OPERATIONAL GUIDANCE AND TOOLKIT FOR MULTIPURPOSE CASH GRANTS

Needs Assessment: Market Situation Analysis

What It Is

Remember that Needs, Capacities and Risks Assessments are increasingly looking at how crisis affects markets and infrastructure in terms of the provision of essential goods and services (Box 2). This “quick look” at markets does not replace the more in-depth assessment required to finalise the MPG design. Rather it will provide you with:

- The “types” of markets for goods and services which cannot be considered for cash assistance.
- An overview of which markets are functioning sufficiently well at this point in time.
- A selection of markets which will need further assessment and analysis.
- Mapping of key market-information sources.

Essential Checklist

Look at markets for goods and services before the crisis. Was there a vibrant market system of goods and services? Were they easily accessible and did people use them regularly? Were goods-markets well integrated, meaning that prices fluctuated normally according to season, and prices and supply were more or less similar across the affected area?

Describe how the crisis has affected markets for goods and services. Are shops and businesses open and functioning? Can they meet demand? If not, why not? Was essential infrastructure (roads, ports, warehouses, marketplaces) affected by the crisis? Since the crisis, can people easily access markets for goods and services?

Predict the supply of essential goods and services in the coming weeks. Look at interventions by government and other humanitarian agencies that might positively or negatively affect supply chains. Are there other predictable events that will affect supply, e.g. fuel price increases, seasonal access, etc.?

Identify additional allies and interventions that can have a quick and important impact on market recovery. Allies might include government and private sector. Interventions might include complementary market-support activities such as infrastructure rehabilitation, policy interventions such as subsidies, or grants/loans to traders that will help markets get back on their feet.

Identify additional market analysis needed to inform the design of CBIs, not least an MPG. Is there uncertainty about specific goods and services markets? Decide which ones need to be looked at from a marketplace or market systems perspective (Box 1).

BOX 1. MARKETPLACES AND MARKET SYSTEMS

Marketplace Analysis is more rapid and seeks to identify whether and how a marketplace can supply or deliver the goods/services that will be in demand. It focuses on the consumer end of the market chain. Can people find what they want in the right quantities and qualities?

Market Systems Analysis uses a systems approach to rapidly map out some of the key social, political, economic, cultural and physical factors affecting how a market operates. It is used when there is uncertainty about supply and when supply chains are complicated, such as for rental markets or water trucking. Can suppliers provide what people need in the right quantities and qualities?
Do No Harm/Do More Good

- Different people interact differently with markets. Use an age, gender and diversity lens.
- Analyse security risks for beneficiaries en route to/from and at the market.
- Are there certain times of the year when the market(s) become more difficult to access? Why? Which households/individuals are most affected?
- Analyse restrictions on movement, including who is affected and how their movement is restricted.
- Analyse market systems related to protection, e.g. alternative care, health, legal services, transport, education, birth registration. Consider whether supply can meet demand in those markets.

RESOURCES

Pre-crisis market performance: Pre-Crisis Market Mapping and Analysis, WFP Market Assessments, Emergency Market and Mapping Assessments, Logistics Capacity Assessments, Economist Intelligence Unit, government and private sources of market information, e.g. Chamber of Commerce

Crisis market assessment tools: Minimum Requirements for Market Analysis in Emergencies (CaLP), EMMA guidelines and Rapid Market Assessment (RAM) (IFRC)

Supply chain, global market monitors for specific commodities: e.g. FEWSNET, WFP and FAO

BOX 2. MARKET QUESTIONS IN THE MULTI-SECTOR INITIAL RAPID ASSESSMENT (MIRA)

Drivers of crisis:
What secondary effects occurred as a result of primary effects, e.g. fires ignited as a result of earthquakes, disruption of electrical power and water services as a result of an earthquake damaging power plants, flooding caused by a landslide into a lake or river, population displacements, crop failure or market disruption?

Conditions, status and risks:
How has the crisis affected the population’s access to, availability and use of basic services and goods?
What is the degree of access to markets, health services and safe water? What is the availability of staple food and non-food items in local markets?

Response capacity:
What are the existing response capacities of national/sub-national, community, private sector, non-governmental and government entities, markets and financial service providers, etc.? Are there alternatives to the direct provision of assistance, e.g. financial service providers? Is the provided assistance having negative consequences (e.g. price inflation, markets’ ability to recover)?

Humanitarian access:
Have restrictions on affected populations’ access to services, markets and assistance been observed? How many affected people are unable to access markets or assistance, in total and per group? Are specific population groups unable to access assistance?