



# Market Analysis for Preparedness and Development: Piloting Innovation in Guatemala

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Humanitarian Aid  
and Civil Protection



**OXFAM**





Nelmo Ramos, a coffee producer in the village of El Amatillo, Olopa, stands outside his coffee plantation which has been damaged by the spread of roya or 'coffee rust'. Photo: Saul Martinez



For the majority of the world's population, market systems provide access to basic goods and services, as well as to income generating opportunities. As such markets play a key role in people's lives and livelihoods.

For many international relief and development agencies, the last few years have seen an increasing number of programmes and projects that seek to work through or strengthen certain aspects of the market system. These programmes are built on the understanding that working towards stronger, more accessible, effective and equitable market systems can help build the resilience of local populations in that they can strengthen both market access and livelihood opportunities.

For Oxfam, there have been two main strands of markets work. One strand looks at how emergency relief can be delivered through existing market systems and how these systems can be strengthened in crisis contexts.<sup>1</sup> The other strand focuses on longer term support for producers to strengthen their positions in agricultural market systems.

However, to date, there has not been a systematic or concentrated focus to align and connect these areas of work. The separation of these strands has had some serious implications for inclusive development, especially in those countries that experience recurrent or predictable crises.

For example, agricultural market development has traditionally focused on those sections of the population who are 'market ready', who have some assets and are able to make use of market opportunities. Whereas, emergency relief programmes aim to assist the most vulnerable in a crisis affected population, who often have very few assets and limited livelihood options. This lack of connectivity has often resulted in a number of gaps in programming. Longer term programmes do not regularly target and provide sustained support for poorer populations, nor are they often able or ready to deal with crises that arise during interventions. Moreover, few emergency programmes regularly develop into longer term work, effectively reducing the chance of longer term thinking and programme design for the more vulnerable members of society.

While there have been some forward looking programmes and projects that represent a more unified approach, this is not yet being done systematically. Institutionally, Oxfam is now beginning the process of aligning both the principles and practices behind humanitarian and development

markets work and is aiming to ensure that there is sufficient knowledge and linkages between these programmes. Connected ways of thinking and ways of working around markets, food security and livelihoods would enable a more streamlined approach, making sure that each area of work builds on and supports each other. An aligned approach would also ensure that livelihoods programmes are prepared to deal with sudden shocks and that emergency response interventions incorporate a longer-term sustainability aspect.

### Integration in Preparedness

There are clear opportunities for this work in contexts that have ongoing development needs and that experience recurrent crises, thus needing both humanitarian and development expertise and interventions. Within these contexts the pre-crisis preparedness agenda appears as an appropriate and suitable moment to bring these often divergent strands together. Pre-crisis settings and the development of contingency plans allow space to forecast the emergency needs of a targeted group – in this case, the most vulnerable to food and income insecurity – while also analysing what chronic or structural issues this group might face.

Oxfam has been supporting the development and promotion of using market analysis for improved preparedness since 2012. This was largely in the wake of the publication of several key reports that highlighted significant weaknesses in the international response to the 2011 Horn of Africa emergency. According to the reports, the failure of the international community to respond was due to a number of factors, including current donor funding practices and the unwillingness of aid agencies to respond sufficiently and early. Failure to respond early cost lives and had significant damage on the resilience and viability of livelihoods in the region.

In 2012-13, Oxfam GB (OGB), Save the Children UK, Concern Worldwide and Oxfam Intermon,<sup>2</sup> jointly delivered an ECHO funded project, entitled, '*Building Institutional Capacity for Timely Food Security Emergency Response to Slow Onset Crises at Scale*'. Within the project, Oxfam GB focused on the development of pre-crisis market analysis – through piloting market assessments and through the creation of guidance material – to help improve the preparedness of responding agencies to predicted or recurrent crises.<sup>3</sup>

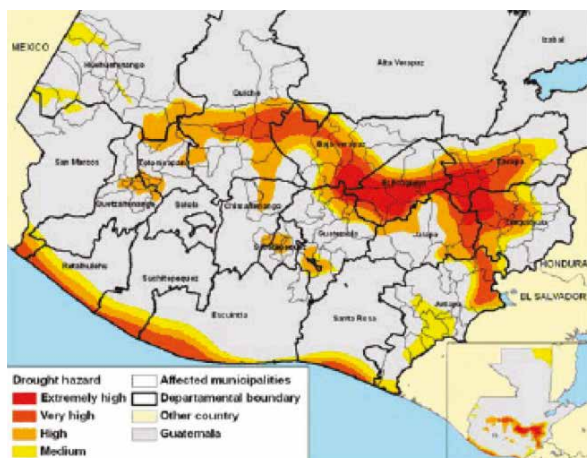
Understanding the functionality of critical market systems before a crisis peaks, should contribute to quick and appropriate response design and

implementation by humanitarian organisations. This is a significant objective and addresses many of the problems currently experienced in implementing timely responses at scale in slow onset food crises.<sup>4</sup> Yet, this work also presented the context and the opportunity to add an additional dimension.

