

AGENDA

SET THE SCENE: This is an introduction or a “taster” to Market Assessment we cannot cover everything required of people undertaking market assessment. This is why the Cash Peer Working Group (CPWG) has developed a 4 day scenario based Market Assessment and Analysis Training (MAAT) first piloted in Feb 2019 and a second pilot planned later this year, we will be encouraging those people and roles to take part in this training to really build up their knowledge and skills in this area. The MAAT is training to be part of market assessment team. Market Assessment is a complex and important part of our work and requires sufficient time to learn the skills.

MODULE 2.ASSESSMENT, DESIGN & PLANNING



- In this module:
 - 2.1 Assessment overview, Finance and ICT
 - **2.2 Market Assessment**
 - 2.3 Cash Pipeline & Financial Flows
 - 2.4 Response Analysis
 - 2.5 Mechanism Selection

WHAT IS A MARKET?

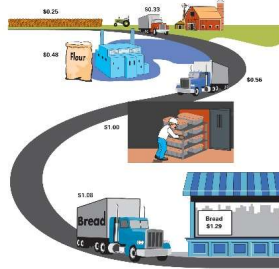
- The **market place**: A physical (or virtual) location where people buy and sell goods or services
- The **market system**: Not just a physical place where goods are sold; a market system includes the whole supply chain from producers to consumers and the factors that influence them
- Market **environment**
- Market **chains**
- Market **infrastructures and services**



- (1) Market is not only a place where goods & services are sold
- (2) The market system or supply chain is more complex and contains many actors
- (3) Highlight that when we do consider/analyse the markets, we usually have to take into account 3 main aspects: Geographical (location and net / commodities flow), Structural (System: Environment/Chain/Infrastructures) and the commodity/service (i.e. the rice market).
- (4) Say we can also refer to a product or a service: rice market, seeds market, etc.

MARKET SYSTEM VS MARKET PLACE

A Supply Chain for Bread



2



If you have more time you can unhide this slide



3min video on RCM Markets

We haven't systematically conducted market assessments and it is still often seen as necessary for cash but not for in-kind goods when in fact it should be conducted for every operation whilst we are still doing the long list of assistance options and to help us make a decision for the plan of action

KEY MARKET FEATURES

Market Integration

- Are markets able to meet the demand?
- Condition: Commodities flow between markets (from surplus to deficit areas)
- Indicator: Prices in different locations move with similar patterns

Competitiveness

- Competition depends on the existence of a sufficient number of traders so that no single individual or enterprise dominates the market.
- We need to understand:
 - Number, size and specialization of traders
 - Market entry difficulties faced by market actors



Market integration is an indicator of the extent to which markets are able to meet demand. The two most important conditions for markets to be integrated are: i) that commodities flow between markets, from surplus to deficit areas; and ii) that prices in different locations move with similar patterns. Guidance on how to calculate market integration is available on: www.wfp.org/content/market-analysis-tool-market-integration

A simplified condition for market competition is that there are at least 5-10 major wholesaler / traders in each village (WFP criteria)

See the RCM MAG page 15

Refer to the CiE toolkit for other tools and we will talk more about tools later – if questions about tools start here ask people to hold on until we get to those slides



Hidden due to time constraints but the facilitator can make a call depending on time availability

MARKET ASSESSMENT AND ANALYSIS



Objective: Assess market (including upstream), infrastructure, players, and beneficiary access for viable program approaches

R & A:

C:

I:

The purpose is an introduction to market assessment and analysis specifically from the view point of support services. Not expecting you to be able to go out and run a market analysis following this, there are other trainings that will provide the technical skills and knowledge for that building on your understanding of what this is and where your function and role fits into the activity.

Note to the participants that retail market isn't standard RCM terminology but refers to the type of suppliers that provide food and non-food items

SUPPLY AND DEMAND



We define, **demand** as focusing on the **beneficiary perspective and their requirements of the market** (needs). This is built around and driven by the community assessment, which looks at beneficiary preference and acceptance, access to markets and cash, as well as important commodities and critical markets. This analysis provides the demand information for the market report as well as generating the scope for the supply side of the market assessment.

