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From emergency response to market development - the CRS approach to MSD



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In recognition that our work across the Humanitarian-Development-Peace Nexus can affect local markets, we are rolling out a tailored approach to MSD.

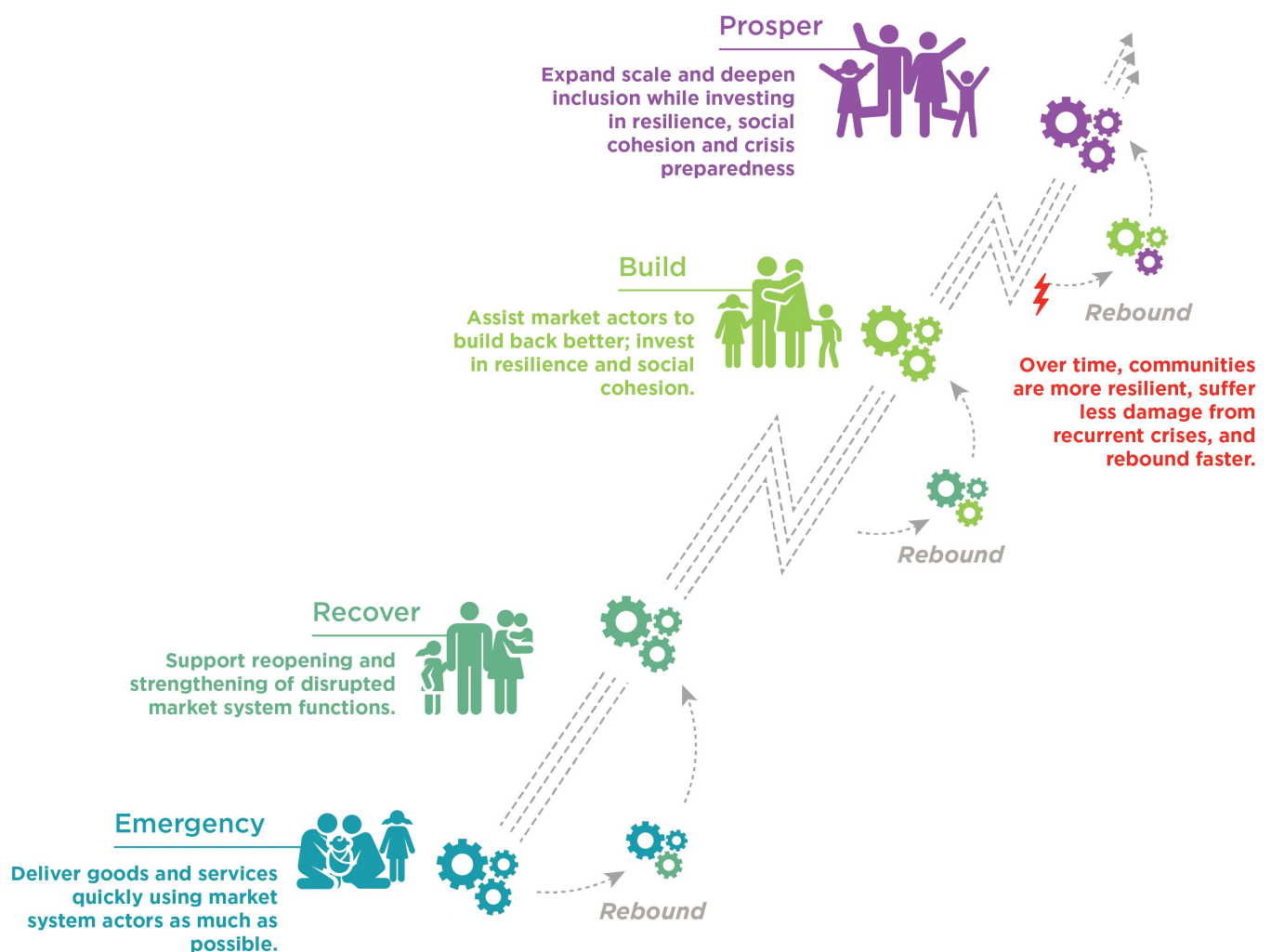
We are at a challenging moment in time with climate change, conflict, and natural disasters affecting and displacing more people than ever. This unprecedented rise in humanitarian need means that the gap between requirements and resources is the widest ever, exceeding \$40 billion in 2023.

