22 November – 3 December
Mogadishu, Somalia

Pre-Crisis Market Mapping & Analysis (PCMMA)

INTERNATIONAL RESCUE COMMITTEE

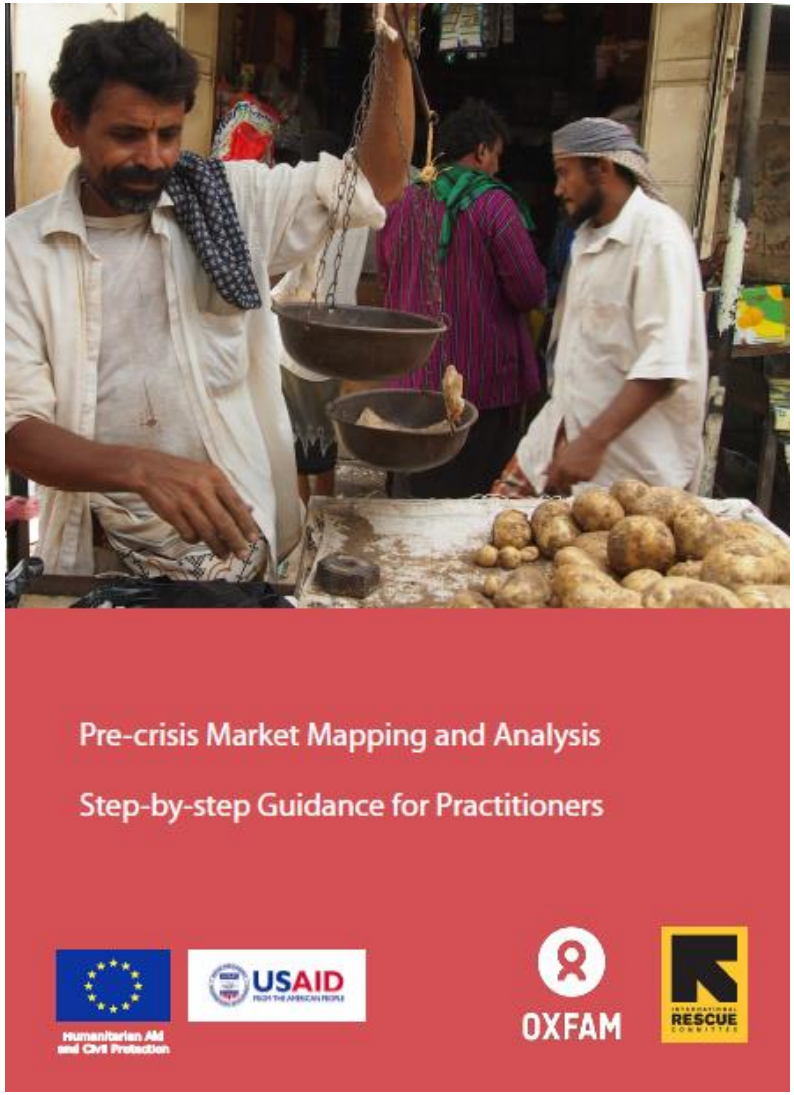
USAID FROM THE AMERICAN PEOPLE

Welcome!

- Name and current job
- Any experience with market assessments or market-based programming?
- Expectations for this exercise?
- Favorite place to go/thing to do for fun in Mogadishu

PCMMA in a nutshell

- Market assessment approach for humanitarian agencies
- Conducted in "normal" times, in contexts where a specific crisis = expected
- Designed to help agencies prepare for emergencies and inform DRR/market strengthening
- Draft guidance published in 2014; currently being revised



Objectives of PCMMA - globally

- **Emergency Response -** To recommend appropriate market-sensitive emergency programming options
- **Preparedness / DRR -** To strengthen markets and address potential constraints, to lessen time needed to implement response in case of crisis
- **Early Warning** – To identify indicators that can signal impending (slow-onset) crises
- **Capacity Building -** To strengthen skills of humanitarian actors to conduct emergency market analyses

Objectives of PCMMA in Somalia

1. **Emergency Response/Preparedness -** To explore to what extent market systems for key WaSH and Shelter items can support cash-based interventions in the event of future IDP crises in Mogadishu
2. **Capacity Building -** To strengthen skills of humanitarian actors to conduct market analyses (PCMMA, RAM, EMMA, others)
3. **Learning on PCMMA itself** – To capture learning related to the PCMMA approach, especially on its use with RAM and in remote management settings

