



HORN OF AFRICA **RESILIENCE**
W • O • R • K • S • H • O • P
APPLICATION OF EVIDENCE FOR DECISION MAKING



MARKETS AND TRADE



Why markets are important

Markets...

- Create alternative options for livelihood diversity
- Improve access to more diverse foods
- Create opportunities to share info (market, other)
- Improve terms of trade on livestock, ag products
- Provide access to inputs, financial services



OVERVIEW

Findings from

- PREG
- PRIME

PREG Baseline Findings

- In PREG, HHs that lack access to markets also tend to be poor
- Access to markets is associated with
 - reduced poverty
 - increased livestock disease
 - Market MAY be vector for disease



Photo: Save the Children

PRIME, Ethiopia



Photo: Sean Sheridan / Mercy Corps

- **PRIME context:**
 - the drought wiped out most livestock herds
 - people no longer had animals to fatten and trade
 - In Borena and Jijiga, alternative livelihood opportunities are severely limited by a lack of local markets, market demand, and transportation

“People go to the market in Hoboq, a distance of 100 km, near the Kenyan border. After covering this long distance on foot, the livestock are fatigued and the buyers think they are not valuable.”

– key informant in Borena, PRIME EL

PRIME

- PRIME implemented many “systems” level resilience-building interventions
 - “Livestock productivity and competitiveness” interventions
 - Aimed to establish vet pharmacies, support community animal health workers, improve access to commercial animal feed and fodder seed, support livestock and livestock product (milk) businesses, and disseminate information on livestock market prices and animal health and feeding topics
 - By endline, PRIME helped to establish
 - 10 new milk collection centers
 - 12 new feedlots
 - Offered trainings
 - for feedlot operators; basic business skills; milk quality & hygiene

PRIME

RMS 2 findings after a drought

- *Access to markets* associated with
 - Decreased HH need to reduce food consumption as a coping strategy
 - Lower receipt of food aid
- *Access to markets* is critical for diversifying livelihoods into activities less vulnerable to climate risk



Photo: Sean Sheridan / Mercy Corps

PRIME

- **Borena** market participation is *limited* due to
 - distant market centers
 - low selling price of cattle relative to cost of feed grain
 - lack of transportation, business skills, training (-FGDs, KIIs)
- **Jijiga** access to livestock markets *increased*
 - may have resulted – at least partly – from construction of JESH slaughterhouse in Jijiga
 - closer to many PRIME kebeles than Hargeisa, Somalia,
 - no international boundaries to cross

Challenges

- Oromo/Somali ethnic conflict resulted in periodic road blockades into Jijiga, which contributed to
 - price hikes (or reductions)
 - Resulted in reduced income of service providers and businesses, contributing to a loss in livelihood support for some
 - disruptions in transport, the livestock trade, and supplies (e.g., agricultural inputs)
 - illegal trade (e.g., livestock medicines) increased, which contributed to a decline in demand for some ag services

Challenges

- Women lack access to markets (- FGDs, KIIs)
 - Major barrier: long distances to markets
 - *“In our community, ...the area is too far for a woman to go with cattle [to market] because they might be expected to spend the night on the road. Thus, there would be no one at home with the kids.” - Women in Borena*
 - Danger of gender based violence while traveling



Photo: Sean Sheridan / Mercy Corps

Big Picture

- Pro-poor perspective needed
- Increasing market access doesn't benefit everyone equally
 - Market access creates opportunity but could contribute to income inequality
 - Abattoir in Jijiga may benefit better-off HHs, not necessarily the poorest HHs
 - Need to focus on differential effects on people from different income categories
 - Example from Kenya
 - Efforts underway to create formal mkt associations to weaken trade cartels and incentivize sales in formal markets
 - Need to empower women to be active in trade

Thank You

