBP)** – you will be able to articulate the market-based programming framework which details the different types of programming we can use to address market constraints and their differences. You will understand how the choice of programming and its implementation differ according to crisis type and crisis lifecycle. You will start to appreciate how the objective of all market-based programming is to eventually stimulate the creation of systems that can provide inclusive markets in any context, promote localization and self-reliance, minimizing the need for repeated external aid interventions.
- **Market System Distortion** – you will begin to understand what distortion is, it's risks to local market systems and how aid can accidentally create this distortion if not implemented carefully

# Module Structure

- **Market Systems in Crisis** – first we will explore how the principles of market systems apply in crisis contexts and how we need to be aware of the variations in constraints caused by the different types of contexts
- **Market System Distortion** – next we will discuss the concept of market distortion such that we can more easily understand the risks of it and identify where it has the potential to occur in humanitarian (and development) programming
- **Using Market Based Programming (MBP) to address crisis constraints** – we start to explore how market based programming has been developed as part of humanitarian aid and the rationale and limitations for it
- **Market Based Programming (MBP) Framework** – we will look at the different types of programs, what they address and their intended outcomes across the crisis lifecycle in order to be able to begin to understand which programming would be selected in which scenario



# Section 1

Markets (Systems) in Crisis



## Exercise 1: What markets can you see in this picture?

Identify what markets you can see in the picture below.



- Transport market (motorcycle taxi)
- Medicine market (pharmacy)
- Food market e.g. noodles (food kiosk)

It is important to note that even though there appears to be a flood in this area that all the markets are functioning, albeit with some constraints.

Access may be unsafe for some groups and prices for suppliers and therefore customers will increase.

However, the markets are functioning which suggests that the market knows that there is demand. Perhaps, this is an annual flood and everyone in the market has coping mechanisms in place to adapt to use the markets during these times (e.g. suppliers buy more stock before the rains; suppliers have waterproofed their stores; households save money for rainy seasons knowing prices will increase).

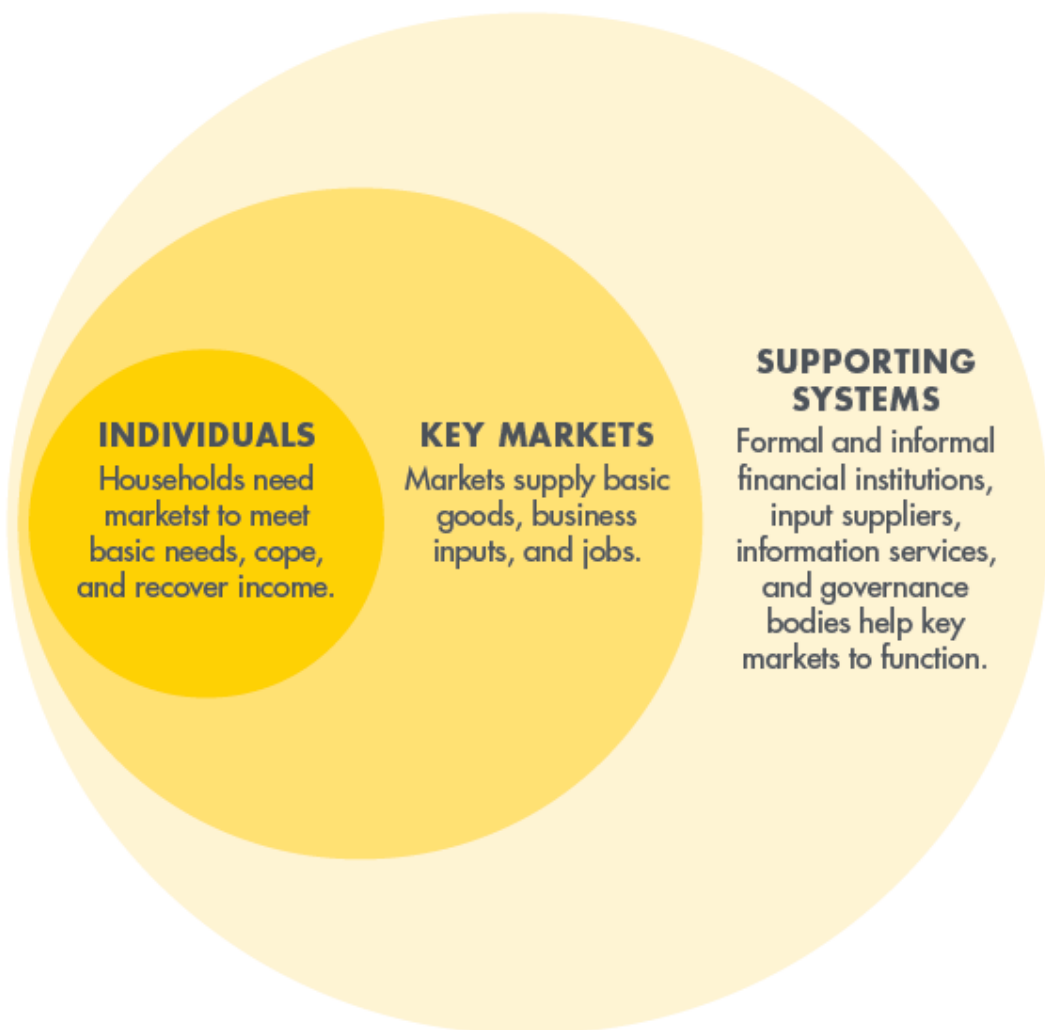
***Do not assume markets do not function in crisis and be aware that in some contexts markets may have learned to function.***

# Why Work Through Market Systems in a Crisis?

**People facing crisis must find ways to accomplish two related goals: coping with the immediate impacts of the crisis, and recovering some form of stability (Mercy Corps, 2018)**

Crisis-affected households often rely much more on local markets and social networks than on externally provided humanitarian aid.

In a study of coping strategies in Syria, access to functioning markets was significantly correlated with better household welfare. Several of these market factors were also associated with greater psychosocial well-being, including lower stress and feelings of insecurity.



Extracted from [Beyond Cash \(Mercy Corps, 2018\)](#)

# Why Work Through Market Systems in a Crisis?

Actors at all levels of these systems struggle to cope and recover from crisis just as households do, further disrupting market function. During conflict in Mali, for example, suppliers based in stable, conflict-free areas went out of business because retailers in unstable areas failed to repay debts.