By understanding how markets currently operate for beneficiaries, practitioners can begin to consider how to support markets to function better overall to allow for more equitable and effective access to goods and income for poorer populations. This understanding would enable programme design teams to both engage in responses that could secure livelihoods in the immediate term, effectively mitigating the impact of the crisis, and also engage in interventions that enable longer term and more sustainable food and livelihood security.

For OGB, Guatemala was the first opportunity to carry out a joint analysis – integrating emergency market analysis and market development approaches.

#### Map showing drought hazard in the dry corridor of southern Guatemala



#### The Guatemalan Context: Oxfam in Chiquimula

Oxfam has been present in the Chiquimula region of Guatemala, for several years, responding to both cyclical emergencies<sup>5</sup> and chronic poverty.

Chiquimula is located on the border of El Salvador and Honduras. This region is situated in the 'dry corridor', an area characterised by very little rainfall and which has been severely affected by climate change in recent years, with rising temperatures, more erratic rainfall and longer periods of very hot weather.

Food and income insecurity in Chiquimula is high, with 70-80% of the population categorised as living in chronic poverty and with much higher than average malnutrition rates.<sup>6</sup> The overwhelmingly

poor population<sup>7</sup> of Chiquimula largely rely on the subsistence production of 'basic grains' for consumption, and on the production of coffee for income, either through production sales or labour. However, the increasingly harsh conditions of the 'dry corridor' have had a significant and negative impact on the production of these essential crops.

A number of crises rock the Chiquimula region, such as hurricanes, drought and crop disease. Indeed, drought in 2011-12 led to a 60-90%<sup>8</sup> fall in the production of basic grains. Coffee is faring little better and coffee plantations are currently facing the worst epidemic of coffee leaf rust for nearly forty years. This disease has devastated coffee production in South and Central America, with Guatemala declaring a State of Emergency in February of 2013. According to Anacafé (the Guatemalan national coffee association), the disease will affect approximately 70% of coffee plantations, resulting in a fall in production, with between 13-21 million working days lost throughout the country.<sup>9</sup>

To date, Oxfam responses to both chronic and cyclical crises have been based on the delivery of in-kind food aid. These responses have been designed to meet short term and seasonal needs, but have not addressed either the chronic poverty or the increasingly fragile livelihood context of many people in the region.

The joint approach aimed to provide an alternative. It was hoped that joint analysis would allow for the consideration of chronic issues in humanitarian programming, as well as factor in the risks of sudden onset shocks and crises in longer-term development interventions. The market assessment was designed to help determine programme options to support the poorest and most vulnerable families in the area and its specific objectives were to:

- Understand the markets that are important for the food security and livelihoods of the poorest and most vulnerable families, so as to know where to act to have a positive impact in both the short and the long term;
- Understand whether the markets are capable of supplying food in order to be able to implement cash transfer programmes, and whether such programmes are suitable and viable;
- Supplement and verify existing information;
- Create a basis for beginning integrated political advocacy work;
- Train key people in market analysis, so as to inform the early-warning systems and future responses.

### Pre-Crisis Market Analysis

The Guatemalan pre-crisis market analysis used elements of the humanitarian Emergency Market Mapping and Analysis (EMMA) approach, tailored and adapted to slow onset crises, combined with elements of the longer term agricultural development Gendered Enterprise and Markets (GEM) toolkit.

