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What does market-based programming look like in the age of COVID-19?



Markets in Crisis Community of Practice

All blogs

Key takeaways from an online discussion series hosted by the Markets in Crisis Community of Practice (MiC)

MiC recently hosted a six week online discussion series on market-based programming (MBP) in the age of COVID covering four main topics - all in light of the COVID crisis:

- > understanding markets
- > designing market interventions
- > getting buy-in for market-based programming
- > protection and markets

The discussion series attracted close to 100 posts from over 50 contributors; and over the course of the event, welcomed 164 new members to MiC.

You're welcome to [join MiC and view the discussion](#). This blog provides a recap of the most significant insights from the discussion.

#UnderstandingtheProblem

COVID is a health crisis that is now spilling into economic and social systems. The protection of economic actors and consumers is essential to keep people healthy so that they can participate in the economy as suppliers and buyers. At the early

stages of the pandemic, there was a widespread assumption that strategies employed and promoted by the WHO for the Global North should be replicated in fragile states.

The experience of the past six months has been the most rapid and widest-reaching educational program for anyone seeking to understand the impacts of the crisis on systems. Development actors, particularly market systems development specialists, have been forced into thinking about crisis response, recovery and resilience-building as this crisis has affected the sphere in which they work.

We have witnessed an appreciation of the need for temporary support and collaboration with public and private sector actors to leverage scale; the immediate need to build back better; and rapid innovations in practice to adapt systems to meet changing needs. What might this mean for navigating the nexus of humanitarian aid and market-based programming, and building preparedness and resilience going forward?

#marketsadapting

We explored how markets are adapting independently of humanitarian interventions. In some countries **new input supply services** are being delivered direct to farm gates and paid for by mobile money. In Ethiopia, some farmers are benefiting from restrictions on imports and experiencing a boost in local demand for local produce. In other parts of the world, farmers are finding **ways to access new markets and restructure their businesses** in order to **build resilience** to future crises.

Financial service providers are going digital and adapting products by delaying or reducing overall payments. Similar approaches are being considered by non-bank lenders such as **PAYGo energy companies**. Across the world, informal and formal businesses are shifting to the production of protective personal equipment (PPE), and some are using technological advancement in 3D printing to support rapid equipment manufacture of critical ventilation equipment. There is a delicate balance between a need for increased production and accessibility of health products and WASH facilities and ensuring the quality of production.

#marketanalysis

We asked what challenges and new approaches market facilitators were applying to analyze markets. Many agencies are relying on phone surveys with resources from the **EMMA Toolkit**, the **Poverty Action Lab** and **60 Decibels**; and the **new MARKit tool** (version 2.0) has an updated section on remote data collection. Key concerns relate to reaching informal, smaller, businesses and how to finance market analysis to monitor rapidly changing environments.

#targetgroups

We asked what 'vulnerability' means in the time of COVID - and the question turned into an animated debate. To varying degrees, recent experience demonstrates that everyone is vulnerable to the health and economic impacts of the pandemic. From an economic perspective, groups and populations that had not been targeted by previous interventions must now be considered.

Most market actors have been affected by the pandemic; some have been able to pivot quickly and adapt and even thrive. Rural communities may be less vulnerable than urban populations during this pandemic which may, looking forward, give rise to a growth in rural economies. Participants considered whether market-based programming should focus less on vulnerability and instead on reducing risk factors, primarily: (i) disease transmission; and (ii) collapse of livelihoods.

#urbanmarkets

The health crisis has exposed a gap in support for semi-permanent urban populations. While some countries have established rural safety nets, there are fewer social protection mechanisms for urban populations - and less structured responses to support them. Limited interventions to encourage economic migrants to remain in urban areas has resulted in the flight to rural areas where harvesting is still an income opportunity. Economic migration back to rural areas carries stigma, and the potential for a lagged wave of the virus in rural areas.

Urban WASH provision is a concern. In Kenya, for example, seasonal rains are causing price hikes and concerns about water access. Households are struggling to pay their water fees, which may have a knock-on effect to infrastructure operations and maintenance. In South Africa, civil society organizations within informal settlements are monitoring the functionality and access of WASH services, allowing for more rapid targeting of WASH interventions compared to a public utility acting on its own.