Overall assessment schedule

Activity	November									December								
	Sun	Mon	Tue	Wed	Thur	Fri	Sat	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Mon	Tue	Wed
	22	23	24	25	26	27	28	29	30	1	2	3	4	5	6	7	8	9
Pre-assessment workshop																		
Consultant arrives																		
Field practice																		
Emily leaves																		
Data collection																		
Daily debriefing sessions																		
Analysis, Recommendations and Reporting																		
Draft of report finalized																		
Ongoing monitoring															TBD			
Communication of results																		

Workshop schedule

	SUN	MON	TUE	WED	THU
	Introduction	**Scoping**	**Data Collection**	**Market Analysis & Reporting**	**Reporting & Monitoring**
8:30		Crisis scenario	Prep for field	Market analysis	Reporting the findings, + Communication of results
9:00	Welcome, Objectives and expectations		Practice data collection		
10:00	Key markets concepts	Security		Revision of questionnaires	Monitoring the market
10:30-10:45	**TEA BREAK**			**TEA BREAK**	
11:00	Key markets concepts	Critical market selection		Revision of questionnaires	Updating the analysis
12:00	**LUNCH**				
1:00	Intro to market assessments + RAM	Trial of questionnaires	Practice data collection	More detailed location planning	Team structure
2:00	Market mapping + review		Recap day in groups	Response analysis	Preparation for next week Training evaluation
3:00		Logistics planning			

Questions?

- Logistics of the exercise?
- Scope and objectives?
- Theory?

Why do markets even matter?

Ensuring survival:

- Provide essential goods and services to cover basic needs

Protecting livelihoods:

- Provide tools, inputs and other productive assets
- Source of income, providing jobs and daily labor opportunities, or by linking producers and business owners with consumers

What do we mean by markets?

- **Market** = formal or informal structure for the exchange of goods, labor or services. Often, though not always, a physical place.
- **Market system** = a network of market actors supported by infrastructure and services, interacting within a context of institutions or rules that shape the actors' trading environment

Markets can be for **goods** and/or **services**.

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Baseline Drinking Water Market - Rural Sindh

The market environment: institutions, rules, norms & trends

Water Authorities

Water Sector Donors /investors

Seasonal Factors

Health Department

Water Quality !

Symbol Key:

Critical issue : !

Partial disruption: /

Major disruption: ✕

The market chain: market actors & their linkages

Unprotected Source (canals/ ponds/rivers)

Protected sources (springs, wells, hand pump)

Water Filtration Plant (municipal, private business, "Pakoasis" free of charge)

Urban Water Supply Scheme

Bottled Water Producer (National)

Bottled Water Producer (local)

Donkey Cart transport for Jerry Cans
P/urban = 30PKR; P/rural = 20-25PKR

Water Trucks
P/per trip = 1000PKR / 10000Ltr.

Distributors
(1 brand i.e Nestle)

Wholesaler (all brand)
1.5 L Brand P=40 PKR
1.5 Ltr. Local P=30 PKR

Retailer (all brand)
1.5 Ltr. Brand P=50 PKR
1.5 Ltr. Local P=40 PKR

Flood affected rural households
N=274,000
V=20 Liter/day

Wealthy flood affected rural households
N=11,,000
V=20 Liter/day

urban flood affected households
N=71,000
V= 20 Liter/day

Key infrastructure, inputs and market-support services

Hand Pumps at village/HH level

Water Trucks

Roads/Bridges

Water Storage at Village/HH level

NGOs

Cash/purchasing power

Spare parts for Hand pumps at village/HH level

Market system function

- Why does it matter whether markets are functioning?
- Market are healthy and functioning when they are
  - Responsive
  - Inclusive, safe and equitable
  - Resilient

Group brainstorm

- Given that we are looking at WaSH and Shelter market systems in this assessment, is there any connection to livelihoods or resilience?
  - Hint: there is.

In a small group, discuss how you could justify how this assessment is relevant to livelihoods and resilience work.

What is the connection between market-based programming and cash transfers?

A. They are completely separate. Cash transfer programs are one thing, and market-based programs are another.

B. Cash transfer programs are one example of market-based programming.

C. "Market-based programming" is simply another way of saying "cash transfer programs."

Market Based Programming

Non-Market-Based Programming

Market-Integrated Relief

Objective: meet basic needs (food security, drinking water, hygiene items, shelter, etc.)