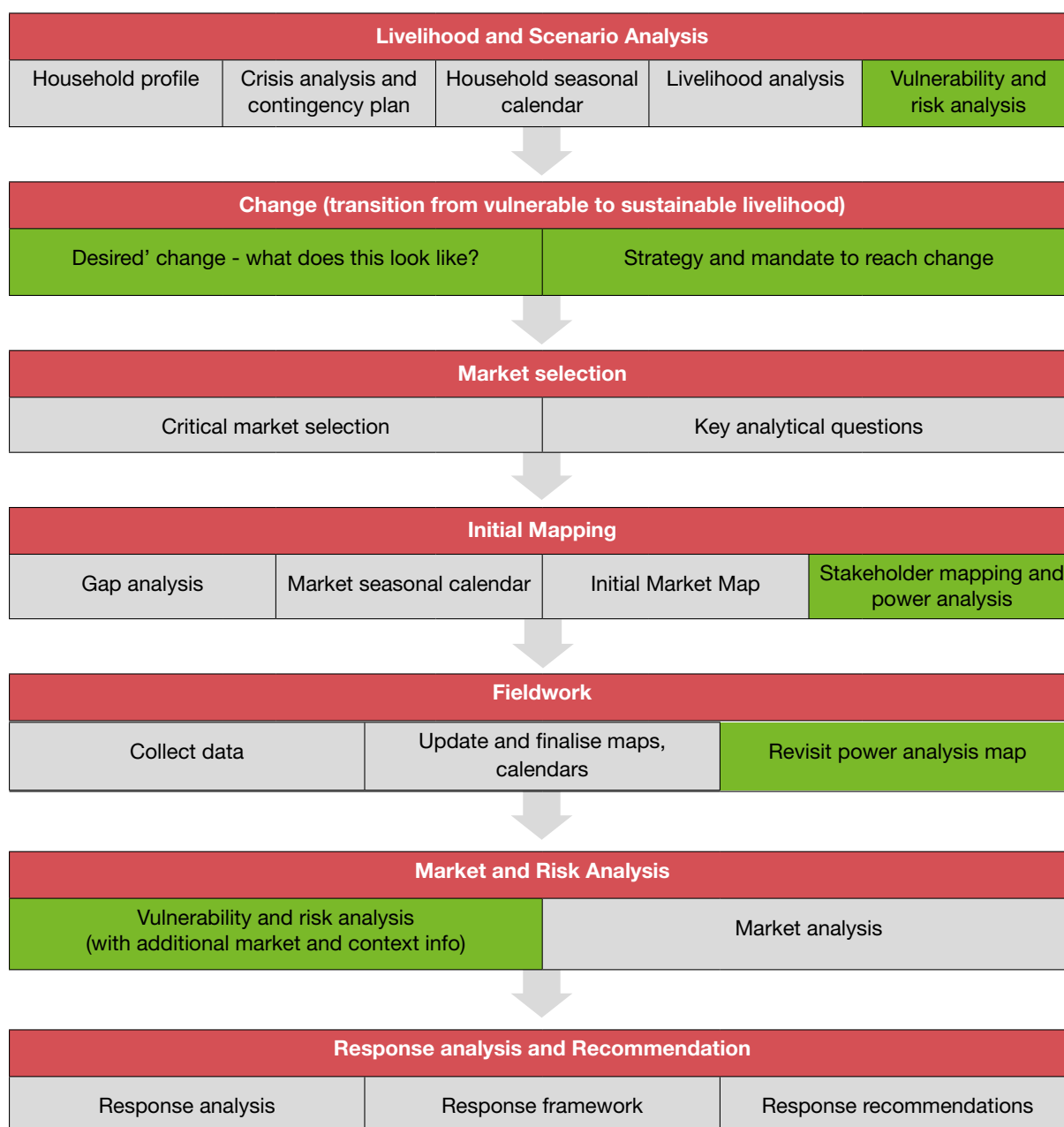
The pre-crisis market analysis and training took place between 10 and 20 July 2013. A total of 17 people took part in this exercise, including representatives of government, national and international NGOs and the WFP. The study focused on the Chiquimula

department and the district of Chiquimula, with a particular focus on the municipalities of Chiquimula, Jocotán and Olopa.

Leading the training were two Oxfam Global Advisors, one from the humanitarian Emergency Food Security and Vulnerable Livelihoods team, and one from the longer term Programme Strategy and Impact Team.

### The Integrated Analysis Process

The integrated approach followed the process depicted below. The additional longer term programming components are highlighted in green.



### The incorporation of the Household Economy Approach

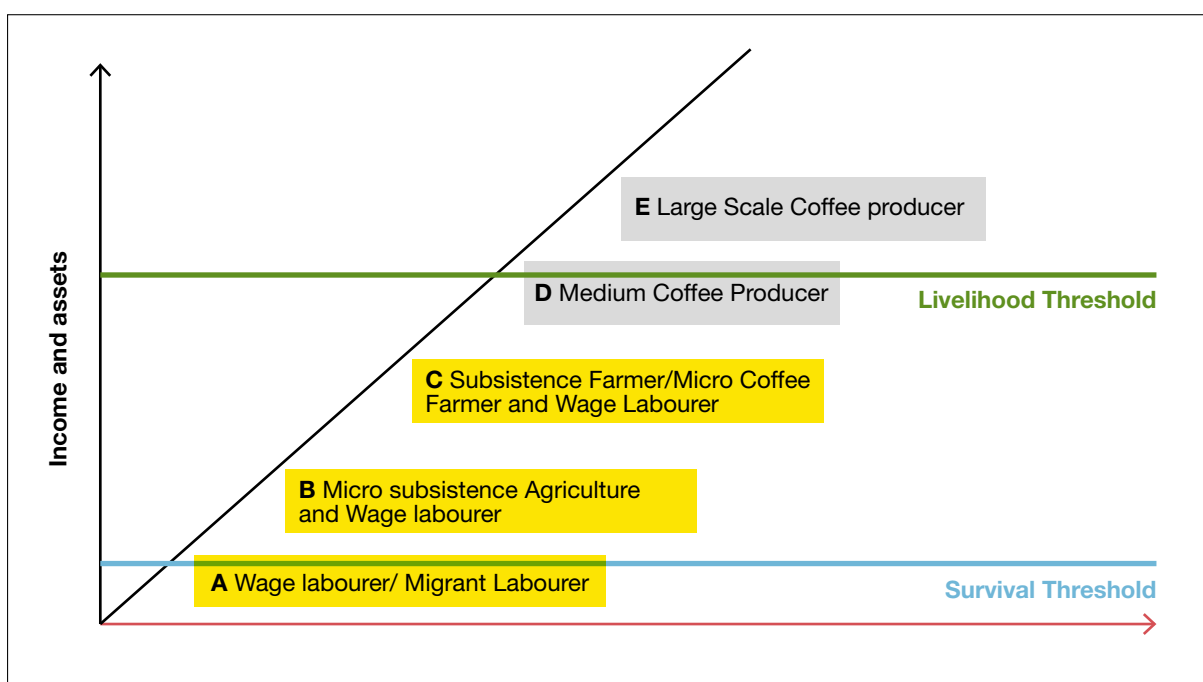
To be able to analyse food and livelihood vulnerability both in the short and longer term, it was necessary to begin with a solid understanding of livelihood realities in the region. This was a critical starting point that shaped the rest of the analysis.