Supply side focuses on the **suppliers' perspective and needs of the market**. For logistics the market is considered as having 3 interlinked levels.

RETAIL, SUPPLIER AND SUPPLY CHAIN MARKETS



At the downstream end, we are looking at the local markets within the area of operation, which are accessed by the community (including our target population) on a daily basis for livelihood and basic needs, we refer to this as the **retail market**.

As we **move upstream**, we start to look at the wider picture of markets that supply the retail market, this includes **national suppliers (producers, manufacturers, wholesalers and retailers)**, we refer to this as the **supplier market**.

Further **upstream** we look at the regional suppliers in **neighboring countries and potentially global suppliers** (depending on contexts and on products), this is what we refer to as the **supply chain market**. This market feeds the supplier market.

MARKET ASSESSMENT



ACTIVITIES

- Supply market assessment
- Demand market assessment
- Map markets
- Initial identification / mapping of potential service providers / suppliers
- Risk Identification

PREPAREDNESS

- Baseline Assessment
- Baseline Risk Identification

Baseline – Prices – Mapping –

Use this side to as a recap the discussions on the previous two slides . Ask if there is anything missing or you don't agree with.

Don't get into details on risk identification – remind participants we have session on this in module 3

People often focus on inflation as the biggest risk, when evidence shows that this is unlikely or is very short term. Generally our interventions are small compared to the overall population using the market and the targeted population have the least purchasing power to start with. This may change as our programs and those of other agencies scale up. This (size of intervention) is also a factor in whether to do a light touch or in-depth market assessment, if scale and hence inflation is an issue we need to do a more thorough market assessment – we will cover more on this later. The point being if people are too hung up on inflation as a risk they might not focus on other more critical risks.

LIGHT TOUCH VS IN-DEPTH ASSESSMENTS

Light Touch

- Often look at Market places and their ability to support our programme needs
- Still need to look at markets system that feeds the market place but less in depth.
- Look at simpler systems or where it is though there are less actors in a system.
- Much quicker, cheaper and simpler to conduct.

In-depth

- Look at market systems and how they are functioning from end to end.
- Help to guide programme decisions beyond basic needs and support other kinds of market interventions.
- Often look at more complex systems
- Require significant time, people and resources

We often perform the light touch market assessments ourselves, whilst getting an external expert/consultant to lead the more complex and in-depth assessments.

There is a question as to whether the RAM/MAG really can assess very complex markets

Light touch – RAM 3-5 commodities 3-5 days (additional 2 days if people need to be trained) often used for basic needs

In depth – MAG /EMMA 1 commodity, 2 weeks with an experienced team often used for sectoral goods e.g. CGI

TOOLS OVERVIEW

COMPARATIVE OVERVIEW OF GUIDANCE DOCUMENTS AND TOOLS							
METHODOLOGICAL FACTORS	PCMA	RAM	MAG	EMMA	VAM	MIFIRA	MARKit
INCLUDES DATA COLLECTION FORMS		✓			✓		✓
INCLUDES MONITORING FORMS		✓					✓
INCLUDES INFORMATION ON RESPONSE OPTIONS		✓	✓	✓		✓	
INCLUDES GUIDANCE ON REPORTING	✓	✓	✓	✓			
		Light touch	In depth tool kits		Light touch tool kits		

This table is a summary of key Market Assessment tools available, some of which are external to the Movement

The PCMA or Pre-Crisis Market Analysis is not a toolkit but guidance on how to conduct a pre-crisis baseline of a market. It is most suited in situations where there are cyclical or predictable crises.