#campmarkets

Recent analyses suggest that the impact of the pandemic on markets is more acute in IDP or refugee camp settings. Market linkages are struggling and there is a dependency on in-situ markets due to movement restrictions. However, access to information may be better in camps and the populations better informed of COVID effects due to well-established information mechanisms. As a result, residents may be better equipped and/or willing to adapt.

Agencies have been providing coaching to support businesses to adapt products and services to reach their pre-existing and new clientele. Facilitation of businesses into groups - and aggregating local demand for inputs - has supported more effective negotiations with suppliers to continue delivering raw materials to the camps safely and less frequently. In Yangon and Mandalay, the waterways have now been adopted for transporting supplies!

#conflictmarkets

Some great questions were posed on market facilitation in conflict settings, but participant interactions were limited due to time constraints. How have market systems in conflict areas been further impacted by the pandemic? Has there been any impact analysis undertaken of recent large-scale market interventions implemented in Syria or South Sudan, for example?

#backtoinkind

Globally, there are more than **300 new government-led social transfer programs** initiated since the start of the crisis. As movement restrictions and distancing measures were imposed in many crisis contexts, remote cash delivery emerged as safer and more feasible than in-kind distributions. As the crippling economic impacts of the crisis start to bite, we know that MBP is the only way to save lives and protect livelihoods at scale. IRC has estimated an additional \$1.7 billion in cash transfers are needed to meet the acute hunger needs caused by the crisis.

However, there are still instances where donors and humanitarian actors, citing concerns about market volatility or simply rushing to respond through tried and tested means, are prioritizing in-kind and NGOs have struggled to find funding for market-based programs. In these challenging operating environments, there seems to be a reversion to our humanitarian instinct to “solve the problem” rather than spend a bit more time facilitating a better solution. One respondent noted how in-kind was considered ‘safer’ without mentioning the risks to workers required to import, package, and hand-deliver food parcels to households, or the immense cost of this process, or the income loss of direct distributions.

We need to remember that the humanitarian system itself is evolving and no one was prepared for COVID-19. Unfortunately, those organizations only recently venturing into using market-based approaches are reverting to what they know best, in-kind or direct aid, given the constraints on organizations, their movement of personnel, and uncertainty of future supply from local markets. However, organizations with their historic use of market-based approaches and their understanding of local systems are attempting to continue to use the approach.

During COVID-19 we are seeing cash and voucher assistance (CVA) programs in sectors and organizations with confidence and historical learning and a reversion to in-kind in those just starting to experiment with MBP. Confidence of delivery in fragile and uncertain environments is challenging and procuring stock safeguard against the unknowns that COVID-19 is throwing at humanitarians, not just in terms of the disease itself but amidst global operational constraints it has hurled the humanitarian sector into. There is a need to find a balance on modality choice and assuring the protection of affected populations.

#gettingbuyin

Getting buy-in from stakeholders is imperative. Participants identified key stakeholders and messages to support market-based programming during the pandemic. These include donors, community partners & participants, local/national governments, the private sector and internal staff within their own organizations. Critical requests centered around a greater risk appetite from donors, not assuming consumer needs without engaging them, including market actors in government recovery planning, building private sector contingency plans and allowing representation from informal as well as gig workers, small businesses and unions.

#protection

Inclusivity and protection are key concerns of those employing MBP programs. Identifying the point in the system to leverage - to address inclusivity and protection constraints - is fundamental to increasing access to markets by marginalized groups. A great [example of gender exclusion comes from Georgia](#), where women collect milk to sell to cheese factories. With limited access to participation in municipal decisions, women saw insufficient investments in water infrastructure. As a result, their milk was unhygienic, and the cheese quality was poor. Once lobbying and advocacy for increased women's civic participation picked up, the cheese market system began to flourish to ensure business continuity and job retention, particularly for female employees.

We hope these insights will support your work in strengthening markets during and after the pandemic for more resilient households and communities in fragile and conflict-affected areas.

Stakeholders are welcome to [\(re\)visit the discussion board](#) and continue the conversation on market-based programming in the age of COVID, and [register now](#) to join a dynamic agenda at #SEEP2020 under the Technical Stream, [The Nexus Imperative for Market-Based Programming](#).

The online discussion series was facilitated and hosted by the Markets in Crises Community of Practice, in collaboration with Catholic Relief Services, the International Rescue Committee, Mercy Corps, and the SEEP

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