Based on this need, and on a request from the local Oxfam team, the assessment was based on a review of the HEA (Household Economy Approach), a socio-economic classification based on household assets

and income based livelihood analysis, that had been undertaken by Fewsnet in 2007.<sup>10</sup>

Through the adapted Fewsnet categorisation of livelihoods, and the application of power analyses for the target areas, the team were able to develop a series of initial propositions about how different wealth groups accessed critical markets. These propositions were then refined through field based findings and through a broadened scope of data collection.

This combined approach enabled the following groups to be categorised.<sup>11</sup>



Following the livelihood and wealth breakdown, the assessment team identified wealth groups A, B and C as the intended beneficiaries of possible future interventions, and therefore the target groups in the market analysis. These wealth groups have similar characteristics, in that they:

- Have little (leased or owned) land, or no access to land
- Rely on subsistence farming and access to markets for basic grains. Rely on demand for unskilled and seasonal labour on coffee plantations, as the main source of income.
- May meet criteria to receive government assistance, through the 'Mi Bono Seguro' welfare scheme.
- May access a limited amount of credit from known local shops, if these exist in the specific locality. Debts are then repaid at coffee harvest time.

Building on the HEA analysis allowed the market analysis team to gain a good grounding in assessing the issues that different livelihood and wealth groups faced, and what constraints and opportunities were afforded to them in both 'chronic' or normal contexts, and in emergency years.

After looking at the hazards to food and livelihood security in a range of contexts, it became clear that there were several key factors that limited more sustainable food security and livelihood options for the target groups. Despite the availability of food in markets, for the target groups, the lack of purchasing power (from low and insecure wages), limited access to arable land, and constrained production as a result of poor and often deteriorating soil quality significantly hindered access to food and contributed to chronic food insecurity.



**Power Analysis, Risk and Vulnerability**

The integration of the humanitarian and longer term approaches brought not only a breadth of thinking, but tools as well. As part of the analysis, the team looked at both risk and vulnerability and power analysis, which are part of the GEM toolkit.

The power analysis enabled the team to think about the different market actors, and then organise these geographically and in terms of the quality of their interaction (e.g. exchange of information, exchange of funds, formal or informal relationship, one way or two way interaction). Further thinking and testing in the field meant that this enriched stakeholder mapping could also be adapted to represent additional factors between actors. To understand where power really lies enables a better and more thorough picture of the market system as it currently works and how actors may react or work with one another during emergency periods.

The vulnerability and risk analysis (VRA) is a methodology that identifies and assesses the types of hazards to which different social groups and livelihood activities of a given community are exposed to – market-related hazards, as well as those associated to weather, climate, social and political issues. It then supports the prioritisation of areas of intervention, such as in designing resilience building programmes, based

on the risks and vulnerabilities associated to these groups or livelihood activities.

In Guatemala, the group's initial thinking was that the market system was principally vulnerable to drought, in that drought significantly affected the way the system operated. However, after undertaking the VRA, it became clear that market systems were, in fact, also significantly affected by other less immediately obvious issues such as blockages of roads after flooding. This and similar findings were crucial, as they provided the team with a better understanding of the key hazards and vulnerabilities within the system, as well as the existing and potential capacities to reduce the impacts.

**From Vulnerable to Sustainable Livelihoods**

Typically, in pre-crisis market assessments, following the identification of needs and target groups in a particular crisis scenario context, the assessment team consider the possible 'response intentions'. This step is to help participants think about what basic needs need addressing (and, therefore, what are the critical market systems), the breadth of responses that could be appropriate and their organisational mandate, role and expertise in designing these responses. The new approach taken in Guatemala meant that the response intentions, and range of possible responses considered,



A coffee farmer in the village of El Amatillo, Olopa. Photo: Saul Martinez

not only focused on crisis response and immediate recovery, but also on responses to address underlying chronic poverty. This approach, encompassing both humanitarian and longer term development remits, was supported by the focus on what was the overarching ‘desired change’ for the target groups, in transitioning from vulnerable to sustainable livelihoods.

This overall desired change was “to guarantee food security and sustainable livelihoods for the extremely poor and vulnerable in the Chiquimula region, with a special focus on women and girls”. To address vulnerability, the target group must be able to:

- Address food needs during both annual seasonal hunger gaps and in crisis years, be they droughts or high prices;
- Improve access to the coffee labour market and labour conditions;
- Diversify income through access to other labour markets and income sources;
- Improve production through the access to and sustainable use of natural resources, including agricultural practices.
- Support the establishment of a safety net, which should ideally be a combination of household/ community/ state efforts
- Address access to arable land by the poorest and most vulnerable populations
- Improve the ability of households/ communities/ state to foresee and reduce risks (weather, climate, economic, socio-political) through better access to information and knowledge

Collectively these changes mean achieving greater food security, higher income, reduced vulnerability and improved wellbeing for the most food and income insecure groups in the region.