Activities:

- Local and regional procurement for in-kind distributions
- Cash and vouchers
- Cash for work

Indirect Support Through Markets

Objective: meet basic needs through temporary interventions that restore markets

Activities:

- Targeted support to market actors (grants, loans, transport subsidies, temporary storage)
- Some types of cash for work (e.g., restoration of major supply

Market Strengthening and Development

Objective: economic recovery, improvement in incomes and livelihoods, disaster risk reduction

Activities:

- Employment creation / enterprise development
- Increasing scope of and access to financial services
- Development of supply and value chains
- Developing productive assets

The scope of emergency market assessments and programming

Non-market-based programming

Not sourced or delivered through local/ regional market systems, and/or does not help to support or strengthen those systems

- In-kind distributions (e.g., of hygiene kits, buckets, drinking water)
- Construction of latrines in rural areas using a large contracted company from a distant city

Market-integrated relief

Working through markets to provide relief and basic services, e.g., cash/vouchers for drinking water, hygiene items, sanitation services

Indirect support through markets

Short-term intervention targeting market actors to help restore basic market functionality after a crisis, e.g., cash grants to business owners to restock, to rebuild storage units, vouchers for fuel

Modalities of market-based programming: in-kind distributions, with local procurement

Objectives: To meet basic needs or to allow people to access livelihood assets while supporting local market systems

Modalities of market-based programming: Cash grants

Cash grants are a **provision of money,** conditionally or unconditionally

Objectives:

- To meet basic needs or to purchase livelihood assets.
- Can also help people to repay debts
- Often target households or communities, but can also target other market actors

Modalities of market-based programming: Vouchers

A voucher intervention aims to:
facilitate **access to a specified range of commodities or services**.

1) A **cash (or value) voucher** can be exchanged for a range of commodities up to a specific value.

2) A **commodity voucher** can be exchanged for a fixed quantity of named commodities.

Modalities of market-based programming: Cash for work

Cash-for-work is the payment of cash wages in exchange for work that is done either in individual projects or as part of public works schemes.

Objectives:

- Increase people's purchasing power
- Improve community or individual resources

Market strengthening and development

- Long-term approach aiming to boost the market's ability to support livelihoods,
  - e.g., training vendors in diversifying and marketing of hygiene products;
  - working with local producers to design and build a low-cost, easy-to-maintain toilet

Benefits of market-based programming

Benefits of market-based programming

SDC Mongolia

Humanitarian benefits:

- Empowerment and dignity
- Choice and flexibility
- Power transfer
- Links response to recovery
- Can ease social tensions

Benefits of market-based programming

Pragmatic benefits:

- Cost efficient
- Multiplier effects
- Support to local trade linked to economic recovery
- Fewer costs for recipients

Perceived risks of market-based programming

Risks and drawbacks of market-based programming

- Inflationary risks
- Anti-social use of cash
- Prone to diversion by authorities, elites, warring parties
- Security risks for staff or beneficiaries
- Theft or looting
- Risk of gender bias

Cash transfer risks: The evidence

- Inflation
  - Despite fears, evidence has shown that CTPs have little impact on local market prices
- Misuse of cash
  - Nearly all reported experiences in cash-based interventions stress that cash was not misused
- Diversion of cash
  - Diversion of cash is rare
- Gender inequality
  - Very little evidence that cash distributions foster gender inequality

Cash Grants: Managing risk

- Considerations for minimizing agency risk
  - Take out insurance to cover the risk of possible loss
  - Limit the people who have specific information about distribution details
  - Vary the location of payments, vehicle routes, and individuals making the payments
  - Have local authorities and committees present to assure transparency and accountability.

Cash Grants: Managing risk

- Considerations for minimizing recipient risk
  - Decentralize distribution
    - Smaller amounts of money are transported to different locations
    - Recipients have a shorter distance to walk home.
  - Ensure that payments are completed in time for recipients to reach their homes in daylight
  - Carefully assess the potential post-distribution risk to recipients of the program, particularly conflict and post-conflict settings

Summary and conclusions

- We should deliver humanitarian assistance through local/ regional markets unless there is a really good reason *not* to do so
- Cash-based interventions are more diverse than just cash distributions and can address more than just basic needs
- Fears about CTPs are by and large not backed up by the evidence; risks can largely be mitigated through careful program design and implementation
- CTPs are just one type of market-based intervention – we can also offer support directly to market actors and help to strengthen overall market systems