Nevertheless, local market actors are also among the quickest to adapt to meet vulnerable populations' needs. For example, a multi-agency market assessment in northeast Nigeria found that some traders in conflict-prone areas could quickly identify which marketplaces were open and closed, obtaining special permits, and negotiating with security forces and local leaders for safe transport of food.

**TIP:** Market system characteristics may be similar between different markets and contexts those markets are in but ultimately, they will all be unique.

*This is why there can never be a solution that works in one market system that will easily be copied and pasted into another and be expected to work. Something similar may work for the same market, but you need to understand the system you are working in to tailor your solutions to your unique context.*

# The Market System

**Market systems existed before a crisis, during a crisis and after a crisis.**

A crisis event may cause a shock to the system which might have a high impact or low impact dependent on the crisis context. For example, look at the different types of crisis listed below and how a system may react/respond different according to each.

**Acute, high impact, low frequency crisis** e.g. earthquakes, may temporarily or permanently disrupt markets from functioning.

**Protracted crisis over many years** e.g. displacement or conflict, may completely shift a market system into a new way of working because it become a 'new normal' rather than a short-term, one-off event.

**A recurrent or slow-onset crisis** e.g. seasonal floods or locust, may temporarily disrupt markets from functioning but markets may be more responsive to these regular changes and have some coping mechanisms in place.



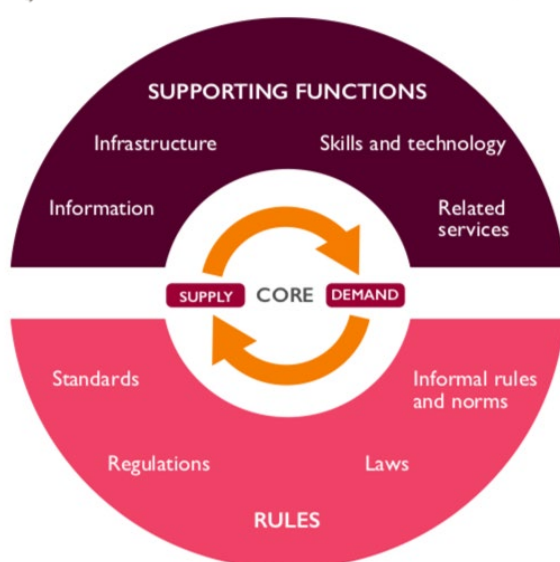
# The Market System

Each crisis context is different and often compounded (e.g. areas experiencing multiple crisis events). Compound, protracted and recurrent crisis can weaken local systems and causes fragility which is hard for systems to rebound from without support.

**However, protracted and recurrent crisis may offer 'predictability or consistency' which could provide opportunities to identify where to address system weaknesses to prepare better or build resilience against crisis.**

Some markets may also be more robust than others (e.g. having greater diversity and number of market actors and strong supporting systems) that may be able to function or adapt through crisis. Others may become increasingly fragmented and informal due to the effect of the crisis. Also, new market actors may enter the market during or recovering from the crisis.

**Markets in crisis are very fluid. How we intervene in these markets will depend on the crisis type, position in the crisis lifecycle and our ability to understand and work with market actors in these systems.**



# During a crisis, markets become constrained or collapse and this affects the exchange

The theory of what was learned in Module 1 still applies here.

Market systems will continue to exist in crisis but **how and why** they function will shift.



Consider how a crisis may affect the market exchange and ultimately the crisis-affected population interacting with the market for accessing goods/services or their livelihoods.....

A few examples are below

- **Affordability** – *the cost of items increases due to supply issues*
- **Accessibility** – *it is too unsafe to travel to health services; refugees cannot get sim cards to access communication and banking services*
- **Availability** – *stock has been destroyed*
- **Quality** – *water quality from local boreholes has been affected*

**TIP:** We discuss **crisis-affected populations** because it is inclusive of all groups affected by crisis.

*For example, in displacement contexts both host and the displaced are affected by the crisis.*

*Host populations resources may become constrained and policy and cultural issues may arise with influxes of displaced persons. In many countries host populations live in conditions poorer than the conditions aid agencies provide to the displaced.*

*This is an argument for why looking at both groups and meeting their needs through markets, not aid, may more fairly meet the needs of all and provide an incentive to support displaced populations for host governments.*

# Which markets are affected and how?

We need to know the following and **what effect that has on the market exchange:**

- What pre-existing market systems constraints are exacerbated during a crisis?
- What new constraints may appear in the market? Were they expected? Could market actors contingency plan for them?
- How long they may the constraints last? Can the market recover independently or does it need help?



The video below puts this into context:



A good link to markets in crisis resources can be found here - [EMMA PORTAL](#)

There are many different tools and approaches for analyzing markets that aid agencies have developed dependent on the crisis need. For example, some assessments are very rapid (e.g. the **RAM (Rapid Market Analysis)**) that allow for immediate relief decisions (e.g. understanding market gaps and potential suppliers that may be able to support meeting those gaps or need help recovering).

Other assessments, such as **EMMA (Emergency Markets Mapping and Analysis)** will start to collect data to look more deeply into market system constraints, perhaps a few weeks after a shock, to start understanding how to recover or strengthen markets.

# Which markets are affected and how?

**The PCMA (Pre-Crisis Market Analysis)** is used to predict how a market may respond to a crisis event and allows practitioners to identify strategies for preparing, responding and building resilience in the market systems with the intention of reaching the goal of minimising overall external aid intervention if/when the crisis occurs. This does not mean that aid is not given, it means practitioners have greater awareness of how to work through markets to minimise direct aid interventions, where possible, to encourage localization, self-reliance and resilience building.

Although this may sound like the ideal solution to improving crisis management and resilience, in practise, operationalising the outputs of a PCMA are challenging given the need to work across the humanitarian and development sector; ensure financing and effort outside of crisis events to deliver preparation and resilience building interventions; ensure collaboration across aid agencies working in the same area to ensure that market interventions are not undermined by non-market interventions humanitarian aid; and build trust in piloting new ways of working in high risk environments. We can discuss this more in Class 3 if there are questions.

**TIP:** Do not worry about all the different types of analysis. Essentially all the different types of analysis are just trying to find out how markets are functioning to meet the critical needs of crisis-affected populations. The major difference between them all is the depth of the analysis conducted to be able to inform the intervention to ensure a critical market can still function in a crisis event or recover quickly from it.