### Analysing Critical Markets

The generation of a broad ‘desired change’ statement had the potential to throw up a number of new critical markets to be studied, as alternative livelihoods. Indeed, this was the case. However, the team decided to limit the number of critical markets studied to two market systems. These were selected on the basis of which market systems were currently considered as ‘critical’, for food security, for livelihood survival and for protection. As a result, the basic grains and coffee markets were selected to be analysed.

Typically in an EMMA, analysis focuses on immediate needs for target populations and those current (or existing) market systems that are vital to meeting them, whether goods, services or income market systems. The immediacy of this analysis, means, in practice, that these market systems are looked at from a consumer point of view. In Guatemala, the drive to understand short and long term livelihood and market system interaction, inevitably meant that it was also necessary to analyse the production side of these critical market systems too. This allowed a breadth of thinking around longer-term access to food and income, as well as a better understanding of the context and of potential opportunities to generate the type of change that promotes social gains by the poorest and most vulnerable. This can be seen in the generation of the key questions that drive the analysis.

**Table 1: Key Questions**

Key market	Short term	Medium/long term
<b>Basic grains (Maize and beans)</b> <b>Production and consumption</b>	<ul style="list-style-type: none"> <li>• Is food aid affecting the basic-grains market? If so, how?</li> <li>• What crisis-response options could benefit the market?</li> <li>• What are the population’s food preferences?</li> <li>• Can the local market satisfy their needs, and what is the most relevant response (quantity, quality, access)?</li> </ul>	<ul style="list-style-type: none"> <li>• How viable and sustainable is it to produce “basic grains” as a livelihood?</li> <li>• What is needed in order for it to be viable for different households (those that are very poor, poor, average, etc.)?</li> <li>• What options are there for these households to be able to access grains at a “fair” price?</li> </ul>
<b>Coffee production and labour</b>	<ul style="list-style-type: none"> <li>• How can we classify the different groups of actors affected and identify response options for each group?</li> <li>• What investment is necessary for the market to recover?</li> <li>• Identify types of access to the coffee labour market.</li> </ul>	<ul style="list-style-type: none"> <li>• What potential does the market have to continue requiring labour (potential and limitations)?</li> <li>• How can we control shocks so that the market can continue to offer work and so that monitoring mechanisms can allow us to predict future impacts?</li> </ul>



## Market Analysis Findings

### Accessing maize

In Chiquimula, maize is predominantly grown for consumption, on the little land that is available. Seasonal hunger is an annual occurrence and lasts anywhere between 4 and 9 months, depending on climatic and production variations. Even in non crisis or 'normal' years – an average family only produces enough basic grains (maize sorghum and beans) through subsistence farming, to meet their household needs for four months, meaning they rely on the market to meet their basic food needs for the rest of the year. Clearly, the reliance on the market necessitates a certain degree of purchasing power.

The local municipal markets have sufficient capacity to meet needs and are well serviced and integrated with regional and international markets so that they can expand to meet additional needs. Transport to these markets, however, is costly, meaning that households can face walking for up to 4 hours for a round trip to the market.

Household income comes predominantly from unskilled labour on coffee plantations. However, coffee production is seasonal. Seasonal hunger coincides with periods of low demand for labour on these plantations, increasing the impact of poverty for many families. This is exacerbated by increase prices of maize, linked to seasonal falls in supply and the lack of capacity at local level to store grains. In combination, low production, seasonal hunger and limited food stocks lead to high prices of both food and farming inputs. The cost of farming inputs and the restricted access to land limits the ability of households to invest in better farming inputs or practices that could lead to more sustainable and productive farming.

As a result, households tend to consume food less frequently. The seasonal gap in Chiquimula between a households' needs (based on the Sphere standards<sup>14</sup>) and what the household can cover was estimated by the assessment team as being between 990-1200 Guatemalan Quetzales per household per year (approximately US\$ 128-155), depending on whether it was a 'normal' or 'crisis' year. The shortfall reveals the extent to which poor people in the region experience chronic poverty exacerbated by crisis.

Households in Chiquimula do use the few adaptive measures that are available to them. There is some limited local redistribution and credit given by wealthier families and local shops. However, this is not widespread. Through the productive seasons, women and children of poorer families tend to work together, to increase their income through increasing the amount

they can harvest. While this is essential for many families, it does have implications for meeting conditions of the limited government social protection scheme.

The 'Mi Bono Seguro' welfare programme has a significant impact on the families that receive the regular cash support. However, as school attendance is one of the preconditions for successful application to the scheme, it does not necessarily reach the most vulnerable populations, as for many households harvest time requires the whole family to work. This scheme covers approximately 40% of the target population and is designed to provide each family with 300 quetzales per quarter (approximately US\$ 39). While, in practice, families claim that they typically receive half of the allowance afforded to them, they maintain that this money is critical in times of seasonal hunger.

Households may also access a limited amount of credit from local shops. Accessing shop credit does depend on being known and whether shops exist in the local area. This is by no means a certainty. Debts are then repaid at coffee harvest time.

### Maize and Basic Grains production

As indicated above, production of maize and basic grains is on a very subsistence level. There is, for wealth groups A, B and C, very scarce access to land – either owned or leased. Moreover, the cultivation techniques most frequently practiced require an intense and unsustainable level of 'external' inputs. This is a significant issue for the transformation of vulnerable to sustainable livelihoods, both in the question of accessing land, and for crop diversification and management.