Rapid Assessment of Markets (RAM) is typically used in Emergency response (post sudden on-set) when a quick response often focussed on basics needs is required

Market Analysis Guidance (MAG)

Emergency Market Mapping Analysis (EMMA)

Vulnerability Analysis and Mapping (VAM) WFP track food security trends in real-time, providing high-frequency data that supports humanitarian decision-making. Data collection methods are tailored to the needs of each country)

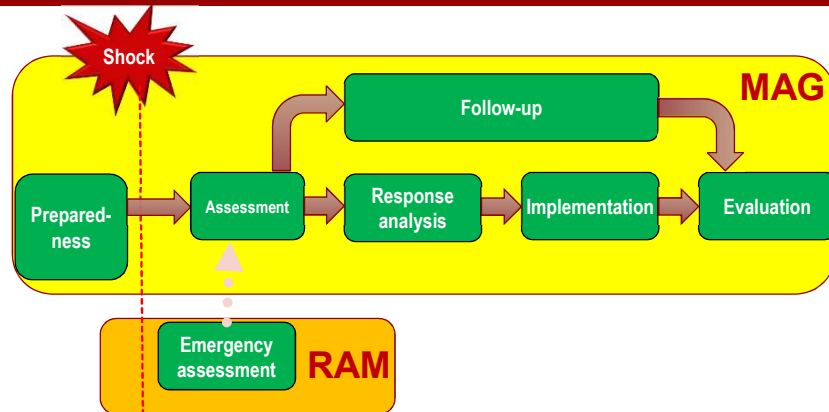
Market Information and Food Insecurity Response Analysis (MIFIRA)

Price Monitoring, Analysis and Response Kit (MARKit)

They generally use the same principles and approaches RAM AND EMMA are the

most widely used across the humanitarian sector

MARKET ANALYSIS IN THE PROJECT CYCLE



Depending on time you can unhide this slide for further discussion – remembre the session is a taster and more details will be covered in the MAAT

The diagram describes the normal project cycle and inserts the RAM and MAG to demonstrate where they fit into it. Emphasize that the RAM feeds into the response analysis process and is one component of this along with for example- National Society or organisational mandate.

Baseline useful or useless? Protracted crisis – long term drought or conflict ...

HOW DO WE SELECT A MARKET TO ASSESS AND ANALYSE?

- We analyze the critical markets at the commodity level and separately
- As an example: Food is not a market but a collection of items from which we need to select one to assess.
- This is often done through working out the Minimum Expenditure Basket (MEB) or Contents of a Food or Non Food baskets for critical essential items.
- The following example shows a MEB that was conducted in Jordan.

Program will define the critical markets

For shelter response a critical market would be CGI or Bamboo as these are more complex and more expensive, handtools or fixings would not be a critical market.

For food it would be the most important staple – rice, wheat, bread. This might also be season as well as affected by the crisis

MINIMUM EXPENDITURE BASKET (MEB)

Table 1: Full SMEB as of September 2017, Yemen

Item	Unit	Quantity*
Wheat flour, whole grain	Kg	75
Beans, kidney, all types	Kg	10
Oil, vegetable [WFP]	Kg	8
Sugar	Kg	2.5
Salt, iodised [WFP]	Kg	1
Water Trucking LTs of Water	LT	2520
Soap	g	1050
Washing powder, concentrated	KG	2
Disposable female sanitary napkins	Pack of 10 pads	2
Cooking Fuel	LT	20
Transport Cost to Market	Lumpsum	1

* All Quantities are for Households of 7 for one month

THIS IS QUANTITIES NOT PRICES OF ITEMS. Program will define the MEB

“Food” is not a market system – too broad with different environment / actors / services. The SMEB is a very controversial term. The MEB as well as being used to set the grant value helps identify the critical markets we would want to analysis. We wouldn’t want to look at all of them. For light touch (e.g.) RAM we might want to look at 5 (food and NFI) within one analysis. For an in-depth (e.g. EMMA) each analyse would cover one critical market but assuming we have the resources but ideally do 3 in-depths to be representative (e.g. wheat, beans, water or fuel)

We might not cover the whole MEB. Where people have income to cover 50% we cover the remaining gap. Likewise if WFP is contributing to the food we could cover the non-food items

How do you find a price? Statistical analysis, you would ask many people in the community assessment, proportional amount of income, look at prices pre and post shock, look at prices in different areas to give an indication of market integration.