*In the immediate aftermath of a crisis event, we might only be able to find out what is not working and provide in-kind assistance to fill that gap without undermining the markets that are functioning without our assistance.*

*With more time, we might be able to find out what needs to change in a market system to reduce the risk or impact of the constraints caused by the crisis.*

# Mapping the System in Crisis

Below is a market map showing what happens across the market system and market chain in a crisis.

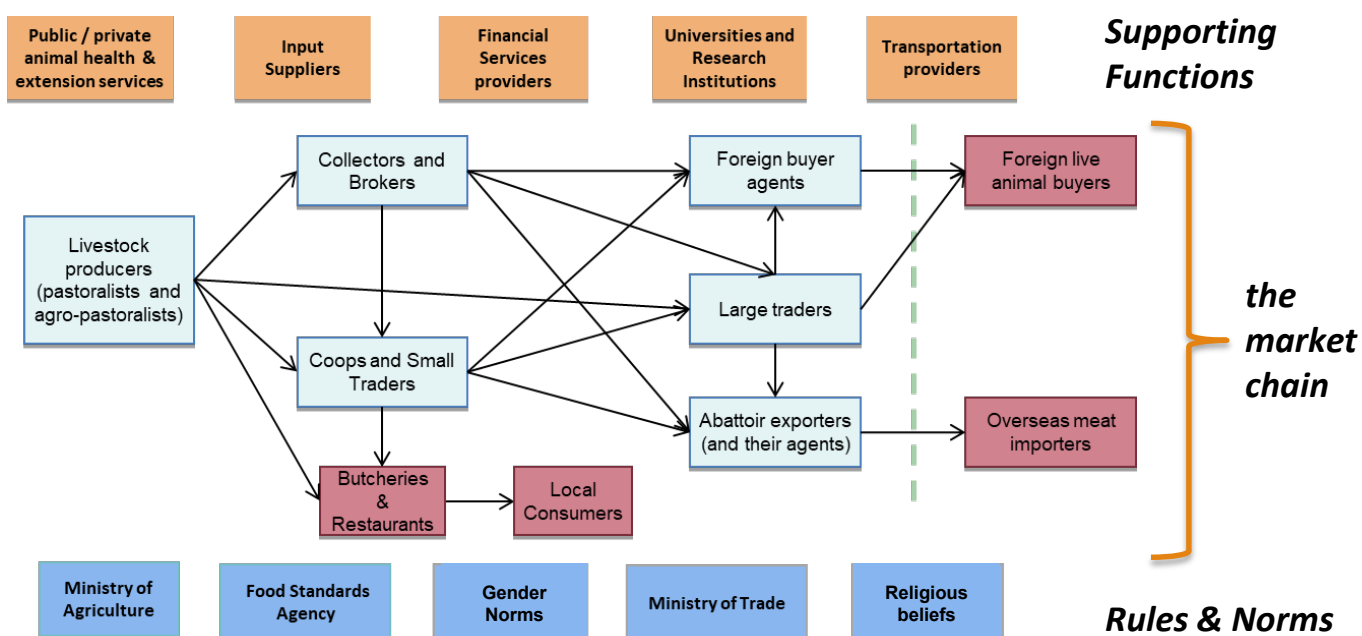
Rather than a 'donut' to show the market system, humanitarians often visualise the market system like this in order to show more clearly where there are disruptions.

This is a communication tool only - some people like it; others find it too complex. The map is a snapshot for explaining what might be happening in a system during a crisis and can be used to prepare, respond and recover from it.

[A tool exists to build these maps here](#). We recommend you check it out and play with the tool.

For your learning, it is important to realise that this map shows the same information as the 'donut' seen in Modules 1 & 2.

The supporting functions are in orange at the top; the rules and norms at the bottom (though market actors have just been explicitly mentioned here for speed rather than generically writing 'policy' or 'standards'). In the middle we have the market chain that is depicting the **livestock market**. The difference in this diagram is that we are seeing how livestock moves between supply and demand.



# Mapping the System in Crisis

The reasons that we show this level of detail in humanitarian market mapping is because crisis response and recovery is often focused more on addressing the immediate constraints created by the crisis to ensure the market still functions. So, interventions will look at getting a market to function back to how it was prior to the crisis. Encouraging a change in the system is not the outcome intention of these market interventions - functionality of the market is.

However, there is the opportunity to use more of a market systems development lens to start working out how to build back better from crisis or incentivise systems change (with scale and sustainability in mind) to shift systems to be able to respond better to crisis events or protracted crisis situations.

**This means that there are obviously different types of market-based programming for crisis contexts to meet different objectives which we will delve into more as the module progresses.**



## SECTION TAKEAWAYS

- **Market systems existed before a crisis, during a crisis and after a crisis.** A crisis event may cause a shock or stress to the system which might have a high impact or low impact dependent on the crisis context.
- **Markets can still function in a crisis.**
- The impact on the system will be in a form of a constraint that affect the market exchange by impacting the:
  - **Quality**
  - **Availability**
  - **Affordability**
  - **Accessibility**
- **Market system maps can visualize non-crisis versus crisis market systems** (they are the same as donuts used to show market systems but with more detail for making humanitarian needs assessments).
- **Every crisis will impact the market system in a different way** – it is impossible to know what the effect on the market system if we have not previously analyzed it before the crisis event

# Section 2

## Market Distortion





# What is market distortion?

We can accidentally shift the behaviour of a market system in a way that can either temporarily or permanently do harm to the way the market exchanges goods and services.

Examples of harm in this context could be:

- **Undermining local systems by becoming semi-permanent market actors in the system as aid agencies by delivering goods or services ourselves.** This can disincentivise others from doing this leading to this function collapsing when donor financing ends and agencies pull out.
- **Creating a dependency on our interventions to incentivise the system to make the changes we need to see without the system adopting those changes independently.** This could be, for example, providing grants to ensure a particular practise or training is done. This is only a temporary fix as, eventually, donations will end.
- **Shifting consumer or market behaviour to assume that aid agencies will always ‘fill the gap’ such that current behaviours will not change.** For example, prior to every drought, aid agencies rehabilitate local boreholes disincentivising local financing and maintenance schemes to manage the infrastructure and treat the water.
- **Conflicting programming that undermines local recovery.** In a crisis one agency providing cash based programming to support continued demand of products from local retailers at the same time as another agency conducting in-kind distribution of goods. Uncoordinated programming in the same area (or indeed nearby areas as market systems and word-of-mouth travel beyond certain boundaries in which aid agencies work).

## Why do I need to know about it?

If we are not **market aware** in the decisions, we make we can unwittingly be doing more harm, undermining local market capacity to function now and in the future affecting recovery, resilience and livelihoods.