### Coffee

Members of wealth groups B and C have some access to land, on which they can grow enough coffee to act as micro coffee producers. However, these small holders lack technical inputs, such as fungicides, and technical sustainable farming practices. This increases their vulnerability to disease outbreaks.

Despite these important differences in livelihood options, target groups A, B and C all seek income generating opportunities as wage labourers on larger coffee plantations. As this is seasonal work on plantations that are also vulnerable to disease outbreaks, the resulting income and livelihood is unstable. Wages and working conditions are poor for labourers, often flouting minimum wage standards. As there are few opportunities to remotely send money back home, workers are forced to limit the number of days they can work on plantations, so they might be able to take wages back to their households.

## Recommendations

As a result of the integrated analysis, a number of programme responses were recommended. These spanned the short and longer term and emphasised the role of advocacy in the change process of moving from vulnerable to sustainable livelihoods.

**Table 2: Recommendations**

	Short term	Medium/long term
Access to food	<ul style="list-style-type: none"> <li>• Social protection cash transfers for seasonal hunger gap and in crisis years.</li> <li>• Support for village shops to sell maize, beans and basic products.</li> <li>• Support family- or community-run market gardens</li> </ul>	<ul style="list-style-type: none"> <li>• Advocate for the extension of existing social protection programmes</li> <li>• Connect early-warning system with key market related indicators.</li> </ul>
Production of maize and beans	<ul style="list-style-type: none"> <li>• Access to sustainable level of agricultural inputs through credit/cash.</li> <li>• Explore grain banks at community and individual level.</li> <li>• Explore supply and connection to markets, enabling people to buy and sell at a better price.</li> </ul>	<ul style="list-style-type: none"> <li>• Technical support and identification of appropriate inputs, i.e. seeds adapted to climate variability.</li> <li>• Consider working with landowners to enable sustainable land ownership.</li> <li>• Consider nutritional crops for community gardens.</li> </ul>
Income diversification	<ul style="list-style-type: none"> <li>• Regulation and information to improve access to work and different labour markets.</li> <li>• Explore the use of market gardens at community and individual level; hens, goats, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Diversification of income/livelihoods: explore feasible market options and work on vocational education and education/skills needed to access them.</li> <li>• Explore other economically viable markets such as craftsmanship/clothing and facilitate access to them.</li> </ul>
Jobs in coffee growing	<ul style="list-style-type: none"> <li>• Access to cash during times of seasonal hunger and if demand for labour falls.</li> <li>• Explore and improve payment methods to enable mobility and more days of work.</li> <li>• Incentives for transportation solutions to and from work</li> <li>• Build links between those who provide labour and those who are looking for it.</li> </ul>	<ul style="list-style-type: none"> <li>• Facilitate adoption of standards (with authorities and stakeholders) and facilitate cooperative thinking (with labourers) to encourage better labour conditions</li> <li>• Work needed on training, more secure access to sources of employment, job stability and association-forming.</li> </ul>
Coffee production	<ul style="list-style-type: none"> <li>• Promote links between small, medium and large producers for better profit</li> </ul>	<ul style="list-style-type: none"> <li>• Agricultural reform is sensitive, but needs addressing</li> <li>• Access to agricultural inputs for dealing with coffee rust and other diseases, and for plant renovation.</li> </ul>
Advocate for	<ul style="list-style-type: none"> <li>• Redistribution of aid and targeted measures to reduce risks and strengthen livelihoods.</li> <li>• Extend/adapt the “Mi Bono Seguro” programme to take into account food insecurity and vulnerability.</li> <li>• Coordinate at all levels – between government, cooperatives, the municipalities’ association, NGOs, and the private sector,</li> <li>• Early-warning system at all levels that includes market indicators.</li> <li>• Awareness and contingency planning for the impact of environmental/climate change</li> <li>• With the private sector to understand opportunities for more, stable employment and on better labour conditions.</li> </ul>	



## Impact and learning

The local assessment team, together with the global humanitarian and development advisors gained practical experience in designing and carrying out a joint analysis. There is now an appetite to develop this learning and to build on what happened in Guatemala.

As the first attempt at integrating two distinct market approaches on the ground, the successes and lessons learned were many.

### The Impact of Integration in Guatemala.

In Guatemala, the impact of the assessment has been predominantly positive. Although the Oxfam team based in Guatemala has not yet had the opportunity to use the analysis as part of proposal design, there are plans that this will happen.

There were a number of procedural issues that the Guatemala assessment team faced as part of the analysis process. Firstly, the analysis took 10 days. Although, as an assessment and training package that presents new thinking, this is not unreasonable, feedback was that it was difficult for staff to clear

commitments for this time. Secondly, there could have been better coordination at the beginning from participants and facilitators, to secure good context information, enabling better gap analysis. Thirdly, and critically, there was significant resistance to the markets logic and approach within the team. While this resistance is difficult, it can also be fairly common – as people step away from their standard ways of working. More importantly, what was considered a difficulty at the time can now be seen as one of the greatest successes of the assessment process.