Finance often does a similar process for per diem and salary top up caluations

MINIMUM EXPENDITURE BASKET (MEB)

6. GAP ANALYSIS

The following is the calculation used to estimate the difference between expenditure and income.

TOTAL MEB – 100%

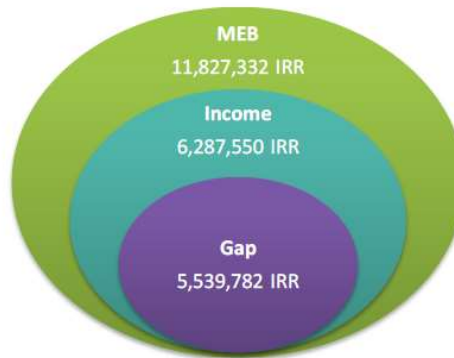
What a household requires in order to meet basic needs – on a regular basis – and its average expenses over time

INCOME – 53%

The extent to which a household can meet their basic needs through existing levels of income, savings and other support.

GAP – 47%

The unmet regular needs of a household – often compensated for through negative coping mechanisms.



Only cover if time. Support services just need to understand the term and the concept they won't have to do this

Cash Cap Iran Cash Working Group (CWG)

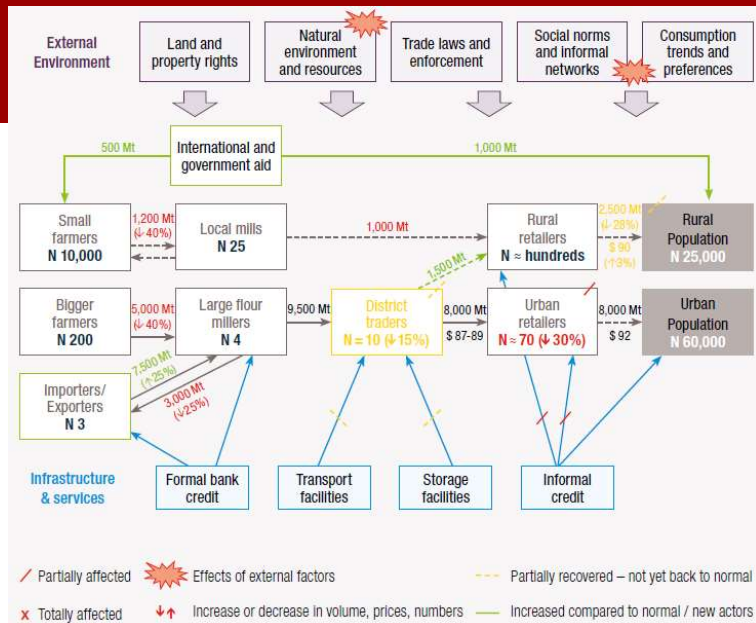
Minimum Expenditure Basket (MEB)

(Specific to vulnerable Afghans¹)

Guidance Document²

Final – December 2017

MARKET MAPPING...



“A market system is sometimes referred to as a value chain. However, a value chain is more narrow as generally focussed only on actors (the middle section of the market map).

Focus on the three types of information: external environment; actors; infrastructure & services. The boxes can be changed (e.g. land and property rights to labour laws) or can be removed (e.g. government/international aid is not applicable or mills if you aren’t analysing a food item that needs processing). Focus on the three types of information that is applicable to your map.

The market maps we are going to see are a product of the EMMA, we wouldn’t do this is a light touch assessment (e.g. the RAM) where the output is a report and decision tree to do cash or not.