This can happen in both humanitarian and development programming and this is why **market system analysis** is important.

This is not advocating that all markets should be completely free from any influences (e.g. government policy and regulation; advocacy campaigns; subsidies on health products e.g. vaccines or mosquito nets etc) but we need to understand the implications of not understanding the markets that we may be influencing with our actions and the potential short- and long-term impacts of those actions to those we are trying to support.

**It is useful to be aware of market distortion as you will be able to spot it and manage the risk and basic characteristics of it in your programming.**

# Additional examples of market distortion

**Addressing the wrong issue** – a relief organization in a drought-prone area created a parallel water trucking service despite sufficient local capacity to provide water

**Circumventing local supply chains with in-kind distributions** – provision of free equipment to farmers imported from a donor country without considering the wider market system, behavior and required supporting functions. For example, how might the farmer afford to maintain this equipment? Are there any actors trained to maintain this equipment? Are there any supply of locally provided parts to fix this equipment? Has providing free equipment put other providers out of business?

**Providing subsidies that undermine local markets** – subsidies are aid in disguise. They can be used to stimulate a market when demand is low. They can be used by governments for long-term reduction of goods/services for the common good e.g. vaccines. But they need to be carefully designed carefully to avoid dependency on the subsidy if that is not the intent.

**Undermining local recovery & resilience behavior** – recurrent in-kind distributions driving a familiarity of goods received and undermining local market demand or creating an assumption that aid agencies will always fill gaps in a crisis rather than building resilience to it



## Exercise 2

**Please write down your thoughts about the following questions.**

Aid programs are mostly aimed at addressing the symptoms of constraints in the market, not the root causes.

1. Have you observed market distortion in any of your program / contexts? What was it and its effect? How might it have been avoided?
1. What challenges have you faced (or are you facing) in reducing dependency on aid support? Thinking about markets, what might you have done differently?

# A sense-check when designing interventions

You do not need to be a technical expert to ‘sense-check’ programming interventions to understand whether or not they have the potential to distort markets.

By identifying those interventions with the potential to distort you may be able to adapt them to reduce this risk or learn from programs that may have done this.

If you answer **yes** to any of the questions below, your program might be at risk of distorting the market. You may need to deliver the intervention in this way if markets are not functioning – know the rationale and length of time to do this? Is there an exit strategy? Is there sufficient awareness of the market to be confident that no local actors could be doing this function.

Talk to your team about their intervention design choices and adapt as necessary showing transition away from direct delivery over time if possible.

## Basic intervention sense-check list

- ✓ **Is the NGO becoming a market actor?** Is the NGO directly delivering goods or a service to the target population without identifying ways for other market actors to take on this function?
- ✓ **Is the NGO supplanting existing market actors?** Is the NGO directly delivering goods or a service to the target population instead of facilitating this through existing market actors?
- ✓ **Is the NGO financing the market exchange in full?** Is the activity being financed by external financing and if so, how will the exchange continue when the financing ends?
- ✓ **Is the NGO financing the indirect market support in full?** If so, is there a clear rationale for the market actor is not co-financing or taking a loan to ensure they have ‘skin in the game’ to reduce risk?
- ✓ **Is there a market-aware time-period for interventions?** Have intervention timeframes been informed by understanding the market system’s ability to recover or adopt systems changes rather than donor funding timelines?

# Market distortion section takeaways

- **Aid agencies** – through both conventional programming and market systems approaches - **can accidentally shift the behavior of a market system** in a way that can either temporarily or permanently do harm to the way the market exchanges goods and services
  
- **Market distortion cannot be entirely avoided** but can be mitigated against. As such we need to be at a minimum, market-aware in our decision-making
  
- Examples of market distortion could be:
  - **Undermining local systems** by becoming semi-permanent market actors
  - Creating a **dependency on our interventions** to incentivize the system to make the changes
  - **Shifting consumer or market behavior** to assume that aid agencies will always ‘fill the gap’
  - Conflicting programming that **undermines local recovery**
  
- **Use the market distortion checklist** to sense-check whether your interventions are at risk of distorting or creating dependency on aid



# Section 3

**Market Based  
Programming (MBP) to  
Address Constraints**

# MBP: An Introduction

**MBP** is known as **market-based programming**.

Market based programming is a term coined for the humanitarian sector that looked at using the principles of markets and market system development to improve humanitarian programming and minimize market distortion.

There are 4 different types of programming that 'fit' under market-based programming. This section will introduce them all and when you should look to use them.

## What MBP seeks to achieve:

MBP seeks to use the principles of market systems to support preparedness, response, recovery and resilience building to crisis events.

It looks to address constraints in the system at different points in the crisis lifecycle to ensure that crisis affected populations and markets are supported to:

- Provide relief through local market systems to meet basic needs
- Recovery back better with market systems support to increase access to markets and livelihoods
- Build resilience to and prepare better for crisis through market systems strengthening (or MSD)



# MBP: Why do things differently?

## What is might not work with conventional programming?

Similar to conventional development programming, conventional humanitarian programming attempts to solve the 'symptom' of a problem in a market that is resulting in populations being underserved or excluded from accessing quality and affordable goods and services for their wellbeing and livelihoods.

For example, a crisis may cause prices of food to rise forcing people to sell livelihoods assets like cattle or machinery or even their children into marriage (known as a negative coping mechanisms) to purchase items.

NGOs may provide in-kind food distributions to meet people's critical needs and reduce negative coping (which helps recovery of households).

The challenge with this approach is:

1. **Unsustainable:** the intervention impact only lasts as long as the program. Once the NGO stops financing the program, the access to food will stop even if markets have not recovered. Therefore, a dependency on aid can be created in crisis-affected areas.
1. **Unscalable:** the intervention will be limited to the amount of people that NGO can serve only.
1. **Distorting:** the NGO may deter markets from recovering by changing behaviors / expectations of consumers to purchase goods/services or discouraging markets from re-investing in recovery

This does not mean that in-kind aid is not needed in crisis contexts. In some cases, markets may be collapsed or unsafe to access (e.g. conflict areas) and in-kind distributions and delivery of other services (e.g. healthcare, building services etc) through NGOs may be the only answer.

However, what the above does mean is that NGOs need to be more **market-aware** in the design of their programs so that they can assess the risk of their interventions on local recovery and design temporary interventions with markets in mind.