Despite the initial reluctance to market based programming approaches, a critical impact of the assessment has been increased interest from other agencies in the region to both promoting and using cash transfer programmes, as part of a spectrum of market based responses. The assessment has been cited in a number of coordination forums and has helped the shift from entrenched thinking around response options that had characterised many programmes in recent years. While there is still considerable work ahead for this agenda, a critical piece of work has begun.



Maria Anastasio Lopez and her daughter Valentina in the village of Tunuco Arriba, Jocotan. She says: The farmers pay so little, it takes the whole family to earn \$300 a month picking coffee. The rust will continue next year. It will be the same. We can't do anything about it, we have to suffer. Photo: Saul Martinez

### Key Successes

In Guatemala, the process began with a review of the HEA, based on the local teams' request. While all market assessments rely on good complementary baseline data, such as livelihoods analyses, the fact that the assessment used the HEA as a starting point had a significant impact in a number of ways. Firstly, the ease with which it was possible to begin the training with this, shows that the training format and logic is flexible. This demonstrated the adaptability of the market analysis sequence and process to context specific needs. This bodes well for the successful uptake of this analysis in different contexts.

Furthermore, the information that the HEA provided meant that not only was it clear what people's experiences and livelihood options were in non-crisis times, but also enabled the team to project the impact of crises on the livelihoods and experiences of the target groups. This solid understanding of livelihood realities and options allowed the team to develop a deep sense of what was critical to address and what was possible to aim for.

The HEA, together with the vulnerability and risk assessment, meant that the hazards could be understood to be either chronic, crisis-related, or newly emerging. Furthermore, they were disaggregated across different groups to specifically understand the impacts by social group or livelihood activity (e.g. fishing, or maize). Disaggregation meant that, instead of grouping 'wage labourers' together,

the assessment team were able to understand the differences between i) migrant labourers, ii) wage labourers with no land and iii) wage labourers with a small amount of land. How these groups experience different hazards varies considerably, depending on which specific livelihood group they belong to. The vulnerability analysis allowed for this deeper and more realistic grounding.

The power analysis, too, had a significant impact on how the assessment teams perceived how the market systems really operate. This analysis led to a different set of conclusions than were expected. Actors that had not been considered as key to determining market conditions for the target group, turned out to be much more significant than previously thought.<sup>15</sup> Better and more thorough analysis like this can highlight where the real principal blockages and opportunities are in a market system. Responses can then be designed to address these realities.

Basing the analysis on a current understanding of people's lives, food security and livelihood options meant that the team was determined to conceptualise and work towards a vision of a 'desired change', or the changes that would be needed in transitioning the target group from vulnerable to sustainable livelihoods. The desired changes, and the processes that followed from this, were not limited to either humanitarian or longer term developmental thinking. The entrenched, chronic vulnerability and poverty of the target groups, within a crisis prone context, meant that inevitably,



Juan Gilberto Garcia, in the community of Tierra Blanca, Jocotan. "I never seen this before. I've been using ash to try and clean the fungus from the leaves. This year, because of roya, the leaves died and that means hardly any berries. I make my living growing corn, but the coffee rust affected that too". Photo: Saul Martinez



short term measures had to have longer term solutions and vice versa.

This broad thinking was also carried over into the response recommendations. The joint analysis clearly enabled and supported a wider range of ideas and response options. This range of options that can bridge short term and long term programming is, ultimately, the aim of joined up analysis.

Indeed, a key success was that the joint analysis actually happened. The bringing together of these approaches and the willingness to take a chance on piloting innovation was largely thanks to a very receptive team in Guatemala, Oxfam's partners there, and to the interest and perseverance of the teams in Oxfam GB's central offices. The teams from humanitarian and development departments recognised the added value of the others' approach and understood what could be possible working together. This joint vision and joint language is a good starting point and acts as a solid skeleton upon which to base further joint market analysis work.

However, this was a starting point. Inevitably, there were parts of the integrated approach that need more thinking.

### Lessons Learned

Both the GEM and EMMA approaches gave huge added value to the joint market analysis. However, there is still thinking to be done of better ways to integrate these, so that the impact of the different components is maximised. For example, although the vulnerability and risk analysis significantly strengthened the team's understanding of how different target groups experience hazards, it might be useful to design an 'integrative' process by which every component's contribution to the process is more easily embedded in the overall approach.

While the joint analysis tried to look at markets using both humanitarian and development tools, there were a couple of sticking points.

Firstly, due to the limited time given for this analytical process, the team decided to restrict the number of critical markets analysed to two - both existing market systems. Although the teams were able to look at both the consumption and production sides of these markets, time constraints did mean that the opportunities to understand the viability of alternative income and crop diversification interventions in new market systems were limited.

Secondly, and crucially in going forwards, analysing both the production and consumption markets was very demanding. Many of the questions that

were raised, such as ways of increasing production, required further agronomic analysis. The lack of production system analysis meant that, it was difficult to produce a well grounded and immediate series of specific recommendations that aimed to increase production or boost the sustainability of practices. It is clear that, going forward; further investment in this area is needed, either through direct skills investments for staff, or resources allocated to engage local expert partners.