Catholic Relief Services (CRS) sees potential for leveraging market systems to bridge this gap. We outline this in [The CRS approach to Market Systems Development for scale, inclusion, resilience, environmental stewardship and social cohesion](#). Our ambition is to catalyse transformational change at scale to open a 'pathway to prosperity' for people affected by humanitarian crises. This is how we are integrating MSD in our humanitarian work.

Like many other agencies, we found that catalytic impact is achieved when we partner with system actors, rather than deliver goods and services directly, to leverage investment and innovation and influence markets to become more inclusive and resilient. We know from experience that how we work with partners differs between crisis, recovery, and stable contexts:

- › In emergencies, time matters and many potential local partners may be affected. It may still be important to work with partners as much as possible, but clearly this is not the time for lengthy designs and negotiations. We recommend establishing anticipatory relationships with market actors, so that crisis response is as locally led as possible.
- › In a recovery phase, when most urgent needs have been met and partners have the time and energy to look forwards, collaborations can be about putting the basics back in place and getting services up and running again.
- › Other objectives, focused on building back better, such as creating more resilience, inclusion, environmental stewardship and social cohesion - all priorities for CRS - follow when recovery transitions into longer-term, systemic development.

We see a pathway here: a pathway to prosperity. But we were in search of a process to guide CRS' work along this pathway. We believe that a ('our') tailored approach to MSD articulates that process.



What does the CRS approach to MSD entail?

1. Inclusive systems that work for all

CRS has extensive experience putting local people at the centre of strategies when designing and implementing programmes to strengthen or influence local organisations and systems. This is especially the case for public and religious systems. These systems often overlap or intersect with market systems.

In its tailored approach to MSD, CRS continues to put local people at the centre of every strategy. In our view, market systems can be 'hybrid' in nature, including products and services that are offered on a full-fee basis as well as a subsidised basis, particularly for the most disadvantaged. For example, public health systems intersect with the market-led provision of health services and products.

2. Maintaining a system perspective from emergency to recovery and beyond

Crises require immediate measures. However, if emergency responses are informed by a vision of how a system should work longer-term, they are more able to function as stepping stones towards systemic, inclusive development. CRS does not pack up after an emergency - on the contrary, we want to see vulnerable communities through emergency and recovery situations until they can embark on resilient pathways to prosperity. We see our longer-term, in-country presence as a strength. We use this to develop visions and strategies for regions facing chronic or recurrent crises to guide our activities.