# MBP: How are we thinking differently?

MBP programs look to ask:

**“what are the demand and supply side constraints affecting the market exchange in meeting the needs of crisis-affected populations”**

How are demand side issues (e.g. safety; loss of livelihoods; displacement etc) affecting purchasing/accessing of critical goods, services and livelihood opportunities?

How are supply side issues (e.g. transportation; access to finance; access to input supplies; stock losses etc) affecting supply of goods and services to crisis-affected populations?

MBP practitioners identify the critical markets for people’s needs and livelihoods and assess the damage to market systems from a shock or stress in continuing to fulfil those needs.

Rather than immediately looking to solve the problem through distributions, MBP practitioners identify, ideally, a **combination** of different market-based programming to address different constraints in the market system.

*Even though MBP has been around for a long time now, using MBP in humanitarian contexts is still in its infancy and dominated by cash-based programming (CBP) (also known as CVA – cash and voucher assistance or CBI – cash-based interventions).*

*Sometimes practitioners think that MBP is **only** about cash or **only** about working with the private sector.*

*Hopefully from what you know from Market Systems Development you already know this is not the case. You may be able to intervene in market systems in many different ways to support the exchange. And we know that market actors are not just the private sector.*

*The rest of this sector will describe all the different types of interventions we could consider.*

# MBP: The Potential

Some key benefits (not all) of using MBP:

- **Provides more-responsive and cost-effective interventions** using the existing market supply chains, capacities and networks. *Note – this may not likely be the case if an NGO is setting this up for the first time. Why do you think this may be the case?*
- **Meets the needs of crisis-affected populations in a more dignified manner** that respects local ways of working, priorities and preferences and facilitates choice for crisis-affected populations
- **Accelerates the local market rehabilitation**, capacity building and economic recovery
- **Attempts to address unbalanced power dynamics and inequality** around buying and selling
- **Reduces dependency on external aid** with more local ownerships of emergency response and recovery

## However....

The complexity of using MBP beyond just cash and poor collection of evidence of intervention impact (outside of CVA) has slowed the uptake of other forms of MBP in crisis contexts, but they do exist and anecdotal evidence suggests that the impact could be more effective than direct aid if done well.

# MBP: The Limitations

- **Sometimes it simply cannot be used because the crisis environment is too complex to understand; too fragile or fragmented; or cannot respond to needs quickly enough.** In this case, direct aid will be required but, as practitioners, we keep markets always in mind and acknowledge markets will try to function again and to be mindful of the harm continuous aid may do to markets.
- **It can take a while to set up; you need to know what you can achieve through markets, when based on market capacity; your knowledge of the market; and your ability to work with the market.** As such the depth of analysis and design of interventions evolves with the crisis. For example, a 48hr or RAM (Rapid Market Analysis) may be done to understand immediate impacts on the market and the basic distribution requirements to fill gaps. A few weeks or months after the crisis, a more in-depth market analysis may be conducted to set up market-integrated relief, supporting interventions and long-term market recovery visions.
- **Most donors only ask for CVA** and do not necessarily understand the other market interventions required and how to finance them. More complex market-based programming may need longer timelines, risk-taking and flexibility from donors (we will talk about this in later modules in setting up for market-based programming).
- **Humanitarians are not trained to be complex market systems thinkers** and require tangible outputs that save lives not potential outputs that may support critical needs – trusting untested market interventions takes on a level of risk for operations and crisis-affected populations
- **Debates continue on how to meet the protection mandate and Sphere Standards for humanitarian aid** with a less hands-on approach of delivering support through market systems and self-reliance mechanisms where the output is more certain and time-bound.
  - **Sphere standards may not be immediately met** as markets may need to build their own capacity to meet them.
  - **Relying on local market systems may underserve or exclude vulnerable groups** meaning that protection mandates cannot be met. However, direct delivery of aid to certain groups and not others can create conflict between groups but undermine market incentives to reach others.



## Exercise 3

### Programming quality fears with market-based programming

**Write down your thoughts about the following questions.**

Common resistance to using market-based programming in humanitarian setting comes in the form of a fear that local market actors will not be able to meet the international Sphere Standards in the goods and services they provide putting vulnerable populations at risk.

Arguments against this point to the fact that local populations are likely used to goods and services provided below the Sphere Standards in non-crisis periods. Does expecting markets to reach these standards create an unachievable target and lead to continued exclusion of locals in the ownership of response and recovery operations?

Likewise, Protection practitioners are concerned that the most vulnerable may not be able to access markets or might become exploited by market actors.

- *What are your thoughts from your experiences?*
- *Based on your learning to date, how would you convince skeptics to consider market-based approaches in this scenario?*
- *What would you do to mitigate risk?*
- *Are there scenarios where markets cannot be used?*



## SECTION TAKEAWAYS

Market based programming is a term coined for the humanitarian sector that looked at using the principles of markets and market system development to improve the value, appropriateness, effectiveness and efficiency of humanitarian programming and minimize market distortion and aid dependency.

MBP looks to address constraints in the system at different points in the crisis lifecycle to ensure that crisis affected populations and markets are supported to:

- Provide relief through local market systems to meet basic needs
- Recovery back better with market systems support to increase access to markets and livelihoods
- Build resilience to and prepare better for crisis through market systems strengthening (or MSD)

In some cases, markets may be collapsed or unsafe to access (e.g. conflict areas) and in-kind distributions and delivery of other services (e.g. healthcare, building services etc) through NGOs may be the only answer. But we always look to how to respond through markets first, if possible. This is **market-aware** humanitarian programming.

Limitations exist in the uptake of MBP and these should be understood in order to know how to design good MBP and mitigate against risks