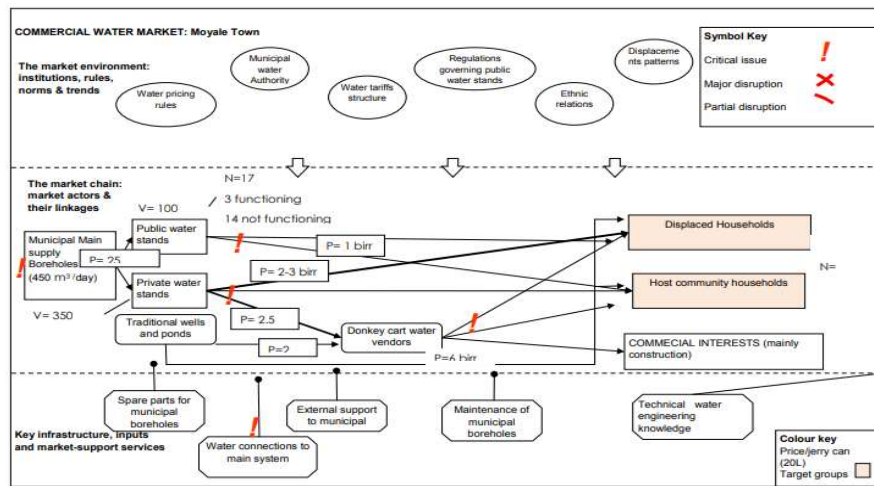
Labour market assessments are really starting to get into a need to have economic skills. LMA and rental markets are super difficult to set the scope even if we pick an in-depth tool. (shelter cluster looking at tools for rental market assessment, Health cluster doing similar for themselves).

Shelter/labour markets are really stretching us to capacity.

There are limitation of the maps (you don't always know number of traders $N = ?$, don't use averages in the costs because you might not have a representative sample (use a range USD 1 – 5)

Timeframe/costs for in-depth 3 days for training team (if needed) + 3 days strategy, planning, questionnaire + 10 days data collection + 2 days for report and map. USD30-40k. With 5 people you could cover one critical market system.

COMMERCIAL WATER MARKET MAP



Use only if you have time. There will be much more chance on the MAAT to look at many different markets

OTHER RESOURCES

- There are a lot of resources already out there below are a few places that have a lot of information for us ready to use.
- <http://fews.net/> this is the famine early warning systems network and so will focus on food items.
- <http://www.cashlearning.org/resources/library> CaLP library which has a good search function.
- <https://www.emma-toolkit.org/> including the reports page <https://www.emma-toolkit.org/reports> which allows you to search for existing maps.

Message is that there are lots of resources already available, on-line and also at the country level (CWG, Logs Cluster etc.) do a secondary data search before you start mapping, we don't always have to do it ourselves.

TASK 1: MARKET MAPPING



Please draw, as much as possible given the information available, a picture of the market.

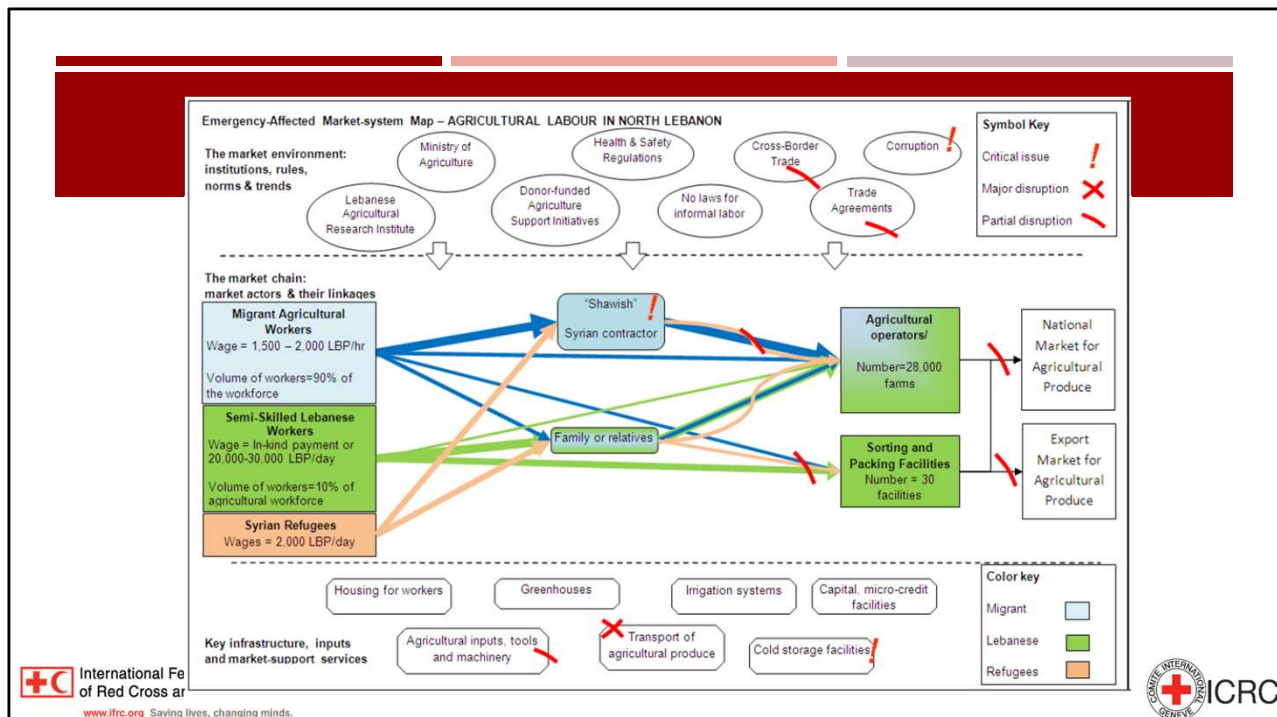
TIME:

- Group Work: 30 minutes
- Feed-back: 15 minutes

Email the Emma -

GROUPS

Group 1	Group 2	Group 3	Group 4



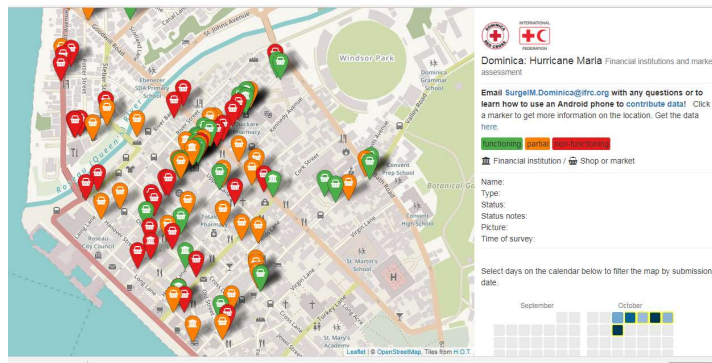
One group to present and the others to only share their differences.

Can use control-F to find the information in the 20 page case study – if it was any shorter it would only be the answers which wouldn't be much of a task!! In the field you are going to have to find the information from different sources.

The infrastructure aspects are the opportunities for market based or market support interventions.

Can replace the case study and example with a regional one

FSP MAPPING – DOMINICAN REPUBLIC

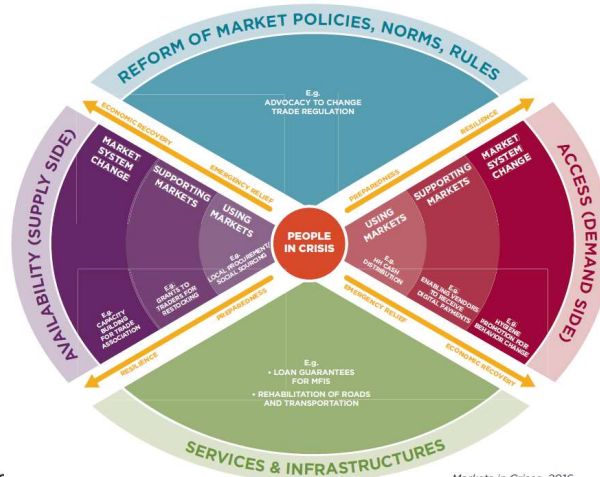


Only show if time.

This is a mapping exercise that was done after the hurricane in the Caribbean. Shows functioning, partial functioning and non-functioning FSPs

If your internet is functioning well – also click on the link and show them this site that is run by the Gates Foundation and has mapped various countries with mobile and financial services and their status.

DIFFERENT TYPES OF MARKET INTERVENTIONS



This is just a very quick set of slides so that we can show you what else we can do when we look at markets.