### Ways Forward

The learning from the Guatemalan pilot has been influential. Integrated market analysis has allowed Oxfam to begin to think more systematically about moving people from vulnerable to sustainable livelihoods, and has provided a structure to begin to understand what this process might look like. What is clear is that the opportunities and potential of this work is huge. This work stretches beyond the usual remit of emergency market analysis, and begins to encroach on something much larger; something which is in line with Oxfam's resilience building agenda.

This integrated process can certainly help us to approach programmes that support sustainable livelihoods and resilience building. Yet agencies must be realistic in matching aspirations with capacity. If we are serious that we want to look at supporting the 'non market ready' to diversify and better access and use new and existing market systems, then we must be ready to commit to this and channel or develop the appropriate resources. Likewise, we must be ready – programmatically and financially – to take a long term approach to working with these communities, understanding that for these communities reaching sustainable livelihoods will take time, as it will require not only technical solutions but also (in many cases) changes in the softer systems of governance and power dynamics.

Oxfam, partly through the second phase of the ECHO funded project, will continue to work towards an integrated approach. The project includes significant joined up market analysis and response outputs, such as a market analysis framework and a market response framework that embed this integrated approach and will be shared widely. These tools, the thinking, and the implications for learning and capacity building have the potential to contribute to the resilience of people who have previously slipped through the traditional humanitarian-development divide. In terms of supporting the development of approaches to more sustainable pathways out of poverty, these are exciting times.



Dried up mountain region of the village of Tunuco Arriba, Jocotan, Guatemala. Photo: Saul Martinez







## Notes

<sup>1</sup> This work has evolved primarily through the co-development and adoption of the Emergency Market Mapping and Analysis (EMMA) approach, designed for use after rapid onset crises.

<sup>2</sup> Since 2012, the consortia have been responding to the need to improve preparedness to slow onset crises. For more information, see <http://erccconsortium.livedrive.com/>

<sup>3</sup> The experiences and learning from the pre-crisis market assessments contributed significantly to the development of the Pre-Crisis Market Mapping and Analysis guidance. The guidance was based on the adaptation of the EMMA toolkit and has been co-produced by the International Rescue Committee. The PCMA document was developed by Oxfam with the financial assistance of the European Union through the Emergency Response Capacity and IRC with the financial assistance of the American people through the Office of United States Foreign Disaster Assistance (USAID/OFDA).

<sup>4</sup> The 2011 crisis in the Horn of Africa has been recorded as the most severe emergency of its kind this century. In the wake of the drought, several key reports emerged that highlighted some significant weaknesses in the international response, including current donor funding practices and the unwillingness of aid agencies to react both sufficiently and early enough.

<sup>5</sup> Such as drought, coffee leaf rust and hurricanes.

<sup>6</sup> See Map of Livelihood Zones, Fewsnet 2007

<sup>7</sup> See Map of Livelihood Zones, Fewsnet 2007

<sup>8</sup> See Full Report, July 2013, Emergency Market Analysis: Supplementing And Adapting The Emma And Gem Methodologies In Guatemala,

<sup>9</sup> Cuadro No. 5. Fuente. ANACAFÉ, 2013

<sup>10</sup> The Household Economy Approach (HEA) is a framework for analysing how people obtain food, non-food goods and services, and how they might respond to changes in their external environment, like a drought or a rise in food prices. - See more at: <http://www.savethechildren.org.uk/resources/online-library/practitioners%E2%80%99-guide-household-economy-approach#sthash.WtYnCXMC.dpuf>

<sup>11</sup> The full pre-crisis market analysis report for Guatemala, can be found at: [http://erccconsortium.myknowhowcloud.com/portal/files/\\*\\_YtQ0NzY1ZWQwYTRlNGZlMWE0ZmNlMzBmMGE1MTQ3NWQ-](http://erccconsortium.myknowhowcloud.com/portal/files/*_YtQ0NzY1ZWQwYTRlNGZlMWE0ZmNlMzBmMGE1MTQ3NWQ-) Or at erc.

<sup>12</sup> Lasting between November and the end of February.

<sup>13</sup> Please see: <http://growsellthrive.org/page/vulnerability-and-risk-assessment-vra>

<sup>14</sup> The Sphere Project is a voluntary initiative that brings a wide range of humanitarian agencies together around a common aim - to improve the quality of humanitarian assistance and the accountability of humanitarian actors to their constituents, donors and affected populations. Please see <http://www.sphereproject.org/about/>

<sup>15</sup> For example, initial analysis indicated that power was, to a large extent, held by relevant Ministries. Following the power analysis, it was determined that Ministries hold less power than other bodies, such as international or national traders.



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The information in this publication is correct at the time of going to press.

Front cover: Elena Diaz, coffee farmer. In the last two years, the changing climate has contributed to the spread of the roya – or coffee rust – a fungus that attacks leaves and fruits. Photo: Saul Martinez

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Through the ECHO funded project 'Building institutional capacity for timely food security emergency response to slow onset crises at scale', Oxfam, Save the Children UK, Concern Worldwide and Oxfam Intermon jointly delivered a project designed to improve preparedness and increase the speed and appropriateness of responses in slow onset food security crises. This was based on a comprehensive approach which combined the use of market analysis, the use of a context appropriate framework for contingency planning and response analysis; and through increased operational preparedness.

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