# Section 4

MARKET BASED PROGRAMMING (MBP) FRAMEWORK

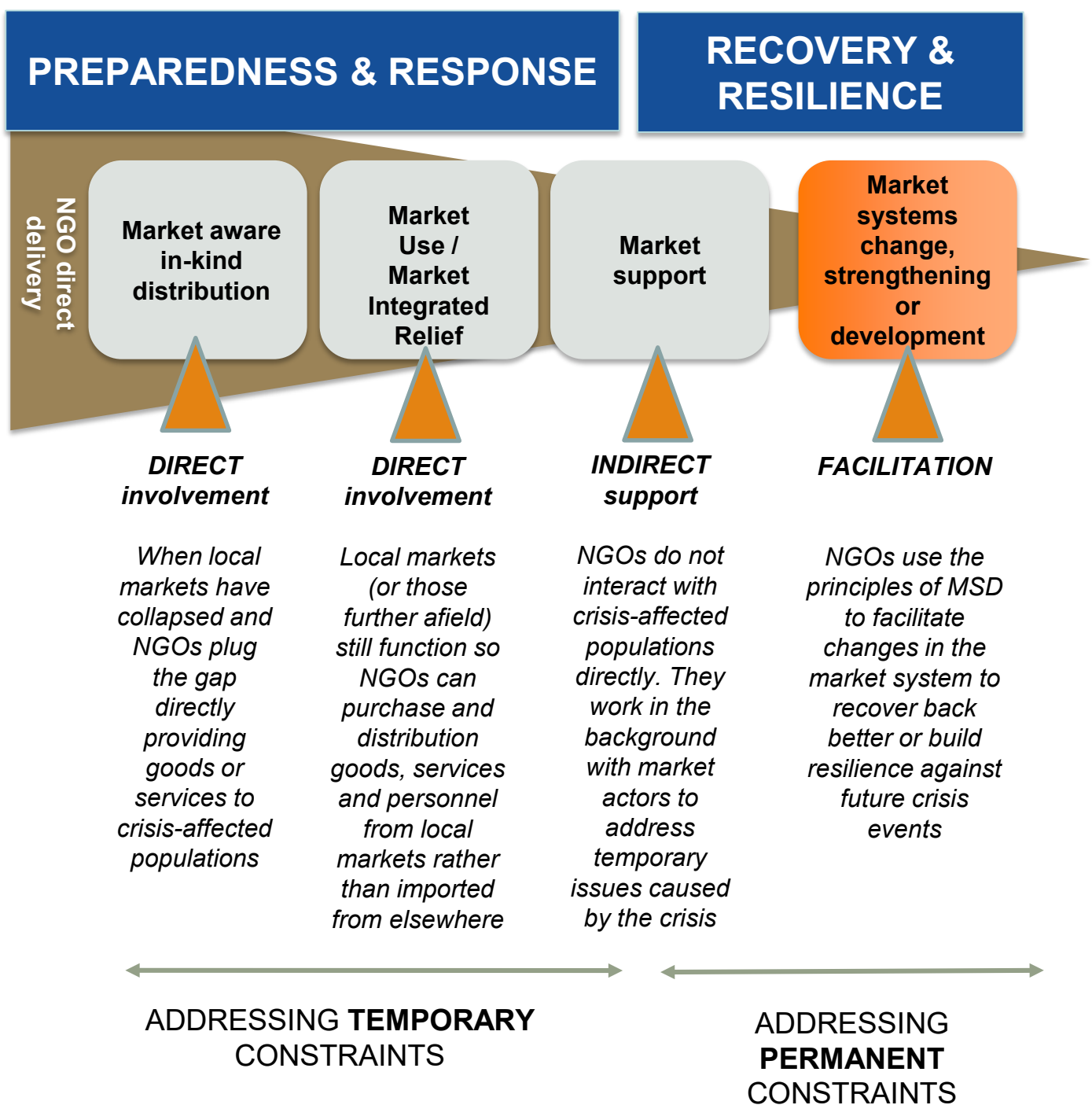
# Market Based Programming Explained

There are four different types of market-based programming.

The ambition is that over NGO direct delivery of a function in a system will decrease across the programming spectrum (represented by the red triangle in the diagram below) as the constraint requires different tactics to address.

Ultimately, a practitioner’s ambition is always trying to get to the point that the relevant system’s are responding and recovering to the crisis itself and adapting to include all populations without NGO involvement (where possible).

**Note:** in some references you will notice that the MBP are classified into 3 types (first two types are merged into one kind “Market Use”- Check [this reference](#) for another presentation for the MBP framework)





# Market Based Programming Spectrum – a basic example

Let us look at an example of how the different type of market-based programming could be used in a displacement crisis context.

## **Situation**

*Refugees, mostly women and children, have fled conflict and crossed the border into this new country. They have only what they could carry.*

*Host populations are relatively poor in this area and are concerned that refugees will start using their limited resources and not favorable about them entering the area.*

*Remote communities in the area of subsistence farmers. Any surplus food is sold in local markets but generally food security is variable in the area, particularly in recent seasons with drought issues destroying crops and livestock. Households in the area have limited access to nutritious foods and healthcare services.*

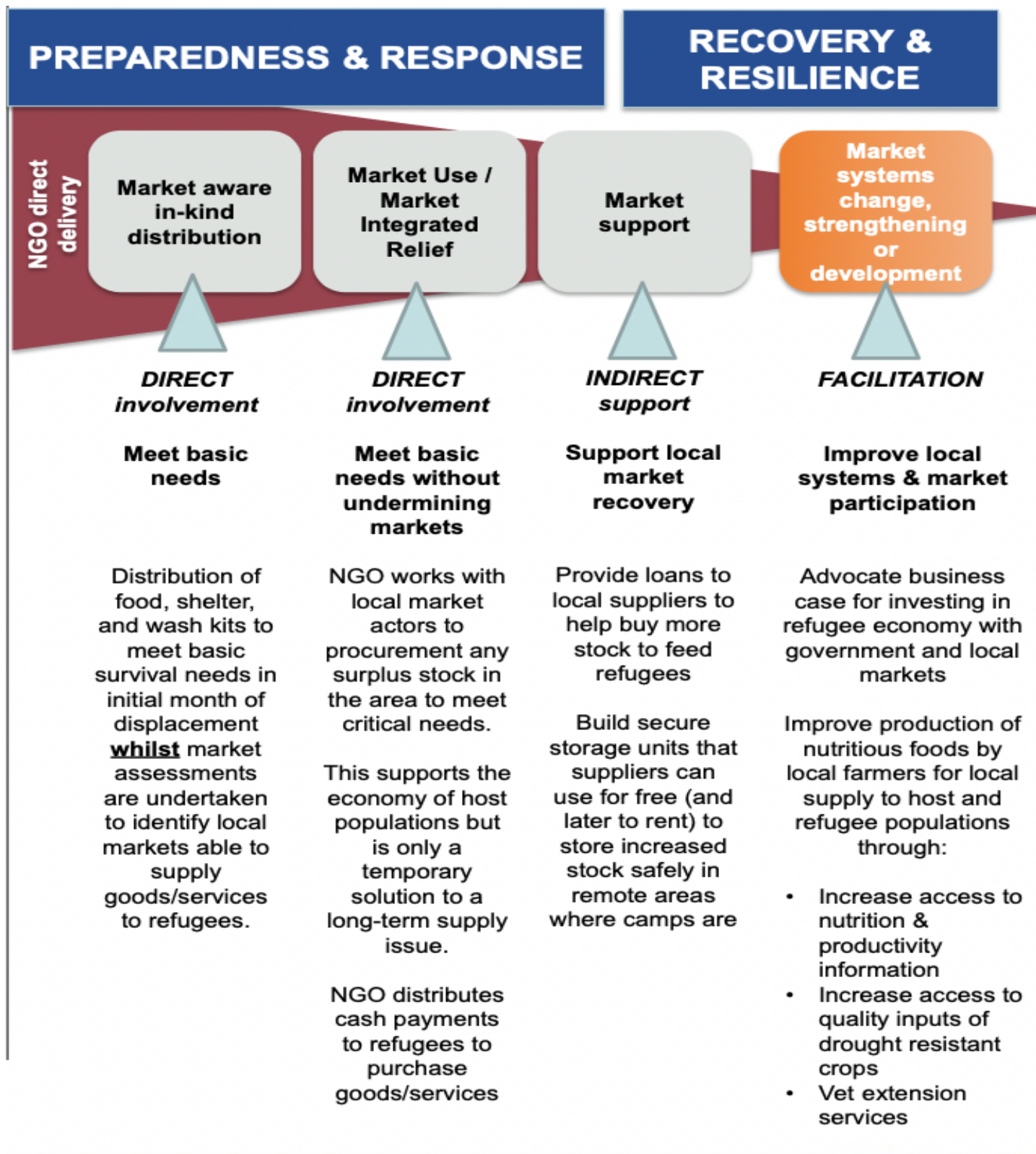
*The government has asked for support in creating refugee camps to house refugees and is restricting movement of refugees outside the camp.*