The purpose of this session was just as an introduction to Markets. And in this exercise we have only looked at “using markets” on the supply and demand side of the diagram. But there are lots of ways we can use markets.

MARKET-BASED INTERVENTIONS

Market based responses work through local markets and aim to give greater flexibility and choice to program participants are any programmatic responses that employ existing market places to meet the needs of an affected population.



SOURCE: CRS

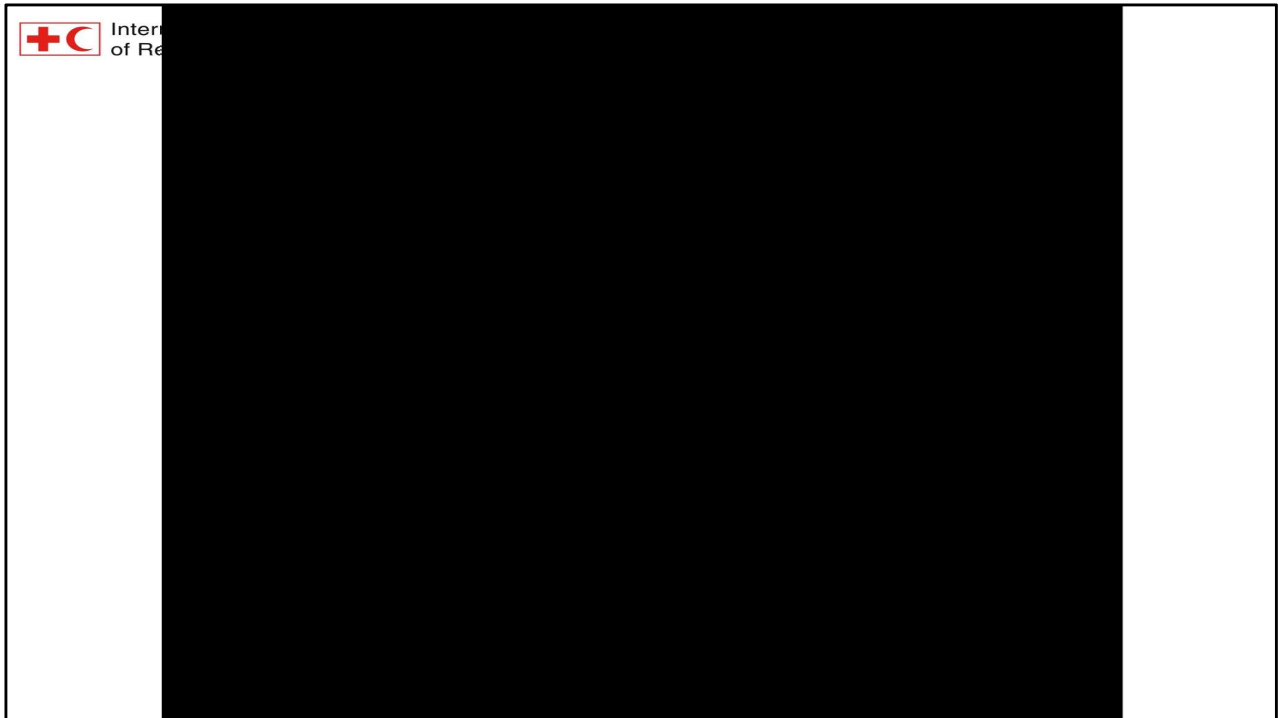
ALTERNATES: Market-Based Response



International Federation
of Red Cross and Red Crescent Societies
www.ifrc.org Saving lives, changing minds.



ICRC



3 mins strengthening markets video

SHOW ONLY IF YOU HAVE TIME

KEY TAKEAWAYS

- The market system includes supply and demand the whole supply chain from producers to consumers and the factors that influence them
- The structure of the market and number of players can impact its stability
- The Macro Retail Market Assessment provides insight into market dynamics and attempts to track commodities to their sources/producers
- The Micro Retail Market Assessment enables the next step of looking at the capacities of individual entities



SLI.DO

- Go to Sli.do for the session recap