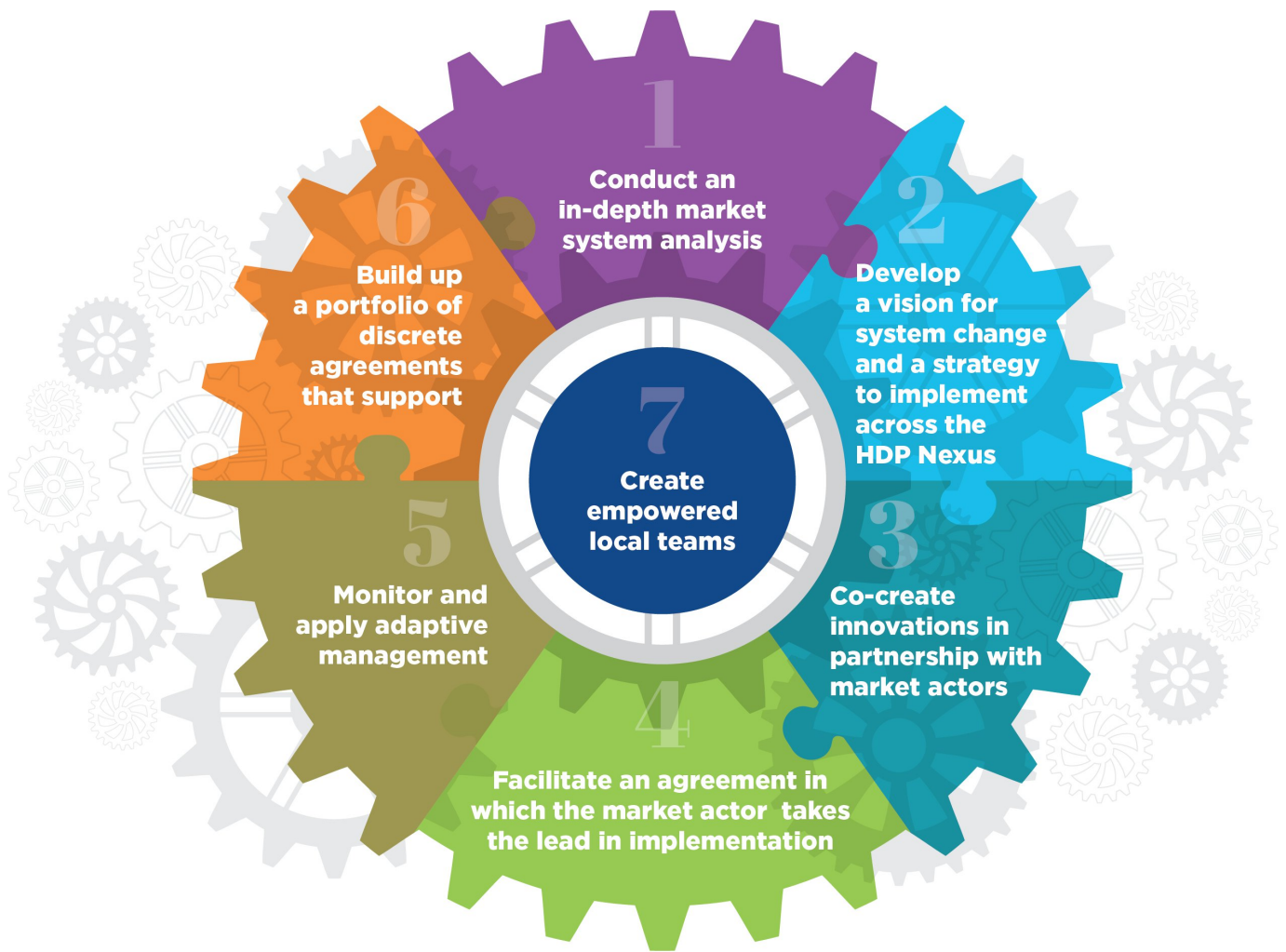
For example, if seed companies - crucial for thriving local agriculture - are impacted by a crisis enveloping the region, we intend to work with them:

- > in the emergency (e.g. in seed distribution)
- > during recovery (supporting them to restart their business)
- > in development (helping them improve their business model, making it more resilient and inclusive)

3. Adhering to the seven good practices of MSD

As an organisation working in over 100 countries, we understand the importance of tailoring our efforts to the context and sectors. At the same time, we recognise that having a common process and set of practices for strengthening market systems is necessary to create coherent country programme strategies, increase programme effectiveness, and facilitate collaboration across teams.

Organising our work around these good practices has been instrumental in rolling out this approach consistently to country programmes operating in different contexts, geographies and sectors.



How it is working in practice

In Indonesia we have a long history of disaster response work, specifically for tsunamis, earthquakes and flooding. We have established relationships with disaster-coordinating bodies, government agencies and humanitarian organisations. This allows us to effectively coordinate and collaborate in times of crisis. Unfortunately, the risks faced by households are increasing, making them more vulnerable to disasters.

To address this, we have implemented the MSD approach to guide our interventions. Through market assessments, we have discovered that low-income households tend to make incremental investments in improving their housing. However, there are gaps in information and knowledge regarding disaster-resilient building practices. To bridge this gap we are working with partners, including a finance company, offering a housing renovation loan product to low-income households. This intervention will embed information on disaster-resilient building practices throughout the entire loan process, ensuring that housing improvements include resilience to wind damage and flooding.

The right thing to do

Experience has shown that providing goods, services and opportunities directly to people will almost never result in transformational change and sustained outcomes.

Of course, direct delivery is sometimes necessary to save lives, as in the case of humanitarian crises. However, it is rare that one-time resource transfers and training are enough to make a difference that lasts.

The design and rollout of CRS' tailored approach to MSD signifies a recognition that our presence and activities affect the market and the people in these markets we aim to serve. We intend that our involvement in local systems is additive versus unintentionally distortionary or contributing to dependencies.

Given CRS' historical commitment to do no harm, we realise that we MUST develop and maintain a systems perspective and approach in all circumstances.

- Find out more in our new report: [The CRS approach to MSD for scale, inclusion, resilience, environmental stewardship and social cohesion](#)