*Local vendors in nearby towns are interested in supporting the refugee economy but do not know how to access it nor whether they can afford to invest in the stock and infrastructure needed to reach refugee markets given refugees cannot move nor have access to livelihoods. Aside from refugee markets, increasing access to markets from local towns would benefit the remote host population too.*

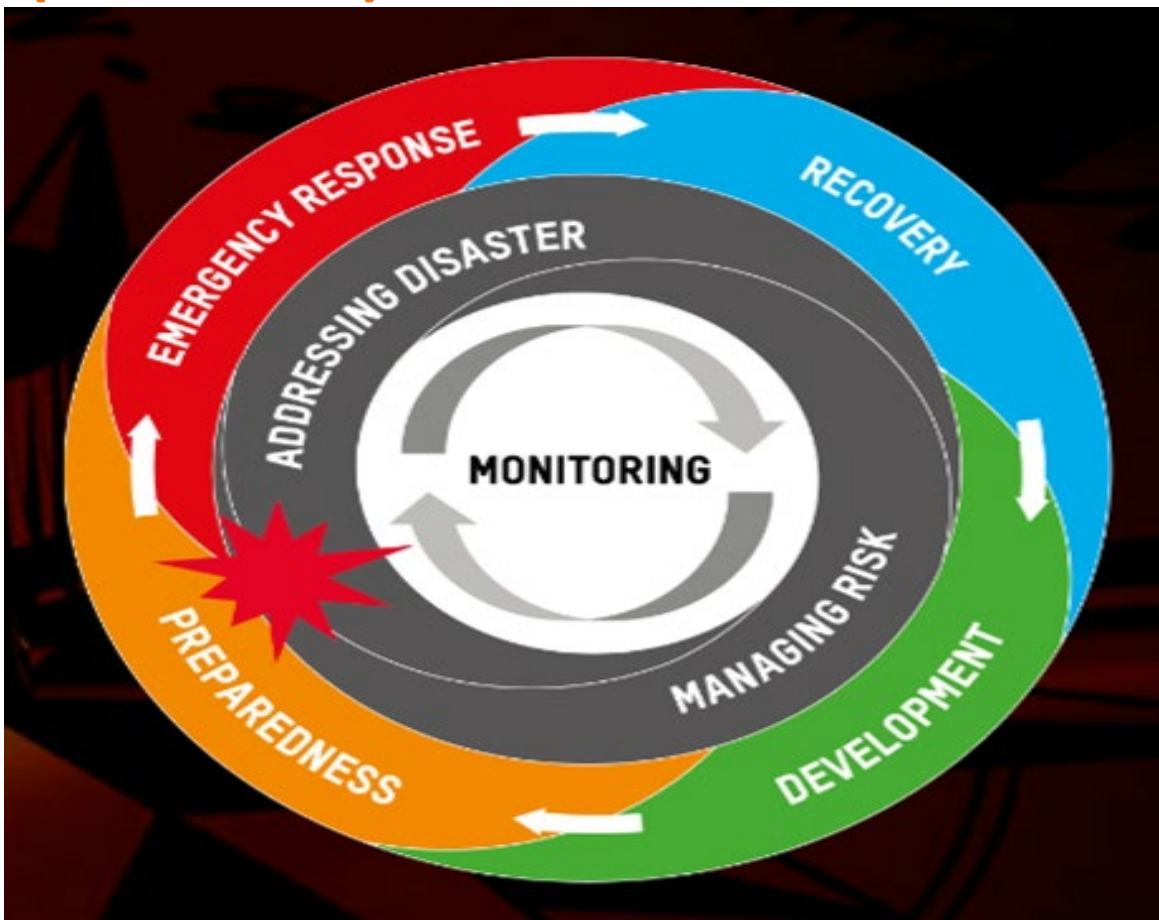
*Aid agencies are cognizant that the conflict will not end soon and the average length of refugee camps in these contexts is decades, not years. There is a need to meet immediate needs whilst planning long-term solutions for the crisis-affected population (both refugee and host populations).*

# Market Based Programming Spectrum – a basic example (continued)

Some potential interventions across the spectrum could look like the following. They look at responding to **immediate needs through direct and indirect delivery** but increasingly acknowledge **ongoing needs will need to be addressed with more permanent solutions**.



# Market Based Programming Spectrum – a basic example (continued)



## CRISIS RESPONSE & RELIEF

Temporary interventions that use or support struggling market systems (where available) so they can still function to provide critical services

## RECOVERY/RESILIENCE

But as we transition to recovery and resilience building, market-based programming (where relevant) should start shifting towards market systems development (MSD)

### Fragile contexts

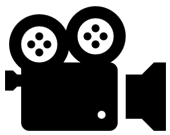
**Compound, recurrent or protracted crisis will likely need a combination of market-based program types.**

**In these contexts, continuous aid interventions are likely which cause market distortion and dependency. This is why agencies are looking more towards market system strengthening now**

# Bringing MSD principles to humanitarian programming

Ultimately, a market systems practitioner will see success as a system being able to eventually support individuals, households and markets to respond, recovery and build resilience against crisis independent of external aid.

This short video provides a clear view of what moving towards strengthening markets in crisis looks like....





## Exercise 4: What type of programming?

**Read the following crisis report.**

### **What is the crisis?**

The rainy season has started in Kenya. Climate change has started to see more intense periods of rainfall after dry periods. This year, rains have been extremely high in a few days and it has caused dangerous flooding in rural areas of Western Kenya.

### **The impact (initial reports):**

10,000 people have been initially affected by the floods. The majority of the livelihoods in the area are farmers and fisherman. The area is fairly remote.

The majority of people have been internally displaced from their households and are currently living without shelter, clean water and energy near stagnant water increasing typhoid, cholera and malaria risks. People have no access to food or cooking materials as this has been washed away.

Farmers fields are flooded, livestock and grain stores have been lost, and equipment ruined. Boats have been destroyed.

Normally the crisis-affected population sell and purchase goods in the nearby town (20 mins matatu drive away). It is impossible to reach as the main bridge has been washed away and landslides have made roads impassable. No local healthcare services exist and people cannot receive medical aid.

Crisis-affected populations do have access to savings and remittances through mobile money networks which are still functioning but have no way of accessing critical markets to use this money.

There are some concerns that the significant loss of crops, livestock and fish from this area may cause future food shortages in local towns reliant on this area to provide access to fresh food stocks.

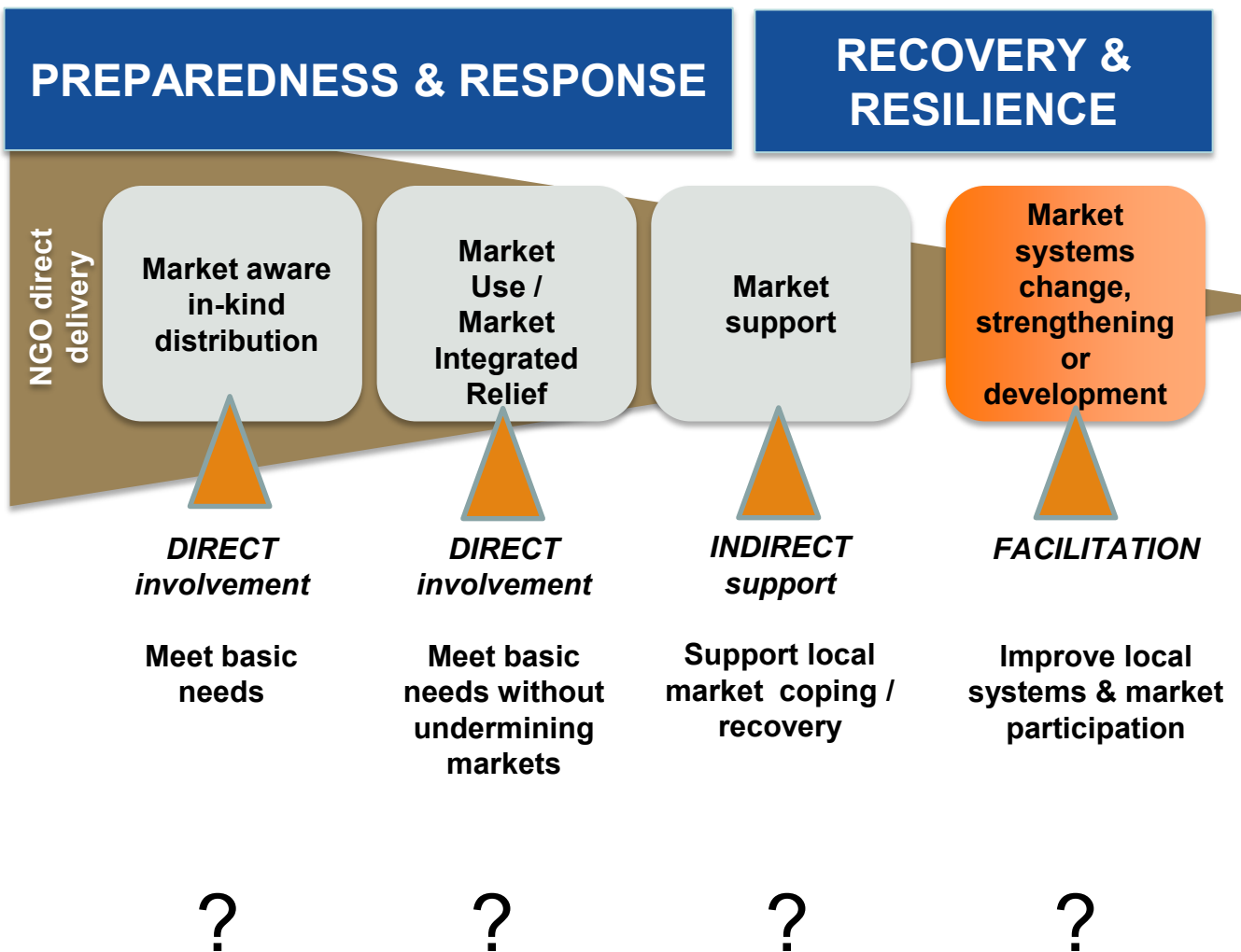


# Exercise 4: What type of programming?

Now you have read the report consider:

- What do you think the major constraints to food security and nutrition might be and why?
- What are should be done with response programming?
- What do you predict you may be able to do later with recovery and resilience programming?

Write down your notes .....



## READING: Beyond Cash (Optional)

The following Mercy Corps report is a very clear summary of the principles we have discussed in this module with short, clear field examples of the different types of market-based programming where things went well and wrong!

Importantly, the paper insists on discussing how to move ‘beyond cash’ in working through markets to address crisis issues and the critical supporting markets needed to build self-reliant households.

It would be a good way to strengthen your understanding of these concepts to read this paper if you have time.



[Beyond Cash](#)  
[\(Mercy Corps, 2018\)](#)



Ezra Milaan/Mercy Corps

**BEYOND CASH**  
**Making markets work in crisis**  
MARCH 2018 – ABRIDGED





# Section Takeaways

Rather than bullet points, this summary model is probably the best summary of this section:

