

Revised PRE-CRISIS MARKET ANALYSIS (PCMA)

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This is the revised Pre-Crisis Market Analysis (PCMA) guidance and replaces the previous version. It was written by Helene Juillard (independent consultant) under the overall technical guidance and coordination of Emily Sloane (Emergency Markets Officer – the International Rescue Committee), with funding from USAID's Office of U.S. Foreign Disaster Assistance. It is a product of consultation with several agencies and more than 15 individuals across sectors and governance levels. It has benefited from the extensive experience shared by the members of the reference group who provided insights on specific technical areas at different stages of the process: Kassoum Ouattara (Catholic Relief Services), Marie Boulinaud (independent consultant), Jonathan Brass (International Federation of the Red Cross), Gregory Matthews (the International Rescue Committee), Jake Zarins and Sheldon Yoder (Habitat for Humanity), Carol Brady, Alexandre Gachoud, Jonathan Parkinson and Jo Zaremba (Oxfam), Jessica Saule (Save the Children) and Barbara Vanlogchem (World Food Programme).

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HOW TO USE THIS INTERACTIVE PDF



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ABBREVIATIONS

CaLP	Cash Learning Partnership
DRR	Disaster Risk Reduction
ECHO	European Commission – Humanitarian Aid and Civil Protection
EMMA	Emergency Market Mapping and Analysis toolkit
EFSL/FSL	Emergency/Food security and livelihoods
EWS	Early Warning System
FAO	Food and Agriculture Organization of the United Nations
FEWSNET	Famine Early Warning Systems Network
GEM	Gendered Enterprise and Markets
HEA	Household Economy Approach
IPC	Integrated Phase Classification for Food Security
M4P	Making Markets Work for the Poor
MAG	Market Assessment Guidance
MFP	Market Focal Point
MIRA	Multi-Cluster/Sector Initial Rapid Assessment
PCMA	Pre-Crisis Market Analysis
RAM	Rapid Assessment for Markets guidance
ToR	Terms of Reference
USAID	United States Agency for International Development
WASH	Water, Sanitation and Hygiene
WFP	United Nations World Food Programme



KEY TERMINOLOGIES

DEFINITION OF KEY TERMINOLOGIES USED IN THIS GUIDANCE

Competition Competition arises when there are a sufficient number of traders (sellers or buyers) vying with each other for business in a market, such that no single individual or enterprise dominates the market (see 'monopoly' and 'market power'). When there is effective competition, no one can set unfair prices on a good or service. This usually results in lower prices or better quality for consumers, or higher returns for producers and employees. Truly competitive markets also depend on traders being unable to collude among themselves to enforce a set price for goods.

Critical market systems The specific market systems that are most urgently relevant to the target population's needs. Essentially, those markets that have or could have a major role in meeting the essential needs of the target population.

Effective demand The quantity of a particular economic good, item or service that a group of buyers will want to purchase at a given price. Buyers' needs and desires must be accompanied by purchasing power to be considered effective in the analysis of demand. Where lack of money is a significant constraint for the target population, the immediate result of cash-based initiatives is usually to increase effective demand.

Elasticity of demand A measure of the sensitivity of the quantity of purchased goods to price changes. Goods on which people cut back sharply when prices rise or incomes are reduced (e.g. luxury items) have 'elastic demand'. Those that they continue to need and buy (e.g. staple foods) are said to have 'inelastic demand'. Goods in critical market systems usually fall into the second category.

Elasticity of supply A measure of the sensitivity of the quantity of goods supplied by producers or traders to price changes. Goods that can easily be supplied in greater quantities if prices rise have 'elastic supply'. Those that are difficult to quickly produce or import in greater volumes are said to have 'inelastic supply'. In emergency situations, elasticity is often unpredictable due to disruption of supply chains.

Gap analysis One of the tools used in the Emergency Market Mapping and Analysis (EMMA) toolkit to calculate the unmet critical needs of the target population.

Inflation A persistent increase in the average price level in the economy. Inflation occurs when prices in general increase over time. This does not mean that all prices necessarily increase or increase at the same rate, but only that average prices follow an upward trend. Rising prices can be caused by emergency-related factors, but they may also be an underlying feature of an inflationary economy.

Market Any formal or informal structure (not necessarily a physical space) in which buyers and sellers exchange goods, labor or services for cash or other goods. The word 'market' can simply mean the place in which goods or services are exchanged. Markets are sometimes defined by forces of supply and demand rather than geographical location, e.g. 'imported cereals make up 40% of the market'.

Market actors All the different individuals and enterprises involved in buying and selling in a market system, including producers, suppliers, traders, processors and consumers.

Market analysis The process of understanding the key features and characteristics of a market system, based on the data collected during the assessment, so that predictions can be made about how prices, availability and access will develop in future, and decisions made about whether or how to intervene. In practice, this term is often mistakenly used interchangeably with market assessment.



KEY TERMINOLOGIES

Market assessment In humanitarian settings, it refers to the process of collecting market-related data to understand the key features and characteristics of a market system or the impact a disaster could have on this market system.

Market-based programming Project that works through or supports local markets. It covers all types of engagement with market systems, from using them to deliver a relief intervention to proactively strengthening and developing local market systems.

Market baseline An analysis of a market system during a reference time. In PCMA, this reference time is usually the time when the assessment is conducted.

Market chain General term for a supply chain or a value chain – a sequence of market actors who buy, sell, or add value to a product or item as it moves from initial producer to final consumer.

Market Focal Point The person in charge of coordinating the PCMA activity from the preparation phase up till the use of the results in actual programming. The Market Focal Point is also the person who ensures that monitoring of key market indicators takes place and that the PCMA is updated when necessary. The position is primarily one of coordination and leadership rather than one of technical expertise and/or actual facilitation of the PCMA exercise.

Market integration A market system is integrated when linkages between local, regional and national market actors are working well. In an integrated market system, any imbalance of supply and demand in one area is compensated for by the relatively easy movement of goods from other nearby and regional markets.

Market map Critical information on the market system captured on a map. This includes market environment – institutions, rules, norms, and seasonal and historic trends in availability and prices; market chain – numbers of market actors, volumes they trade in, their linkages and power relations; key infrastructure inputs and market support services. It can also include information on the differential access and control of women and men on different parts of the market systems at different times, as consumers and as producers. A market map provides a snapshot of the market system at a certain point in time that will allow comparison with a second map created during a different period. In this guidance, the reference map (usually made at the time of the pre-crisis exercise) is compared with the crisis map (made when market systems are under stress).

Market monitoring The process of collecting information on pre-identified indicators on the functioning of the market system based on a time schedule (i.e. weekly, monthly, etc.) to feed into programmatic decision making.

Market power The ability of an enterprise, trader or other market actor to influence the price or supply of a good or service, or the way in which the market works (without losing their customers, suppliers or employees to their competitors). In an ideal, perfectly competitive market, market actors would have equal market power. However in the real world, barriers to entry, entrenched gender and social relations, collusion and other anti-competitive forms of conduct often enable some market actors to influence or dominate the way that the market works, for instance by negotiating favourable prices for themselves.

Market system A market system is a network of people, trading structures and rules that determine how a particular good or service is produced, accessed and exchanged. A market system is comprised of many market actors, buyers and sellers supported by infrastructure and services, and interacting within a trading environment shaped by institutions, rules or norms.



KEY TERMINOLOGIES

Market team Assessment and analysis team, potentially composed of a Market Focal Point, an Analysis Team Leader, Market Team Leaders and market team members. Each team leader directs market team members on the assessment of one or more specific critical market systems.

Monopoly A situation in which a single market actor or cartel controls all (or nearly all) of the market for a given type of product or service. This is an extreme form of market power. It can arise because of barriers that prevent other rival traders from competing; e.g. high entry costs, government regulation, coercion and/or corruption.

Multi-sector market analysis A coordinated approach to market analysis whereby a range of market systems are analysed through representative market systems, products or services so as to inform multi-sector responses.

Pre-crisis In this guidance, the term pre-crisis refers to the time before the onset of the emergency chosen as the crisis scenario by the agency implementing the market exercise. It refers to the time when the forecast disaster did not yet have an impact on the market systems.

Reference time A time when the crisis selected for the analysis is not actually occurring. It is recommended that the reference time be the actual time when you are carrying out the exercise, to make the data collection easier.

Representative market systems/products/services A set of market systems, products or services that display similar characteristics in the way people interact with, obtain and use them; the way they are supplied to the market; and the market services and enabling environment influencing their market access. During a multi-sector analysis, findings from the assessment of one of these market systems can be generalised to the others it represents, so as to give an overall picture of the functioning of the market in a certain area.

Response analysis The link between the situational analysis (comprised of needs assessment, market assessment and other contextual information) and programme design.

Value chain Mostly used in the development sector, there is no standard definition of what the term value chain means. Definitions can be activity-based, as in the World Bank's: 'The term value chain describes the full range of value-adding activities required to bring a product or service through the different phases of production, including procurement of raw materials and other inputs.' It can also be actor-based, as in the United Nations Industrial Development Organization's 'actors connected along a chain, producing, transforming, and bringing goods and services to end-consumers through a sequenced set of activities'. In practice, the terms value chain and market system often refer to the same thing, but market system can be more encompassing and will therefore be used throughout this guide.



Market day in Ngilima village, in the Democratic Republic of Congo. Niglima sits in the heart of LRA-occupied territory and residents here have suffered a series of devastating attacks over recent months by the LRA, spreading fear across the region. Photo: Simon Rawles/Oxfam



INTRODUCTION

PRE-CRISIS MARKET ANALYSIS (PCMA)

PCMA AND MARKET-BASED PROGRAMMING

Good practice standards, guidelines and evaluations all emphasise the importance of including markets in emergency situation and response analysis. While this approach has become more widely accepted by international organisations in recent years, market analysis is in practice primarily confined to post-emergency environments. Responses to slow- and rapid-onset disasters, either manmade or due to natural hazards, can all be rapidly accelerated and improved through a greater awareness of markets before, during and after the time a disaster strikes. In order to improve the timeliness and effectiveness of emergency responses, intervene earlier to protect livelihoods, and reduce the impact of market shocks, greater attention, effort and guidance is needed to incorporate market analysis into pre-emergency contingency planning, preparedness, disaster risk reduction (DRR) and early warning initiatives. This will ultimately contribute to resilience building.

Undertaking market analysis as part of preparedness has greater potential than simply providing a benchmark on the functionality of several critical market systems from 'reference' to 'post-shock' times. By understanding the capacity and constraints of critical market systems, the PCMA can not only improve preparedness and feed into contingency planning, but can also assist the design of responses that could mitigate the effects of a crisis. Such responses could accomplish this by strengthening markets, helping to support both access to basic needs and livelihoods so that they could, potentially, better withstand shocks. This can begin to address the long-term or 'chronic' nature of vulnerability and poverty in some areas.

As part of the situation and response analysis, PCMA can support the design of market-based programming. Such programming covers all types of engagement with market systems, from using them to deliver a relief intervention to proactively strengthening and developing local market systems. (See **Section 9.1** for more on market-based programming). Across the humanitarian sector, there is consensus that humanitarian responses should 'do no harm' to consumers and markets, and would ideally make use of local market systems when and where they are functional. There is also increasing agreement that humanitarian interventions should be market-based beyond being simply 'market sensitive', and should ultimately link with market strengthening and developing interventions.

PURPOSE AND SCOPE OF THIS GUIDE

This document provides guidance for practitioners on conducting market analysis **before the onset of an anticipated crisis** using an adaptation of existing post-crisis market assessment tools. Recommendations stemming from this analysis could be used to inform preparedness and DRR programming decision making as well as future emergency responses. This guidance focuses on markets, with the objective to improve programming. As with any humanitarian initiative, the core objective of PCMA is to increase the quality of interventions that benefit people vulnerable to crisis.

The PCMA guidance document does not cover market analysis after a shock when there is no existing baseline, nor is it appropriate for use in slow-onset emergencies when the impact of a hazard is imminent (for example, when Early Warning Systems are already saying that a drought is unfolding and will result in a food insecurity crisis). It covers the existing **income market systems** (i.e. the ones people access to gain an income from – production, labour, entrepreneurship) and expenditure market systems (i.e. the commodities and services people purchase) that are already part of people's livelihood and basic needs coverage, but not new market opportunities. This guidance can be used to support the analysis of **commodity- and service-related market systems across sectors**.



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PRE-CRISIS MARKET ANALYSIS (PCMA)

More specifically, the PCMA document provides guidance on how to:

- Prepare for a pre-crisis analysis: get organisational buy-in and encourage joint exercise; define the objectives; identify the crisis scenario; determine the scope of the assessment; select the market analysis tool to be used; and plan for the exercise.
- Conduct a market analysis to assess the extent to which marketplaces and specific market systems are functioning in a pre-crisis situation, using existing post-crisis tools – mainly EMMA and Rapid Assessment of Market (RAM), but also potentially the Market Assessment Guidance (MAG), the Oxfam 48-hour tool and the World Food Programme (WFP) trader survey.

BOX 1 PCMA AND LONG-TERM MARKET ANALYSIS TOOLKITS

The PCMA refers to market analysis toolkits used in emergency settings. It does not refer to longer-term approaches such as the GEM (Gendered Enterprise and Markets), the M4P¹ (Making Markets Work for the Poor) or the Client First! RMA² (Rapid Market Appraisal). There are similar features between the GEM, the M4P toolkit and EMMA, RAM and MAG: all are participatory, multi-stakeholder exercises that involve market system mapping as a central tool for analysis. They aim to analyse the relationships and power dynamics between market actors, and are not limited to prices and volumes.

The main differences between the toolkits are that the M4P looks only at income market systems, the GEM focuses on women's economic empowerment and applies a gender lens throughout the market analysis, and the RMA supports the design of agribusiness projects or agricultural production enterprises.

Specific linkages can be made when monitoring the market. From a process perspective, the same monitoring principles can be applied, and the results of the market monitoring in pre-crisis settings can be used to inform long-term market analysis and vice versa. Refer to **Section 11: Market monitoring** for more information.

- Use the results of the pre-crisis analysis to inform the design of appropriate preparedness, relief and recovery responses, considering a range of market-based interventions.
- Keep the analysis up to date by monitoring the markets and updating the crisis and reference maps.

TARGET AUDIENCE

This guidance is intended for humanitarian practitioners who are considering PCMA or are planning to carry out a PCMA exercise. It has been developed in such a way that it is accessible to non-market-specialist field practitioners across sectors (WASH, emergency/food security and livelihoods, shelter, education, etc.) with existing assessment and analytical skills. These practitioners should have an interest in developing an understanding of what a PCMA is and how it can inform interventions. This guidance can also help practitioners with experience in post-crisis market analysis to understand how to adapt the tools they are familiar with to a pre-crisis context.



INTRODUCTION

PRE-CRISIS MARKET ANALYSIS (PCMA)

The guidance considers the market team that will be in charge of undertaking the PCMA exercise. Unless otherwise specified, each step of this guidance is targeted to the Market Focal Point within the agency or group of agencies conducting the analysis. This guidance also supports the role of the Analysis Team Leader (in charge of leading the overall assessment and analysis) and the Market Team Leaders (in charge of directing market team members in the field assessment of one or more critical market systems). For more on market team roles and responsibilities, see **Section 6.1**: Put together the market team.

Finally, this guidance can also provide managers and humanitarian coordinators with an overview of the shared responsibilities required for pre-crisis market analysis, and therefore facilitate the coordination and management of the assessment team.

WHAT IS NEW IN THE REVISED PCMA?

The PCMA guidance document was originally published in 2014 with the name “Pre-Crisis Market Mapping and Analysis Guidance”, or “PCMMA.” It was based on various NGOs’ limited experience using market analysis in pre-crisis contexts and the understanding that it would be revised with broad-based inputs after use in the field. This revised guidance document replaces the previous version. The name has been simplified to “Pre-Crisis Market Analysis” in response to feedback that “PCMMA” was difficult to say and to emphasise that the approach can be applied to a range of post-crisis market analysis tools and not just to EMMA.

This revised PCMA captures recent learning from pre-crisis market analysis exercises undertaken by different organisations and in different contexts.³ These findings include, but are not limited to: gender, Information Communication and Technology, gap analysis, selection of critical and/or representative market systems, training a team to undertake a PCMA, market monitoring, and implementing PCMA recommendations.

The scope and purpose of the PCMA document is clarified. The PCMA is a guidance document that presents a pre-crisis approach to market analysis. **The PCMA is not a market analysis tool in itself**, but helps practitioners use existing market assessment and analysis tools presented in other toolkits (namely the EMMA, the RAM/MAG, the WFP trader survey and the Oxfam 48-hour tool) in pre-crisis settings.

PCMA will no doubt continue to evolve as it is more broadly applied throughout the humanitarian sector. For the most updated PCMA reports, lessons learned documents, learning materials and templates, please refer to the PCMA section of the **EMMA website**.



INTRODUCTION

PRE-CRISIS MARKET ANALYSIS (PCMA)

BOX 2 THE TOOLKITS REFERRED TO IN THIS GUIDANCE DOCUMENT

As the PCMA is a guidance document and not a toolkit in itself, it refers to existing tools. Specific references and links are made throughout the document to the following stand-alone market assessment and analysis toolkits:

- **EMMA: Emergency Market Mapping and Analysis**
- **RAM: Rapid Assessment of Markets**
- **MAG: Market Assessment Guidance**
- **Oxfam 48-hour tool**
- **WFP trader survey**

To learn more about each toolkit, refer to **the IRC/CaLP Comparative Table of Humanitarian Market Analysis Tools** or the Oxfam Market Compass.

HOW AND WHEN TO USE THIS GUIDANCE

Market analysis is part of situational analysis; it is **not a stand-alone exercise**. It should be carried out within the framework of the agency's programmatic strategy and emergency response contingency planning. The analysis will rely on the shocks/crises and related needs of affected populations, potential response strategy (resulting from organisational mandate), scope and timeframe, target populations, and intervention areas already identified by the agency in existing programmatic strategies and emergency response contingency plans.

PCMA can be **undertaken any time before the shock**, when it is needed to feed into contingency planning and/or response analysis. If the data collection can be done at any time, the period for which the data is collected should be the time of the year (if any) when disasters are most likely to strike, in order to appropriately take into account seasonal variations. See **Section 3: Define your crisis scenario** for more on determining reference and crisis time.

A PCMA consists of an assessment and analysis of the market; it therefore follows a similar sequence and planning process to any type of assessment an agency might implement.

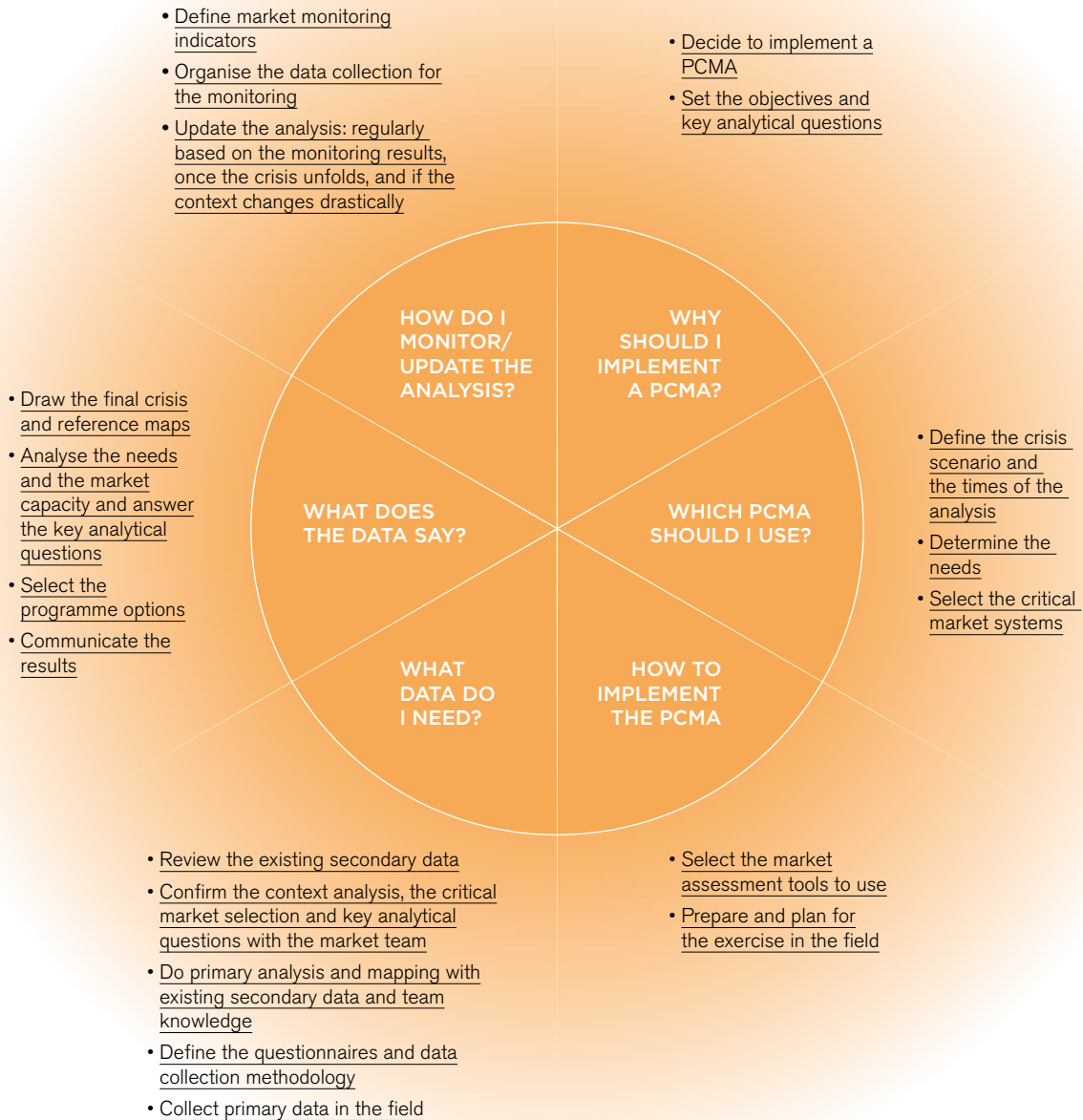
This guidance follows a **logical sequence**, but some steps may naturally happen at the same time, or it may be necessary to go back and forth between steps due to the iterative nature of the exercise. It contains:

- The key steps for PCMA and key considerations for PCMA.
- Detailed guidance on each step of the market analysis process.
- The Annexes contain ready-for-use templates and examples from the field to be used during the market analysis exercise.

This guidance is **not a stand-alone document** and should be used in conjunction with the pre-existing market analysis tools that are referenced throughout.



THE KEY STEPS FOR PCMA





CHAPTER 1: PREPARE FOR THE PCMA

By the end of this chapter what should be achieved?

- The **management** of your agency **agrees** to implement a PCMA and commits to allocating sufficient resources to do so.
- A focal point responsible for the analysis is **appointed** and the team composition for the PCMA is defined.
- You have **identified the important stakeholders** and potential partners (civil society organisations, local NGOs, INGOs, local authorities) that should be informed of this PCMA.
- You have **defined the crisis scenario** you are going to use for the PCMA (unless looking only at developing a market baseline) and you have a good enough understanding of your agency strategy and response plan (geographic area, target population, potential responses and related objectives) to this crisis.
- You know what **key market information is missing** for the identification of appropriate programme direction/response modalities.
- You know what PCMA you want to implement: its **objectives**, the likely **analytical questions** it should answer, and the market analysis tools you are going to use.
- You have key supporting documents and a plan for the PCMA: Terms of Reference (ToR), agenda, budget, etc.

1. DECIDE TO IMPLEMENT A PCMA

Why this step?

While initiating post-crisis market analysis exercises has become more widely accepted in recent years, primarily due to the development of Cash Transfer Programming, undertaking pre-crisis market analysis is still seen as an innovative approach. It could require internal advocacy with the management, and could benefit from external advocacy so the PCMA exercise could be a joint and collaborative exercise.

The involvement of management is critical to ensure sustainability of the exercise, to make sure the results are being used to update contingency planning and to design responses, and also to ensure enough resources are being allocated to the exercise. Management involvement should be encouraged right from the start of the process.

What should be achieved by the end of this step?

- The management is convinced of the need to implement a PCMA, understands its added value and allocates adequate resources to it.
- The Market Focal Point is identified and has an appropriate amount of time to dedicate to the exercise.
- Important stakeholders and potential partners (civil society organisations, local NGOs, INGOs, local authorities) in the implementation of the PCMA exercise have been informed of the initiative.

1.1. Initiate an agency-specific or collaborative PCMA

- PCMA exercises can be initiated by any country team member who is seeking pre-crisis market-related information to design contingency planning, future humanitarian responses or DRR programmes.
- PCMA exercises should be demand-driven and initiated from in-country team members to ensure better buy-in and utilisation of the outcomes of the exercise.⁴ Headquarters or regional centre staff could be consulted for support, but ideally would not be those initiating the PCMA.



CHAPTER ONE

1. DECIDE TO IMPLEMENT A PCMA

BOX 3 ENSURING THE UPTAKE OF THE PCMA RECOMMENDATIONS

In 2014 the IRC carried out research on the extent to which EMMA findings and recommendations influenced programmes, and what factors facilitated or hindered the use of recommendations. Three main themes emerged as determining factors in the uptake of EMMA recommendations. Although these applied to EMMA and not PCMA, it is likely that the factors would be similar. They will be broken down throughout this guidance document, but it is important to have them in mind right from the start to ensure the uptake of the PCMA recommendations:

- **Capacity of the market team members:** The experience and skills of the team members, their roles and responsibilities within their agencies, in addition to the awareness and understanding of market analysis among a broader audience.
- **Communication and dissemination:** The involvement of a variety of stakeholders throughout the market analysis process, through direct participation in the analysis, presence at dissemination events or consultation on specific steps. This also relates to timely communication of findings and the presence of a team leader throughout the dissemination efforts. This finding indicates the need for a comprehensive dissemination plan to be developed at the beginning of the assessment. In addition, the commissioning agency should have plans for the recommendations to be rolled out.
- **Clarity and transparency of the report:** The report should clearly explain its methodology and include complete annexes detailing data sources. The report should also include evidence-based findings and recommendations, which form part of an operational action plan.

- A PCMA exercise can be implemented by a single agency but could also be implemented as a joint exercise. This can help with pooling resources and spreading ownership of the findings and uptake of recommendations. Sectorial coordination groups or interagency working groups can be used as a platform to share information about the future PCMA exercise.

1.2. Designate a Market Focal Point

- The person initiating the PCMA exercise is likely to be the Market Focal Point, at least until another has been appointed (See **Section 6.1:** Put together the market team). At this stage the Market Focal Point is very often 'self-designated' (i.e. as the person who is the most interested in the findings of the exercise). He/she does not need to be a market specialist but should have an interest in market-related topics.
- The Market Focal Point will have to advocate with the management for the PCMA to take place (see **Section 1.4:** Make the case for PCMA). It is also important that he/she has sufficient time to dedicate to the preparation and later the coordination of the exercise. Being a Market Focal Point should also be seen as a great training opportunity.



CHAPTER ONE

1. DECIDE TO IMPLEMENT A PCMA

- The Market Focal Point plays a critical role in the preparatory phase and in terms of organisational capacity. His/her position is one of coordination and leadership. He/she does not need to be a technical market expert. He/she is in charge of:
 - Implementing the preparatory phase of the PCMA (**Chapter 1: Prepare for the PCMA**);
 - Coordinating the implementation of the PCMA (**Chapter 2: Conduct the PCMA**). The Market Focal Point will not be in charge of leading the analysis – that will be the role of the Analysis Team Leader (See **Section 6.1: Put together the market team**) – but he/she should be present throughout the exercise to ensure he/she is in a position to potentially replicate the exercise and manage the potential updates of the PCMA;
 - Advocating for the uptake of the PCMA recommendations (**Chapter 3: Use the results of the PCMA**);
 - Making sure monitoring of key market indicators is implemented (**Section 11: Monitor the Market**);
 - Triggering PCMA updates (**Section 12: Update the reference and crisis maps**).

1.3. Ensure you are in a pre-crisis situation in a context of anticipated crisis

- If you are at the early stages of a slow-onset crisis which is already having an impact on the market systems (e.g. when Early Warning Systems are already saying that a drought is unfolding and will result in a food insecurity crisis), refer to post-shock market analysis (e.g. EMMA, RAM).
- If you are in a context that is not prone to emergency but faces market-related structural issues, refer to long-term market analysis approaches (e.g. GEM, M4P).
- If you are in a pre-crisis situation and are expecting a crisis that has not happened before in this area, you might decide to limit your PCMA exercise to developing a market baseline. If you are developing a crisis map for a crisis that has never happened before in the area, keep in mind that you will be working with assumptions, which may affect the reliability of your data and analysis. You may want to cross-check those assumptions with market actors and focus on qualitative data.

1.4. Make the case for PCMA

These are suggestions that will need to be supported by context-specific considerations based on the targeted communities' needs, on the agency strategy, and on the team capacities.

- The best time to undertake a market analysis is when there is no immediate need for it (i.e. when there is no crisis), and therefore when market systems can be observed and understood without distortions linked to a crisis.
- In a non-crisis period there is potentially more time for analysis, in order to better understand underlying factors of markets' dysfunctions as opposed to simply identifying dysfunctions.
- This non-crisis time is also the best moment to build the team's capacity and focus on raising its awareness of markets and market-related issues.
- Experience in humanitarian contexts underscores the importance of investing in planning and institutional preparedness to enable country teams to implement a timely and efficient response.⁵
- Undertaking PCMA will allow for the monitoring of seasonal trends (within one year) as well as historical trends (over a period of years), which can be especially relevant in a slow-onset crisis context.



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1. DECIDE TO IMPLEMENT A PCMA

- Having an overall picture of critical markets during non-stressed periods provides a baseline to be relied on when a crisis does strike. This enables the team or agency to understand more quickly and easily the impact of such a crisis on market actors and on the targeted population. Decisions can then be made more rapidly when a crisis hits, and there is no need to do a full market assessment, only a brief update of the key market indicators. This allows for faster design of market-based programming operations that favour people's dignity and do no harm to markets.
- Even in non-crisis situations, many market systems are quite weak, dysfunctional, and disproportionately controlled by or beneficial to a certain set of actors. As a consequence, they quickly stop serving the poorest people when a crisis strikes. Understanding the dynamics of markets can inform the design of interventions which prevent further concentration of power and improve market systems so that they better serve the poorest in any future crisis.
- Markets are not static; they change over seasons and over time. Carrying out a PCMA improves understanding of what drives these changes, and what incentives and disincentives lead market actors to act in certain ways; such understanding will enable the design of interventions that influence these changes in a way that promotes resilience.

How long is this going to take?

This step is similar to advocacy work, and as such it is difficult to predict how long it will take. However, if management team members have been exposed to market analysis and market-based programming before, it will take less time to convince them of the added value of a PCMA, possibly as little as a one- or two-hour meeting.



This Filipino construction supply store partnered with an NGO to fill vouchers that were distributed to families who lost their homes after typhoon Haiyan. Photo: Tyler Jump/IRC



2. SET THE OBJECTIVES OF THE PCMA

Why this step?

To be relevant and useful, a PCMA needs to state its objectives clearly right from the start. It needs to definitively show how the market analysis will help decision making and therefore refine the response and programme design. This will also serve to manage expectations regarding which questions will be answered by the PCMA and which will not.

What should be achieved by the end of this step?

- The objectives of the PCMA exercise have been decided upon.
- The key analytical questions related to those objectives have been drafted.

What will you do during this step and how will you do it?

2.1. Determine the objectives of your PCMA

PCMA exercises may have one or more of the following objectives. When you determine the exercise objectives, be **realistic** and align these objectives with your agency experience, programmatic intentions or country strategy, and available expertise and resources.

- **Improve agency preparedness and support contingency planning exercises.** PCMA exercises can increase the effectiveness of future emergency response, by:
 - Providing a baseline picture of how critical markets function and how people access them when they are not under stress, during the reference time;
 - Improving understanding of the impact future crises will have on critical market systems, especially people's access to them and the nature of the trading relationships between the different market actors. This will support more effective and timely emergency response by pre-identifying preferred response options, creating a relationship with traders, etc.;
 - Analysing the degree to which the markets will be able to respond to the expected needs of the affected population, and therefore which proportion of the relief operations could rely on markets;
 - Identifying which market systems are pivotal to people's basic needs coverage and livelihoods during a crisis;
 - Creating awareness around market-based programming with in-country stakeholders for improved future emergency response.
- **Trigger early action** by providing refined market-related monitoring and early warning indicators that can be followed and integrated into an Early Warning System.
- **Mitigate the impact of a predicted crisis and help build resilience** by identifying which area of the markets may be affected and how it will be affected. It can also be used to understand how critical market systems function and how people access them during the reference time. Immediate interventions can be designed that protect and/or reinforce the market and the way people access it before the crisis strikes.
- **Build own staff and partners' capacity in market analysis** and change the general attitude to be more favourable toward market-based programming. This capacity-building objective should not be a stand-alone objective but rather should be combined with one or more of the other objectives mentioned above.

The specific objectives you want to focus on will determine your key analytical questions and the type of market-based programming you may be able to inform through the results of your PCMA exercise (refer to **Section 9**: Use PCMA to design market-based interventions).



CHAPTER ONE

2. SET THE OBJECTIVES OF THE PCMA

2.2. Set your key analytical questions

The key analytical questions are the questions you wish to answer through your PCMA exercise. PCMA is intended to answer questions related to:

- **Overall market situation:** overall functionality of the market economy, policies, institutions, norms, general infrastructure and general market services.
- **Capacity of market systems** to cover the volume and diversity of needs of the population and people's access to these markets during the **reference time**.
- **Capacity of market systems** to cover the volume and diversity of needs of the population and people's access to these markets during the identified **crisis scenario**.
- **Impact of the intended humanitarian response on markets** and people's access to markets.
- Relevance of **supporting markets during the future forecast emergency response** to ensure the recovery of markets and support people's access to these markets;
- **Market indicators** that can be monitored to show if a slow-onset crisis is unfolding (i.e. Early Warning System).
- Relevance of **pre-crisis measures to increase people's access to the market systems** or to protect/strengthen the market systems to decrease vulnerability to shocks.

Keep in mind that the exercise is iterative; hence your analytical questions will be refined during the exercise, based on the crisis scenario, the scope, and the critical market system selected.

2.3. Ensure inclusiveness along with market awareness

Right from the start of the PCMA exercise, ensure that the results of your exercise will be inclusive and could be used to design responses that are inclusive of all the different groups your agencies would wish to target. This is the time to consider protection, gender, disability and/or diversity.

You could capture inclusiveness considerations in your analytical questions, as in the examples below:

- To distinctly analyse physical, financial or social access to markets for both women and men, one of your key analytical questions could be:
 - How do men versus women access critical market systems in reference and crisis time?
- To assess the physical, financial and social access to markets for people living with disabilities or for people from specific ethnic groups, one of your key analytical questions could be:
 - How do people living with disabilities access critical market systems in reference and crisis time?
 - How do people from this specific ethnic group access critical market systems in reference and crisis time?
- To capture gender-, disability- or diversity-related differences within the market chain among different market actors, key analytical questions could be:
 - Do female and male traders have similar access to supply sources and similar opportunities to participate in the market chain?
 - Are traders from specific ethnic groups able to access credit facilities?
- PCMA's do not have to be focused on protection, gender, disability or diversity but should be aware of these issues, as should any assessment. This could consist of:
 - Ensuring the market team is gender balanced;
 - Actively consulting the different groups during the data-collection phase;
 - Seeking secondary information about those different groups and using existing information and analysis;
 - Registering the data in a disaggregated way.



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2. SET THE OBJECTIVES OF THE PCMA

EXAMPLE FROM THE FIELD A GENDER-INTEGRATED PCMA IN NIGER BY THE IRC

The following steps were taken to integrate gender considerations into this PCMA:

- A gender focal point was assigned, a member of the market team whose role it was to consider gender as a main aspect of the study, brief the other team leaders on its importance, and keep the teams on track in considering gender throughout the duration of the study.
- Gender was systematised within the study by including it as a facet of the key analytical questions that guide the study as a whole. For both of the market systems considered, one of these key analytical questions focused specifically on gender, namely how the crisis situation impacted men and women differently within that market system.
- Design survey tools (household questionnaires, focus group discussion guides, etc.) were used to ask about: 1) the roles of men and women in the reference period as well as the crisis period, and 2) the impact of flooding on income and assets for the different genders.
- Separate focus groups were held for men and women to gather information about roles, income and the impact of the crisis on these roles. Great care was also taken to ensure that a representative number of women were interviewed during the household and vendor interviews.⁶
- Efforts were made to ensure a gender-balanced market team: while the Analysis Team Leader and three out of the four Market Team Leaders were female, all but one of the field staff were male. This reflected the composition of the IRC's Economic Recovery and Development team in Niger, but was obviously less gender-balanced than ideal.

For more on how to integrate gender in PCMA see: J. MacLeod (2015) **Integrating Gender into emergency market assessments, Lessons learned from the IRC's PCMA pilot in Niger**, the IRC. Access the full Niger PCMA report (in French) [here](#).



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2. SET THE OBJECTIVES OF THE PCMA

2.4. Ensure a logical sequence between your objectives, your key analytical questions and the responses you aim to design following the PCMA

There is a logical sequence between the selection of the objectives, the choice of the analytical questions and the design of the project. This can be summarised as follows:

TABLE 1: LOGICAL SEQUENCE: PCMA OBJECTIVES, KEY ANALYTICAL QUESTIONS AND TYPE OF PROGRAMMING

Based on the PCMA objectives...	The analytical questions will be related to...	Which will inform the design of actions such as...
Improve preparedness and support contingency planning	<p>Overall market assessment: overall functionality of the market economy, policies, institutions, norms, general infrastructure and general market services;</p> <p>Capacity of market systems to cover the volume and diversity of the population's needs and people's access to these markets during reference and crisis time;</p> <p>Impact of the intended humanitarian response on markets and people's access to markets;</p> <p>Relevance of supporting markets during the forecast emergency response to ensure the recovery of markets and support people's access to those markets.</p>	Market-sensitive future emergency responses
Trigger early action	Market indicators that can be monitored to show if a slow-onset crisis is unfolding (i.e. Early Warning System).	Market monitoring Advocacy, lobbying
Mitigate the impact of a predicted crisis and help build resilience	<p>Overall Market Assessment: overall functionality of the market economy, policies, institutions, norms, general infrastructure and general market services;</p> <p>Capacity of market systems to cover the volume and diversity the population's needs and people's access to these markets during reference and crisis time;</p> <p>Identification of pre-crisis measures to increase people's access to the market systems or to protect/strengthen the market systems to decrease vulnerability to shocks.</p>	Market strengthening and developing interventions

As the capacity-building objective is a cross-cutting one, it will not necessarily trigger specific analytical questions.



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2. SET THE OBJECTIVES OF THE PCMA

How long is this going to take?

- This step is critical if you are going to have a relevant and usable PCMA, so make sure you dedicate sufficient time to it. It can be achieved through a two-hour workshop involving key agency managers and staff from the different programme and support departments. Considering how difficult it can be to gather key people, you may decide to run the workshop over a full day, not only to set the objectives of the PCMA and the key analytical questions, but also to define the crisis scenario, determine the scope of the analysis, select the tools to be used and plan for the PCMA. Managers will not necessarily need to attend the full day workshop, but key staff from different sectors, including support departments, should be present throughout.
- Make sure you start the workshop by presenting to the participants what PCMA is, which objectives it can meet and what type of questions it can answer.
- Formalise the outcomes of the workshop in a document that will form the basis of the PCMA ToR. Keep in mind, though, that key analytical questions can change until the start of the fieldwork (see **Chapter 2: Conduct the PCMA**).



A Burmese migrant worker in Chiang Mai, Thailand. Emergency market assessments like PCMA can look at market systems for not only commodities but also service markets, including specific labour markets. This can be useful, for example, to determine whether the local labour market has the capacity to supply workers for a post-crisis reconstruction project.
Photo: Peter Biro/IRC



CHAPTER ONE

3. DEFINE YOUR CRISIS SCENARIO

3. DEFINE YOUR CRISIS SCENARIO

Why this step?

Understanding the context before undertaking a PCMA is essential and will help support the decision around which market systems should be analysed.

In addition, if your PCMA objectives go beyond defining a market baseline (i.e. an analysis of a market system during a reference time), you will need to define a crisis scenario. A scenario is a set of assumptions about how an emergency can take place and evolve as a consequence of triggering factors or events, such as conflicts, disasters, etc. Assumptions should be built upon situation analysis and baseline information. A scenario should be short and uncomplicated.

When determining the likely impact of a crisis on the market system and people accessing it, it is important to create some context to focus the analysis. The scenario is the basis on which you are determining the effect of the crisis on the market system and the logic for the response options you have presented.

What should be achieved by the end of this step?

- You have decided on the timing of the analysis.
If relevant:
- You have chosen your crisis scenario;
- You know what will be your agency's most likely response to this crisis scenario and which critical needs of the targeted population your agency is going to address.

What will you do during this step and how will you do it?

3.1. Decide if you need to define a crisis scenario

In most instances, to answer the key analytical questions you will need to make a comparative analysis between your reference and crisis maps. To be in position to do so, you will first define a crisis scenario. A crisis scenario is an instance of a crisis from the fairly recent past (usually within the last five years) that is similar to a crisis that you expect to occur in the not-too-distant future. Defining a crisis scenario will not be necessary, however, when:

- Your key analytical question relates to the overall functionality of the market economy, policies, institutions, norms, general infrastructure and general market services.
- Your key analytical question relates to the capacity of market systems to cover the volume and diversity of the population's needs and people's access to these markets during reference time.
- The anticipated crisis has never occurred before, or occurred too long ago for people to remember the market-level impacts, or has occurred but on a very different scale to the crisis that you expect to unfold. If this is the case, you may decide to focus solely on the market baseline. If you decide to use a crisis scenario and draw a crisis map, keep in mind that you will work with assumptions, so you may want to focus on qualitative information and cross-check this with market actors.

3.2. Define your crisis scenario⁷

- Ideally, documents should already exist in-country, at your agency level, that define the most likely crisis scenario and intended agency responses under the form of a humanitarian strategy, country strategy or contingency plan. If this is the case, **use the crisis scenario from your agency contingency plan** or strategic document. If not,



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3. DEFINE YOUR CRISIS SCENARIO

you will need to define your crisis scenario (see below). Based on recent PCMA exercises, it is recommended to **focus on one crisis scenario per market analysis**, even in areas vulnerable to several anticipated shocks, unless you have the adequate resources and expertise to consider additional scenarios.

- If documents defining likely crisis scenarios in your area are not available, you will have to identify a crisis scenario yourself, with the help of knowledgeable local staff. A good way to begin is by brainstorming on possible emergency scenarios that could require humanitarian assistance. This should start with questions such as ‘Where?’, ‘What exactly?’, ‘How bad would it be?’, ‘When and how likely?’.
- The long-list you create can be shortened based on the likelihood that the scenario will actually happen, and on its potential impact on communities and markets. Emergency situations that could have significant humanitarian consequences and that are likely to happen should be planned for.

TABLE 2: LIKELIHOOD AND RECURRENCE CLASSIFICATION

Rare	Unlikely	Possible	Likely	Imminent
Very unusual event not expected to occur more frequently than once in 500 years (e.g. meteorite strike or massive tsunami in some areas).	Unusual event not expected to occur more frequently than once in 100 years (e.g. massive earthquake in some areas).	Occasional event expected to occur once every 20 years (e.g. super cyclone).	Regular event expected to occur at least once every 10 years (e.g. named cyclone, flooding).	Scientifically predicted or otherwise expected to occur within 1-5 years (e.g. dam failure), months (e.g. some landslides, volcanic eruption, population displacement due to conflict) or even days (e.g. named cyclone tracking warning).

TABLE 3: IMPACT CLASSIFICATION

Minor	Moderate	Severe	Critical	Catastrophe
No deaths; Infrastructure not affected seriously; Markets and normal activities only slightly disrupted.	Few deaths; Infrastructure slightly damaged resulting in loss of basic services for less than a week; Markets and normal activities disrupted for less than a week.	Several deaths; Damaged infrastructure requiring significant assistance for repair; Loss or lack of access to some services and market disruption for up to a month.	Deaths in the hundreds; Severely damaged infrastructure and housing; Major disruption or lack of access to basic services and markets for up to 6 months; Businesses, government and community activities seriously disrupted causing massive displacement of population.	Deaths in the thousands; Widespread destruction of housing, infrastructure, government and private business systems and services; Loss, disruption or lack of access to markets and basic services may last more than a year, leading to massive displacement or even abandonment of affected areas.



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3. DEFINE YOUR CRISIS SCENARIO

- The scenario analysis matrix below can be used to define the crisis scenario to be used during the PCMA exercise, based on its likelihood, recurrence and impact. The matrix consists of a simple grid to plot possible emergency scenarios by ranking their likelihood/recurrence on one axis and their impact on the other. The scenarios that are of higher likelihood and result in higher impact are, by definition, of higher risk and should therefore be favoured for the PCMA exercise.
- The use of the matrix is subjective, so scenario analysis and selection is best undertaken in groups in order to bring together different points of view and achieve consensus.

TABLE 4 SCENARIO ANALYSIS MATRIX

PROBABLE IMPACT (RESULTING FROM THE SCENARIO)	CATASTRO-PHE					
	CRITICAL				High Risk	
	SEVERE			Some Risk		
	MODERATE		Low Risk			
	MINOR	Very low Risk				
		RARE	UNLIKELY	POSSIBLE	LIKELY	IMMINENT
		LIKELIHOOD and RECURRENCE (OF THE SCENARIO)				

- There are other existing tools that can support scenario building:
 - The IRC's **scenario-building worksheets for emergency preparedness**
 - IFRC's **Contingency Planning Guide** offers some guidance on the process, (pp. 16-18).
 - **Stage 4 (pp. 27-33) of Oxfam's Participatory Capacity and Vulnerability Analysis** offers guidance on a community-based approach to scenario identification.
 - The **Inform Index website** offers publicly accessible, frequently updated information on humanitarian risks in almost 200 countries, which can feed into your scenario-definition process.



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3. DEFINE YOUR CRISIS SCENARIO

- Be careful not to fall into the 'scenario trap' and spend too much time developing an unnecessarily detailed scenario.
- Once you have selected your scenario, you will need to gather specific information about the population's needs, the geographical area, the target groups, etc. (see **Section 4.1**: Determine the needs).

3.3. Choose the reference year, the crisis year and the season of the analysis

- When implementing a PCMA, one of the more challenging aspects is to identify first the year that will represent a normal year (the reference year) and the year that could best depict the situation if the forecast crisis were to happen (the crisis year).
- **The reference year** is different from a 'good year'; rather, it is a time when the crisis you have selected for the analysis is not happening. It is recommended that the reference time is the actual time when you are carrying out the exercise, to make the data collection easier.
- **The crisis year** is the year you will refer to when interviewing key market actors. It is the year you will use to collect information about the impact the predicted crisis could have on market systems. Try to avoid referring to a crisis that occurred more than five years ago, as it is likely that the information you collect will be inaccurate due to the time that has passed.
- When you have determined your crisis year and the event you will refer to, call it what local people call it. For example in the Philippines, the 2013 typhoon is known as 'Typhoon Yolanda' but internationally it is called 'Haiyan'. Also, people might refer to such times as 'events'; for example in Ethiopia, people remember the 2011 drought as the 'season after three failed rains'.
- **The season** is the particular time of the year when the forecast crisis is most likely to hit. It should be the same for the reference and the crisis year. The selection of the season could be refined once you have identified the market systems you want to analyse, as some have strong seasonal variations that will also need to be factored in (see **Section 8.2**: Draw the seasonal calendar).

EXAMPLE FROM THE FIELD **CRISIS TIME, REFERENCE TIME AND SEASON OF THE ANALYSIS**

Below is the timeline for the PCMA exercise carried out in June 2015 by Catholic Relief Services (CRS) in Darfur. The crisis scenario was a drought, taking 2015 as the reference year and using the failed 2010 rainy season as a proxy for the future crisis scenario. The season for the analysis was the month of May, as the peak of the dry season and of the potential future drought.

CRISIS TIME MAY 2010

REFERENCE TIME MAY 2015

How long is this going to take?

- This step is best achieved throughout the one-day workshop, during which you will set the objectives of the PCMA and the key analytical questions, and determine the scope of the analysis.
- If it is not possible to organise a one-day workshop, the Market Focal Point can take the lead on this step, making sure to collect feedback from knowledgeable colleagues through conversations, email, etc.



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4. DETERMINE THE SCOPE OF YOUR ASSESSMENT AND THE CRITICAL MARKET SYSTEMS

4. DETERMINE THE SCOPE OF YOUR ASSESSMENT AND THE CRITICAL MARKET SYSTEMS

Why this step?

All the market analysis tools rely on the examination of certain commodities or services; what varies greatly from one tool to the other is the scope and depth of the assessment, which should be decided based on the objectives of the market analysis exercise.

Some market analysis guidance documents distinguish between marketplace and market system types of assessment.⁸ Marketplace analysis is the more rapid analysis, seeking to identify whether and how a marketplace can supply or deliver the goods/services that will be in demand. The PCMA guidance document adopts a market system approach, but with a different geographical scope and depth of analysis. In fact, even when looking at adopting a marketplace approach, it is still necessary to identify specific commodities or services (i.e. the market system) critical to the target population, to complete the analysis.

What should be achieved by the end of this step?

- You have determined the critical needs of the population who will most likely be affected by the crisis.
- You have established the geographical scope and depth of your analysis.
- You have selected the critical market systems you are going to assess during the PCMA exercise.

What will you do during this step and how will you do it?

4.1. Determine the needs

- This is a continuation of the crisis scenario development. If it is not already pre-existing in a contingency plan document, determine:
 - The geographic area where your organisation will respond if the crisis scenario occurs;
 - The target population (number and characteristics/specificities of groups and sub-groups likely to be affected). When you are estimating your target population, always gather information about the number of people who are not considered the target population but who live in the same area and will therefore also use the same marketplaces. Later in the process, when assessing the capacity of the market to respond to a change in demand, you must not forget the existing or potential future demand from the population which either does not need assistance or will not be part of your agency's response (and therefore is not considered as the target population);
 - The population's pre-existing vulnerabilities and current needs;
 - Critical needs (nature and volume of the needs) of the targeted population you will address if the scenario occurs (if you have determined a crisis scenario). The nature of the critical needs varies by type of emergency. In the case of conflict, the critical needs could be related to staple food and non-food items; in case of cholera they could relate to soap and hygiene materials; and in case of natural disaster they could relate to staple food, non-food items and shelter;
 - Marketplaces the population is accessing to meet their needs in non-crisis periods, and the ones they are likely to access in the event that the crisis occurs.
- To determine needs, you can use an adaptation of **Tool 2 from the RAM**, as was done by the **IRC in Somalia**.



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4.2. Select your critical market systems

- Look either at the target population priority needs you are going to address in the event of a crisis scenario or based on the current needs, and link these to critical markets that could either directly or indirectly meet the needs identified.
- Consider first a broad range of market systems that: 1) are critical for the target group, 2) are likely to be badly affected by the anticipated crisis, and 3) are relevant to the forecast response objective. This long-list of critical market systems needs to be set up on the basis of those systems that support the needs of the potential target population in a crisis situation, as well as those which will be important to their recovery and to build their resilience to shocks. Make sure that there is consistency between the selected market systems, the potential response planned, and the PCMA objectives. Also **make sure market systems that are critical specifically to men, women and other groups with special needs are considered.**
- At this stage your long-list of critical market systems to analyse will most probably include the staple food(s) market system(s). Also consider **the substitution staples the targeted population may turn to** during the hunger gap season or during crisis time.

BOX 4 HOUSING- AND SHELTER-RELATED CRITICAL MARKET SYSTEMS

Analysing the rental market is considered particularly challenging by humanitarian practitioners because of the complexity of the rental market systems: formal and informal renting exist in parallel, the definition of criteria is a challenge (i.e. should the market analysis focus on one-bedroom flats, flats with access to water, etc.).

The market system selection is also challenging because housing itself is a collection of different market systems. Housing or shelter is a complex consumer product composed of many types of individual commodities and services. Because of this, it may make more sense to categorise and assess a shelter/housing market not by its constituent commodities but according to its functions (e.g. how someone acquires the land and upgrades property tenure, how basic infrastructure is provided at a community level, how the house is constructed, financial and non-financial support services, and how the community develops institutions to combat insecurity).

The delimitation of the geographical scope of such market analysis can also be challenging, as rental prices can fluctuate widely from one neighbourhood to another. Finally, it can be difficult to attribute the causes of price variation in the rental market system.

CRS is preparing a paper on housing market system analysis that should be ready by the end of 2016.

- Some considerations⁹ that could point towards not pursuing further market analysis for a particular product or service would be:
 - There is no market for these products/services and/or people are not willing to pay for the product/service individually (as is often the case for 'common' goods and services such as roads);
 - The target group is not in a position to pay for the product, which is therefore not considered as an essential good (this is often the case for meat or fish);



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4. DETERMINE THE SCOPE OF YOUR ASSESSMENT AND THE CRITICAL MARKET SYSTEMS

- The product/service is provided by the government (a public good e.g. primary education);
 - The product/service has to be equally accessible to all to avoid risks/negative impacts (e.g. vaccinations or health services for highly infectious diseases);
 - The market is currently highly inefficient and there is a high rate of 'market failure' (e.g. in a market controlled tightly by a monopoly).
- Keep in mind that each commodity/service will be analysed separately because nearly every commodity/service has a different origin and different movement from producer to consumer, potentially requiring different infrastructures, inputs and market support. However if some products, for instance 'hygiene products' or 'canned goods', have very similar supply chains, you may choose to group them for market analysis. The underlying premise for grouping is that the supply and trade of a group of products respond in the same way to specific market signals – price, demand and supply. For example, if supply for second-hand clothing all comes from one main source which can replenish supply without difficulty, then it is sufficient to analyse the 'second-hand clothing market' and not each and every product line (gloves, socks, boots, coats, hats, etc.). However, if a particular item (e.g. boots) is sourced and traded differently, it must be treated as a separate market system.¹⁰
 - Narrow your list down using a ranking table, 1 being the lowest score and 3 the highest. The table below is an example adapted from the **EMMA toolkit**; the selection criteria can be adapted if you feel some could be more relevant to your context.

TABLE 5 RANKING TABLE TO SELECT CRITICAL MARKET SYSTEM

	Sorghum flour	Aquatabs	Plastic sheeting	Casual labour
Urgent need for the target group	3	1	2	1
Critical for both men and women	3	2	3	1
Market in line with response objective/agency mandate	2	1	3	1
In line with government plan/sector plan	3	3	2	1
Impact of the forecast crisis on the market	3	3	1	2
Need for further information on this market	3	1	2	2
Good timing of the exercise and of the seasonality	3	1	1	2
Market system representative of others/possibility of grouping	1	1	3	1
Total	21	13	17	11



4. DETERMINE THE SCOPE OF YOUR ASSESSMENT AND THE CRITICAL MARKET SYSTEMS

- Select your critical market system using the ranking. Keep in mind that due to the iterative nature of the exercise, the selected market systems could be adjusted at the beginning of the fieldwork, based on discussion with the market team and external stakeholders (see **Section 8.1**: Train the whole market team and finalise the framework of their analysis). Rather than selecting multiple high-scoring market systems that operate in very similar ways, you may want to consider selecting one or more market system(s) with a slightly lower score, but which will provide useful and complementary information. Consider interconnectedness of market systems (e.g. sorghum is consumed with milk).

4.3. If needed, adjust your key analytical questions to your critical market systems and your crisis scenario

- Look back at your key analytical questions and ensure they are relevant to each of the critical market systems you have selected. You can refine and shape them based on the context, the crisis scenario and the scope of the assessment. You can also have a different set of key analytical questions for each selected market system, depending on what you want/need to know about each.
- Keep in mind that due to the iterative nature of the exercise, your analytical questions may be refined during the exercise, as the analysis progresses.

EXAMPLES OF ANALYTICAL QUESTIONS USED IN THE FIELD

How is the rice market system behaving today, and how will it behave during the floods? a. Is it supplying the appropriate volume/quality of goods? b. Is it integrated and competitive? c. To what extent can it respond to an increase in demand? (IRC, Pakistan, 2015)

Which interventions can support Al Hodeidah poor farmers to grow sorghum for food consumption and fodder for livestock? (Oxfam, Yemen, 2013)

What are the anticipated constraints and risks that will affect the sorghum/maize flour/soap markets in the coming six months? (Oxfam, South Sudan, 2014)

Is the sorghum market sufficiently integrated in each location to adjust to market shocks enough to meet demand? (Mercy Corps, South Sudan, 2014)

What are the most appropriate ways to reduce the possible impact of the floods on the wheat straw market system and on the target population's access to markets? (IRC, Pakistan, 2015)

In times of drought, what response modality can Taadoud consortium members use to deliver their emergency food responses? In times of drought, what will be the necessary market support interventions for the market actors' coping strategies to get reinforced? (CRS, Sudan, 2015)

How long is this going to take?

- This step is best achieved in the one-day workshop, during which you will set the objectives of the PCMA and the key analytical questions, and determine the crisis scenario.
- If a one-day workshop is not feasible, then the Market Focal Point can put together a long-list of key analytical questions to gain input from knowledgeable colleagues through conversations, email, etc. The list will then be narrowed down at the beginning of the market workshop (See **Section 8.1**: Train the whole market team and finalise the framework of their analysis).



CHAPTER ONE

5. SELECT THE MARKET ANALYSIS TOOL(S) YOU ARE GOING TO USE

5. SELECT THE MARKET ANALYSIS TOOL(S) YOU ARE GOING TO USE

Why this step?

The PCMA guidance introduces an approach for market analysis in pre-crisis settings. To undertake the market assessment, it relies on adapting existing tools¹¹ that were originally developed for post-crisis market assessment.

Once you have determined the scope and depth of your PCMA exercise, you will be in a position to select the tools you will adapt to the PCMA exercise.

What should be achieved by the end of this step?

- You know which post-crisis toolkit to refer to primarily, to pick the tools to be used during your assessment.

What will you do during this step and how will you do it?

5.1. Based on the needs and on your objectives, determine the depth of your assessment

- Based on the objectives and key analytical questions of your PCMA, you will determine the depth of your assessment, which will in turn support the selection of market analysis tool you are going to use. The following criteria can be used to support the selection process. They should be used as guidance and can be used jointly (e.g. you may decide on an in-depth assessment for a complex expenditure market system):



Business is brisk at this staple food shop in the western Afghan city of Herat. People all over the world rely on markets as both sources of essential goods and income. Photo: Ned Colt/IRC



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5. SELECT THE MARKET ANALYSIS TOOL(S) YOU ARE GOING TO USE

TABLE 6 LIGHT TOUCH OR IN-DEPTH MARKET ASSESSMENT?¹²

Light touch assessment (e.g. Oxfam 48-hour tool, WFP trader survey and RAM ¹³)	In-depth assessment (e.g. EMMA or MAG)
Analytical questions related to: <ul style="list-style-type: none"> • Qualitative information • Overall functionality of the market economy • Impact of the intended humanitarian response on markets and people's access to these markets • Relevance of supporting markets during the forecast emergency response to ensure the recovery of markets and support people's access to these markets • Market indicators that can be monitored to show if a slow-onset crisis is unfolding (i.e. Early Warning System) 	Analytical questions related to: <ul style="list-style-type: none"> • Quantitative information • Detailed relationships between market actors • Capacity of market systems to cover the volume and diversity of the population's needs and people's access to these markets during reference and crisis time • Relevance of pre-crisis measures to increase people's access to the market systems or to protect/strengthen the market systems to decrease vulnerability to shocks
Short intervention timeframe/needs time	Longer intervention timeframe (3+ months)
Visible abundance/supply in marketplace	Uncertainty about supply
Short/simple supply chains	Longer/more complex supply chains
Trader capacity high (finance, networks)	Low trader capacity
Good information flows in market system	Poor/broken information flows; rumours
Simple market systems – few actors	Complex market systems
Expenditure markets (i.e. commodity or services bought by the target group)	Income markets, including labour market (i.e. market systems from which the target group can gain an income)
No obvious market problems/breakages/leakages	Obviously disrupted markets

- Note that one method is not exclusive of the other, and you may choose to implement a light touch market assessment first and then look in more detail into some specific critical market system chains.



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5. SELECT THE MARKET ANALYSIS TOOL(S) YOU ARE GOING TO USE

5.2. Use available resources and knowledge to select appropriate market assessment tool(s)

- To decide between the different existing market assessment tools, you may want to refer to technical support staff in your agencies who have experience of conducting market assessments. You can also refer in-country to the Cash Working Group or to agencies which have previous experience. Alternatively, you can ask the broader community of practice on the **Market in Crises DGroup**.
- There are several other documents and tools that can support your decision-making process:
 - **The CaLP/IRC Comparative Table of Humanitarian Market Analysis Tools** has been developed to provide a basic overview of the different market analysis guidance that exists, and a starting point to choose between tools or combine tools to fit the context and need.
 - **The Oxfam Market Analysis Compass** has been designed by Oxfam to help practitioners navigate the different market analysis tools.

EXAMPLE FROM THE FIELD

EXAMPLES OF PCMA USING EMMA AND RAM TOOLS

The IRC conducted a **PCMA exercise in Somalia** in late 2015 using an adaptation of the RAM tool to assess and analyse WASH and shelter commodities market systems.

Oxfam conducted a **PCMA exercise in Bangladesh** in December 2015 using an adaptation of EMMA tools to look at drinking water and agricultural labour market systems.

The IRC conducted a PCMA exercise in Pakistan using an adaptation of EMMA tools to look at several market systems. The resulting reports are available **here**.

- Not all the humanitarian market assessment tools have been used thus far to conduct PCMA. Up till now, PCMA-conducted exercises have solely used EMMA and RAM tools. It is assumed that the MAG, the Oxfam 48-hour tool and the WFP trader survey can be used in pre-crisis settings, but the body of knowledge surrounding this is still fairly limited.
- Once you have selected the appropriate market assessment tool(s) to use you should get a copy of the relevant toolkit, although this PCMA guidance document will remain your main frame of reference.



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5. SELECT THE MARKET ANALYSIS TOOL(S) YOU ARE GOING TO USE

BOX 5 OTHER APPROACHES TO MARKET ANALYSIS

The market world is a dynamic one, and numerous tools and approaches have recently been developed. Beyond the longer-term toolkits such as the GEM and the M4P (**Box 1**), there exist others that are briefly summarised below but will not be examined in detail in this guidance document:

- **Value Chain Analysis:** This tends to focus more on the value that is passed between different market chain actors. As such, it tends to be less aware of the dynamics and changing nature of the market system. In practice, value chain and market system often refer to the same thing, but market system can be more encompassing. In addition, Value Chain Analysis terms tend to be used for longer-term economic development programmes and as such will not be examined in detail here.¹⁴
- **Labour Market Analysis in humanitarian contexts:** A guide dedicated to skilled and unskilled labour market analysis, which aims to inform the design and delivery of livelihoods and market-strengthening programmes in post-crisis settings. Like the PCMA, it is not a new tool but rather a guidance document developing an approach that relies on existing tools. Read in parallel with the PCMA, it should enable market practitioners to undertake Labour Market Analysis in pre-crisis settings, as long as the assessment is being conducted to achieve the objectives and answer the type of questions that PCMA is designed for.
- **Multi-Sector Market Analysis:** A guide dedicated to helping practitioners examine whether an affected target population can fairly and equitably access the expected amount of goods and services through a Multipurpose Cash Grant programme. Like the PCMA, it is not a new tool but rather a guidance document developing an approach that relies on existing tools. Read in parallel with the PCMA, it should enable market practitioners to undertake Multi-Sector Market Analysis in pre-crisis settings.
- **CaLP Minimum Standards for Market Analysis:** A guide that can be used by practitioners in conjunction with market analysis toolkits and approaches to ensure that they have not left out any critical issues related to market assessments. Although designed originally for post-crisis settings, the Minimum Standards can be used in a pre-crisis context.
- **MARKit:** The MARKit is not a tool for market analysis, but for market monitoring. It was originally developed for food price monitoring. Reference and linkages to the MARKit are made in **Chapter 4:** Keep the PCMA up to date.



CHAPTER ONE

5. SELECT THE MARKET ANALYSIS TOOL(S) YOU ARE GOING TO USE

5.3. Based on the depth of your assessment, determine its geographical scope

- Identify the areas from which you will need to collect information, keeping in mind that:
 - It is important to visit marketplaces, but also consider trade hubs, warehouses, government head offices, etc. Market chains are usually spread over a wide geographical space in any given country;
 - Wholesale markets or some key market actors may be in distant places; in this case, consider remote data collection;
 - In border areas, the nearest market may be in the neighbouring country;
 - The intervention market may be a central or regional market.
- The number of marketplaces you visit will depend on the scope and depth of your assessment, as determined above, and on the volatility of the context. Practically, it will also depend on the time available.
- When selecting marketplaces from which to collect data, consider market integration and prioritise the less integrated markets.
- Select the marketplaces from which you plan to collect data. Do this using the information you have collected in **Section 4.1**: Determine the needs.
- Below is an indicative table, adapted from the MARKit, detailing the number of places to visit, ranging from light touch to more in-depth assessments.

TABLE 7 HOW MANY MARKETPLACES SHOULD YOU VISIT?

Type of market	Number of markets to collect data from
Central market (large trade markets in urban area)	1-3
Regional supply (largest wholesale markets in districts)	At least 1, but depends on how many supply the intervention markets
Intervention markets (accessed by the population)	3-10
Downstream (markets that rely on supplies from intervention markets/village-level petty traders)	0-2
Total number of markets to be visited	4-15

How long is this going to take?

- This step could be achieved by the end of the one-day workshop, during which you will set the objectives of the PCMA and the key analytical questions, and determine the scope of the analysis. Alternatively, it could be done by the Market Focal Point within an hour or so. For this step it may be worth asking for technical support from a markets expert, if one is available.



6. PLAN FOR THE MARKET ASSESSMENT

Why this step?

Organising a PCMA can be challenging, as this is quite a new exercise for many field staff. Being well prepared and having a clear plan will help with the process.

What should be achieved by the end of this step?

- The team composition for the PCMA is defined.
- The ToR are formalised and agreed on by the management, and are circulated to prospective assessment team members.
- The financial, logistical and human resources needed for the exercise are defined and lined up ready for its implementation.
- The management confirms the potential agency response strategies and preparedness plan.

What will you do during this step and how will you do it?

6.1. Put together the market team

- **The PCMA team should be identified.** It is usually composed of:
 - **Market Focal Point:** See **Section 1.2:** Designate a Market Focal Point. So far, the Market Focal Point has been in charge of the implementation of the preparatory steps; at this point the Market Focal Point could be changed if necessary, but from here on the same person should remain in the role throughout the exercise. The Market Focal Point is in charge of coordinating the PCMA, from the preparation phase up to the use of the results in actual programming. The Market Focal Point also ensures continued monitoring of key market indicators, and that the PCMA is updated whenever necessary.
 - **Analysis Team Leader:** This person is responsible for the overall PCMA exercise. He/she coordinates the different Market Team Leaders, making sure each team is on track and collects relevant data that will support the analysis. He/she leads the daily debriefing, the market map analysis (see **Section 8.8:** Analyse the market maps) and the response analysis (see **Section 9:** Use PCMA to design market-based interventions). Having the right person in the role is critical. As a rule, an Analysis Team Leader should be experienced in market analysis and how it can be used to inform humanitarian programming. The Analysis Team Leader can be the Market Focal Point, but could also be somebody else from the agency or an external consultant.
 - **Market Team Leader(s):** Under the leadership of the Analysis Team Leader, each Market Team Leader is responsible for one critical market analysis. Previous market analysis experience is not as important as leadership, communication and analytical skills, and programme implementation experience. Acting as a Market Team Leader is a great way for promising staff without market assessment experience to gain skills and confidence, with the possibility of taking on the role of Analysis Team Leader in the future. Note: If you are only looking at one critical market throughout the whole exercise, then the roles of Analysis Team Leader and Market Team Leader can be taken on by the same person.
 - **Market team members:** In general, there need to be two to five people per market system to be analysed, depending on the scope and depth of the analysis. They must know the area well and speak the local language(s). They are in charge of data collection and support their Market Team Leader with the mapping and the analysis. They can be NGO or UN staff, government representatives or even private sector actors.



CHAPTER ONE

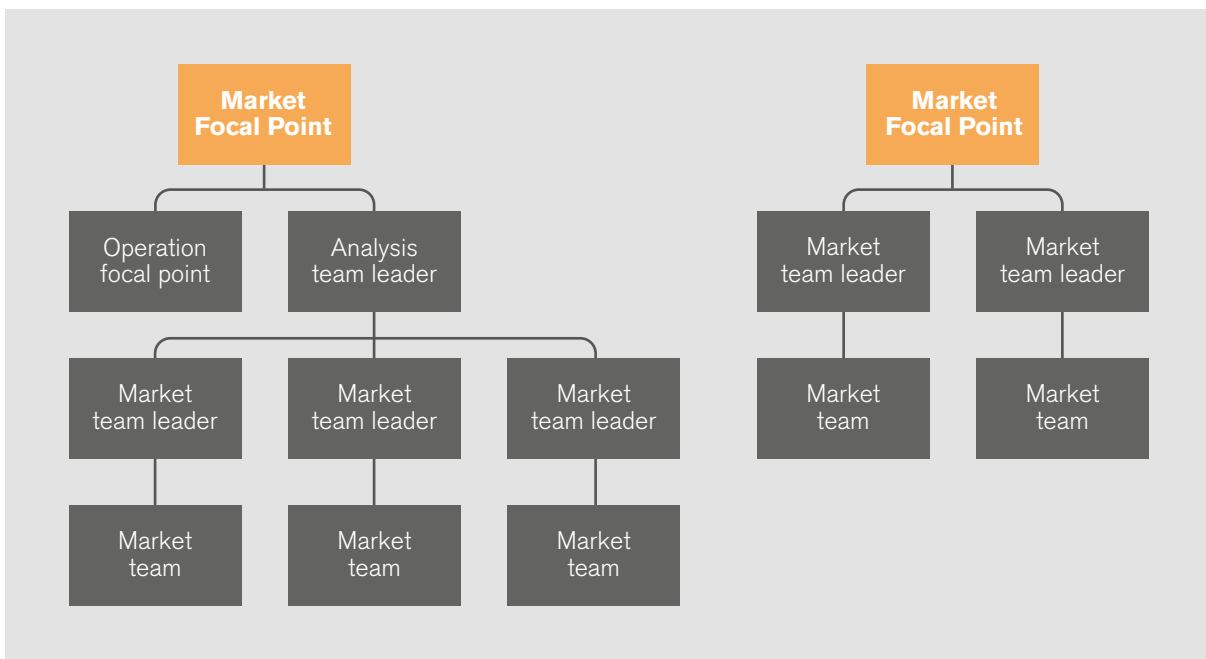
6. PLAN FOR THE MARKET ASSESSMENT

It is usually difficult to get private sector actors involved for the full exercise, but don't underestimate their added value; try to involve them as much as possible during the analysis. In certain cases, the market team can be composed of enumerators, who are in charge of data collection only, and of other staff members who support the analysis without being involved in the data collection. However, this is not recommended, as experience shows it makes the analysis much more difficult.

- You may also want to identify a focal point within the support department to help with the workshop and fieldwork preparation. In addition, if you will be using mobile data collection during your assessment, it will be important to have a competent IT person on hand throughout the assessment to support the preparation and revision of mobile questionnaires, data transfer and troubleshooting.

Depending on the scope and number of critical market systems to be assessed, your team may be organised as follows:

FIGURE 1 OPTIONS FOR PCMA TEAM SET-UP



Keep in mind that if your key analytical questions are solely related to the overall functionality of the market economy, the market assessment exercise will mostly consist of a desk review (see **Section 7.1**: Desk review of existing information on the overall market functionality); hence the team can be reduced to two or three market team members supporting the Market Focal Point.

- The composition of the market team is a critical success factor of the exercise. Consider staff's technical experience, knowledge of the field, languages spoken, interest in the exercise, and gender (to allow for interviews with women and men to take place separately if needs be). Consider involving the development team, especially if the objective of the analysis is to build resilience. Also consider involving support teams (logistics, finance, etc.), as they most likely already have some useful information, contacts and knowledge of the market.



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6. PLAN FOR THE MARKET ASSESSMENT

BOX 6 'SKILLED PEOPLE MATTER' – SELECTING THE RIGHT MARKET TEAM

In the IRC study on EMMA uptake, capacity was one of the main factors determining the extent of uptake of the results of the market analysis. Team members must be skilled and experienced, but the team should not be solely comprised of technical specialists.

The roles and responsibilities of the market team members should be varied, as different skills are useful throughout the process. Additionally, involving a variety of roles in the process increases the breadth of staff who understand the results. The design, approval and implementation of humanitarian programmes involve a variety of staff – technical specialists, managers, decision makers, logisticians, finance staff, administrative staff, etc. Spreading awareness and understanding of the market analysis across these roles will increase the probability that recommendations from the PCMA exercise will be acted on.

And remember: At the end of the day, a PCMA is like any type of assessment – it's only as good as the people doing it.

6.2. Define the resources you need for the PCMA

- Develop a timeframe and a draft agenda for the PCMA exercise. Keep in mind that the lengths and de facto costs of different exercises may vary greatly depending on the objectives, the scope of the exercise and the team composition. It can be achieved by one or two trained people within two or three days, depending on what you want to know. For example, in Yemen in 2012, Oxfam implemented a market analysis completed by two people in two days, to finalise the choice between in-kind and cash as the most effective way to deliver emergency response. However, in practice market analysis often takes longer than this, sometimes as much as two to three weeks, including an initial workshop with the team, data collection in the field and a follow-up workshop for data analysis and report writing.
- Beyond human resources, figure out exactly what type of resources you will need to implement the PCMA, and what you will need from your managers for a successful analysis. A PCMA costs 5,000 to 20,000 USD, depending on the context, the number of market systems being looked at, the geographical coverage, etc., with an average cost of 15,000 USD for an 11-day analysis led by an external consultant.
- Set a detailed budget for the exercise. You can use the PCMA Budget Sample in the Annex as a starting point. Consider the following costs:
 - Analysis Team Leader costs and staff costs;
 - Conference room hire and refreshments;
 - Visa, international flights and accommodation;
 - Vehicle hire for fieldwork – at least one per market team;
 - Local flights;
 - Maps of the area;
 - Printing and communication costs.

Costs can be cut considerably if participating organisations are able to contribute resources in-kind for vehicles, accommodation, conference rooms, etc.

- Ensure organisation, logistics and administration of all the points mentioned above, plus security.



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6. PLAN FOR THE MARKET ASSESSMENT

BOX 7 SECURITY AND MARKET ANALYSIS

Security constraints are not specific to market analysis; however, keep in mind that the questions you will be asking may be viewed suspiciously by the authorities, the traders, or other private sector actors.

In contexts of recurrent crisis, the different stakeholders have become used to humanitarian agencies collecting information about people's needs, sources of income and food, etc; but they are probably less used to agencies collecting information about volume of trade, market actors, etc.

In addition, market systems are full of 'vested interests', and in some cases, where market analysis reveals or uncovers specific groups' advantages or benefits from the way in which the market works, these actors may endanger the analysis and/or analysts. For instance, conspiracies to fix prices, when revealed, will create highly volatile situations.

At preparation stage and during the data collection, make sure you integrate the security context and security staff into your PCMA process.

6.3. Finalise and disseminate the ToR

- Based on the above, finalise the ToR for the PCMA. You could use the PCMA ToR Sample from the Annex as a starting point. The ToR should contain:
 - Context, objectives and the key potential analytical questions to be answered throughout the analysis;
 - Envisioned scope and depth of the analysis;
 - Team composition and clear lines of responsibility (especially for the Analysis Team Leader and the Market Team Leader(s));
 - Timeframe and draft agenda (to be refined with the Analysis Team Leader once he/she has been identified).
- Share the ToR and the detailed budget with your management, and get their approval.
- Involving a diverse market team is a critical factor in the success and uptake of the PCMA findings and recommendations, but it will not be feasible to involve all relevant individuals in the market teams. Excellent external communication right from the start is therefore crucial for the success of the exercise. You may want to **share the ToR broadly in-country** to raise awareness and ensure diverse participation.

How long is this going to take?

The planning step can be achieved by the Market Focal Point alongside the finance and logistics teams quite quickly, within two or three hours. Consider, however, the time needed to recruit the Analysis Team Leader,¹⁵ especially if this role is being outsourced. It will take at least two weeks to identify the appropriate consultant and maybe another two to three months for him/her to be available. Also consider the time it will take to identify Market Team Leaders and market team members. Therefore, do not hesitate to plan your PCMA well in advance.



CHAPTER 2: CONDUCT THE PCMA

By the end of this chapter what should be achieved?

- The market team knows the exercise objectives and the methodology to be followed.
- The market team knows the final crisis scenario, critical markets (if applicable), key analytical questions and final target groups.
- The market team has developed questionnaires, methodology and plans for the field data collection.
- The market team has collected and recorded data in the field.
- The market team has final, seasonally adjusted reference market map(s) and crisis market map(s) (if applicable).
- The market team has a final estimate of the total shortfall or gap the target population will face (in the event of the crisis unfolding) for the critical item or service (if applicable).
- The market team analyses and estimates the market system's or marketplace's existing or potential capacity to fill the gap faced by the target population.
- The market team answers the key analytical questions.

7. MAP AND GATHER EXISTING INFORMATION

Why this step?

The analysis should begin by reviewing the existing secondary information, and not attempting to collect primary data at this stage. This will allow you to determine what information exists regarding the overall market functionality of each of the critical markets you have selected, the livelihood situation, and the target groups. The point of this step is to rely on what already exists, save time and resources, and focus on the added value of the PCMA you are undertaking.

This first step will help you to build an overview of the factors affecting market supply (supply, distribution, financial flows) and demand (end-users' needs, ability to access markets, and purchasing power). From a response analysis perspective, this assessment will also inform the design of policy-level interventions which support either the strengthening (in pre-crisis) or the restoration (in post-crisis) of several market systems.

What should be achieved by the end of this step?

- The Market Focal Point knows what information already exists on the overall market functionality, the selected critical market systems and the target groups, including their livelihoods.
- The Market Focal Point has identified the missing information and analysis that would answer the key analytical questions for each market system.

What will you do during this step and how will you do it?

7.1. Desk review of existing information on the overall market functionality¹⁶

- Market systems are interconnected: they often abide by the same rules and regulations, and some services may be common to several market systems. Therefore it could be relevant to understand the market economy as a whole as a starting point for more specific market analysis.



CHAPTER TWO

7. MAP AND GATHER EXISTING INFORMATION

- At this stage, your desk review does not need to be specific to any commodity or service, but can look at the overall functionality of the market economy (environment, rules and regulations, and infrastructure) and seek to identify:
 - Which policies/institutions/norms affect different market systems, how vulnerable they are to the identified crisis, and how they could be strengthened before the crisis;
 - Which general infrastructures affect different sectors and markets, how vulnerable they are to the identified crisis, and how they could be strengthened before the crisis;
 - Which general market services (e.g. financial services, extension services) exist and whether a pre-crisis assessment of these markets could lead to programmes or policy changes that would strengthen or allow for quick restoration of the overall functioning of several critical markets in the event of crisis.
- The sources of information will likely be the same as those looking at specific market systems (see **Section 7.2**: Desk review of existing information on the specific market systems).
- Based on the results of this part of the desk review, identify stakeholders you would want to meet to complete your overall market functionality assessment. These stakeholders should be in a position to give you an overall picture of the market economy, and could also point you to useful information related to your specific market systems. These stakeholders could be:
 - Chamber of Commerce representatives;
 - Ministry of Trade, Statistic Bureau representatives, tax collectors, customs;
 - Trade unions chairs;
 - Financial services managers, money changers;
 - Transporters;
 - Major importers in-country;
 - Logistics Cluster members.
- The questions you could ask are:
 - Is the policy environment conducive to the functioning of a market economy? If not, what are the 'blockages', and can they be quickly changed to improve the market economy? If the crisis scenario were to occur, is it likely that the policy environment would change?
 - How will the crisis affect the physical environment and infrastructure (storage, ports, roads etc.), and what will be the impact of this on supplies of physical goods? What can be done after the crisis to quickly repair/restore functionality so that both humanitarian actors and traders can begin to use them? What can be done before the crisis so they would be less affected?
 - Who are the potential allies/contributors to market restoration (private sector in particular)?
 - What other services (such as financial mechanisms, customs) exist that need to be quickly made accessible to traders for markets (and logistics) to function again if the crisis scenario occurs?
- If your key analytical questions are solely related to the overall functionality of the market economy, this step will be your market assessment and you can start your analysis right away (See **Chapter 3**: Use the results of the PCMA).
- Formalise the results of your overall market functionality assessment and start to complete the related Section 5 of the PCMA Report. Keep all the information to hand and use it to fill the upper and lower parts of your market maps.
- In the long run, you could also advocate to integrate market analysis into the overall situational analysis and tools (e.g. the Multi-Cluster/Sector Initial Rapid Assessment, or MIRA) – obtaining information through other assessments, and, critically, bringing a 'market lens' to all of the analysis being carried out by any of the sector clusters/groups or coordinating bodies.



CHAPTER TWO

7. MAP AND GATHER EXISTING INFORMATION

7.2. Desk review of existing information on the specific market systems

- Narrow down the analysis of secondary data by looking at your specific market systems. Note that the desk reviews of the overall market functionality and of specific market systems do not need to happen in chronological order, and will generally happen in parallel.
- The kind of information you will be looking at is:
 - Information/analysis on how the market is performing: market integration, price behaviour, power relations, trade flows;
 - Market actors and how they are structured;
 - Information on the supporting functions or infrastructures that influence/enable the market system to function (e.g. finance services, transport, storage, marketplaces, etc.);
 - Information on the market environment: all the external factors such as institutions, rules, laws, policies, norms and trends that influence the market systems, including:
 - * Global economic conditions, such as global price rises and global exchange-rate trends that may influence national-level prices. These are of critical importance for import-based countries.
 - * Government policies, such as subsidies and import/export policies, and government interventions to set fixed prices on certain commodities, all of which influence prices and availability of critical commodities and services, including licences, taxes and trading restrictions.
 - * Environmental trends linked to agro-ecological and hydrological conditions that can influence the availability, supply and demand of commodities and services over the year.
 - * Social and cultural issues such as enforced rules and cultural norms, differences in gender roles and responsibilities, ethnicity and socio-economic status that can affect vulnerable groups' power and access to markets.
 - Information/analysis on markets' reactions to past crises, examining which of the critical market systems react most to shocks like the one you have forecast and have the greatest impact on the population in times of crisis. You can also use available information from previous emergencies in which market actors have displayed negative behaviour, such as increasing prices or cutting off services, and try to find out what triggered their behaviour change and whether it is likely to happen again.
- The above-mentioned information is likely to be found in:
 - Organisational reports, development programmes and contingency plans;
 - Market and livelihood baseline reports (such as Household Economy Approaches, food security and livelihood assessments, etc.) as well as previous needs assessments;
 - Early Warning Systems (**FEWSNET**), market monitoring systems (e.g. **Vulnerability Analysis and Mapping** database) and reports;
 - Research reports;
 - Coordination meeting minutes;
 - Other relevant websites.
- The source of information for your desk review could be:
 - Your own organisation (logistics and finance departments generally have a good understanding of markets and collect market-related data for their own purposes);
 - Government offices at local, district and central levels. Depending on the context, it could be the Statistics Bureau, Ministry of Trade, Chamber of Commerce or another related ministry;
 - Other organisations working in the area (Food Security and Livelihoods or Cash Clusters/Working Groups, WFP Vulnerability Analysis and Mapping (VAM) Unit, etc.);
 - Refer to the Annexes for a list of useful websites for secondary data review that can be consulted.



CHAPTER TWO

7. MAP AND GATHER EXISTING INFORMATION

- To ensure the quality of your secondary data, try to triangulate it as much as possible.
- Summarise the findings of your secondary data in a table, quoting the source of information. See a template of a **secondary data table** used by the IRC during a PCMA exercise in Pakistan. Alternatively, page 29 of the **Joint Assessment Mission Information Matrix** shows another possible template for capturing your findings.

How long is this going to take?

- This step can be carried out by the Market Focal Point, along with the logistics and finance team, with two days' work, but may take longer in terms of planning. Alternatively, the review of secondary data can be split between the different Market Team Leaders. It should be completed before the beginning of the market assessment with the full market team.



An Ethiopian woman running a small shop. Humanitarian interventions can harm or help such businesses depending on how they are designed. Photo: Wakene Totoba/IRC



8. ASSESS CRITICAL MARKET SYSTEMS IN PRE-CRISIS SETTINGS

Why this step?

This step covers the PCMA training and workshop with the full market team, and the fieldwork itself. Make sure the team remains present for the duration of the exercise. Inform the team members that it will be a full-time job with long working hours. It is likely that some time has passed between the previous steps and the start of the workshop and/or fieldwork.

During this step you will refer to the existing market analysis tools that you identified in **Section 5**: Select the market analysis tool(s) you are going to use to undertake the analysis.

What should be achieved by the end of this step?

- The market team has developed questionnaires, methodology and plans for the field data collection.
- The market team has collected and recorded the data in the field.
- The market team has final, seasonally adjusted, reference market map(s) and crisis market map(s).
- The market team analyses and estimates the market system's existing or potential capacity to meet the needs of the target population, both in reference time and crisis time.
- The market team answers the key analytical questions.

What will you do during this step and how will you do it?

8.1. Train the whole market team and finalise the framework of their analysis

- Within the first two days of the workshop with the full assessment team, present the team with the preliminary work you have been doing:
 - The objectives of the PCMA and the key analytical questions;
 - The crisis scenario and the time of the analysis;
 - The scope of the analysis;
 - The critical market systems;
 - The market analysis tool to be used for the PCMA exercise.
- Because the exercise is iterative by nature, do not hesitate to leave space for the market team to feed into the preliminary work you have developed prior to the workshop, and adjust it according to their inputs.
- During the two days you can invite external stakeholders who may contribute to the finalisation of the assessment's scope. These stakeholders can be cluster members, line ministries, representatives of the Chamber of Commerce, donor representatives, etc. Who these stakeholders will be is very context-specific, and depends on how you intend to use the results of your PCMA.



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8. ASSESS CRITICAL MARKET SYSTEMS IN PRE-CRISIS SETTINGS INFORMATION

BOX 8 PARTICIPATORY EXERCISE ENSURES BETTER UPTAKE OF THE PCMA FINDINGS AND RECOMMENDATIONS

Involving external stakeholders in the determination of the PCMA scope is likely to increase awareness and understanding of the PCMA process, which will in turn translate into a higher probability that the final results will be used. In addition, it is likely that involving external stakeholders will strengthen the scope of the analysis and the selection of critical market systems. With more inputs from a wider audience, the market team members will improve their understanding of the local economy and the critical market systems for the target population. Increasing the relevance of the PCMA scope is also likely to contribute to improved uptake of recommendations. *From the IRC uptake study.*

- If needs be, update the document that formalises the framework of the analysis, or formalise the final decisions on those points in the market report.
- You can also use this in-room time to deliver a few additional training modules that are relevant for your team regarding the market analysis or the response analysis (i.e. how you intend to use the results of the PCMA). These modules can look at Cash Transfer Programming, gender, interview techniques, analytical skills, time management, etc. It is important to be realistic, though, and not try to do too much in this limited amount of time. Reviewing the scope of the assessment, and training on market assessment and analysis, should remain the priorities.

EXAMPLES OF TRAINING MODULES USED IN THE FIELD

- Used by Oxfam in **Bangladesh**
- Used by the IRC in **Somalia**

8.2 Draw the seasonal calendar

- From this point onwards, split the market team as per the different critical market systems you are going to study.
- For each of the critical market systems selected, draw your seasonal calendar. Refer to page 22 of the **EMMA toolkit** on how to do this.
- Consult the seasonal calendar for the time of the analysis you have defined in **Section 3.3**: Choose the reference year, the crisis year and the season of the analysis. Some market systems have strong seasonal variations, and it will be necessary to collect the information at the times of the year with both the most and the least market activity to gain an accurate picture of this specific market system throughout the year. Depending on your key analytical questions, you may want to collect information about several seasons: the one when the crisis you have selected for the crisis scenario is the most likely to strike; the one when there is the most market activity; and the one when there is the least market activity.



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EXAMPLE FROM THE FIELD

SEASONAL CALENDAR

Seasonal calendar from the **joint PCMA exercise** implemented by Oxfam, Save the Children and Concern in Ethiopia (page 14).

8.3. Identify the key market actors – the market chain

- Market actors are those involved in buying, selling and exchanging goods or services, those who have an influence on the market, or those who provide key services to the market. Market actors are likely to include producers, traders, transporters, consumers, government ministries, trade unions, and households who are purchasing commodities or services. The team will interview these actors during the field data collection.
- Be gender-aware when you identify key market actors! Women and men often have different roles, responsibilities and power within a given market system. Where gender divisions are strongly present, the market team should be cautious about mapping the household as a single market actor. It may be necessary to differentiate between male and female actors, since neither the impact on them of the predicted crisis nor their needs and preferences for assistance can be assumed to be the same.
- Depending on which market assessment tool you have chosen, refer either to the **EMMA toolkit**, the **RAM toolkit**, the Oxfam **48-hour tool** or the **WFP trader survey** manual to identify which market actors to interview. In addition, you can use the **GEM toolkit** to incorporate a power and gender analysis.

8.4. Start drawing the crisis and reference maps and begin the preliminary analysis

- Whichever market assessment tool you have selected, refer to the **EMMA toolkit** for guidance on how to draw the market maps.
- Add to the market chain map the infrastructures, inputs and services that support the system's overall functioning, as identified during the desk review. Remember that the mapping process is iterative; it happens incrementally. Start by doing a preliminary mapping (a rough outline) of each of the critical market systems. This will initially be based on the team's knowledge and on the information you gathered through the desk review. You should expect to draw and re-draw your maps several times during the course of the PCMA process, so that your initially rough outline gets progressively more detailed and refined as you learn more and more about the system.
- Confer with the market team about the preliminary market maps and seasonal calendar:
 - If needed, update the key analytical questions;
 - Compare the reference map with the crisis map;
 - Consider how the target population is interacting with each critical market system;
 - Define the most likely impact of the forecast crisis;
 - Identify what you do not know and need to know: the missing information and data that you will be collecting in the field;
 - Consider the uncovered priority needs for your target population in the event of the forecast crisis, and what the existing needs are in the reference time.



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8.5. Test and finalise your data-collection tools

- Start with the key analytical questions, the first sketches of the market maps, and the missing information you identified during the previous steps. Make sure you know which information to collect from each market actor on the market maps.
- As one probable objective of the PCMA will be to improve response options, consider answering the questions below, and breaking them down using your chosen data-collection tools:
 - What are currently the main constraints on the market systems that may hamper their ability to absorb the forecast shock?
 - What are some immediate and longer-term actions that might be undertaken to remedy the situation?
 - What will be the most likely constraints on the market systems during the forecast crisis?
 - What should be the agency's response to the forecast crisis, to prepare for the situation and mitigate negative impacts?
 - How quickly could these interventions be implemented, so as to be relevant?
 - What resources would be required to implement each approach?
 - What are the existing structure(s) that the agency could work with (e.g. unions, guilds, associations, NGOs, local groups, lending institutions, networks, government agencies, etc.)?
 - How feasible is it in technical, social and political terms to deliver each of these support options in practice? How socially accepted are the different delivery modalities under consideration?
 - How willing and capable are the market actors (and essential/key service providers) in responding to a potential intervention? What challenges/limitations exist (e.g. what is the traders' cash absorption capacity)? Can the agency do anything to reduce those limitations (this includes advocacy as well as a market support intervention)?
- Depending on which market assessment tool you have chosen, refer either to the **EMMA toolkit**, the **RAM toolkit**, the Oxfam **48-hour tool** or the **WFP trader survey** manual to finalise your data-collection tools. The RAM toolkit, the Oxfam 48-hour tool and the WFP trader survey provide ready-made questionnaires that you will need to adapt to a pre-crisis context, whereas the EMMA toolkit provides guiding principles on how to design questions, plus a list of questions to choose from, which could be adapted to a pre-crisis context.

EXAMPLE FROM THE FIELD PREPARING QUESTIONNAIRES

- Examples of RAM questionnaires adapted to a pre-crisis context, used by the IRC in Somalia. View the full PCMA report [here](#).
 - **Reference Crisis, Key Markets and Commodities needed by the shock-affected population (tool 2)**
 - **Key informant questionnaire (tool 8)**
 - **Trader questionnaire (tool 9)**
- **List of questions that can be included in the data-collection questionnaires**



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8.6. Collect the primary data

- Primary data will be collected when there is no reliable pre-existing information (refer to **Section 7**: Map and gather existing information). With the increased uptake of market analysis, there is more and more existing data that should be referred to. Hence the primary data collection, especially at marketplace level, tends to become less important than understanding the factors affecting the environment and regulation of the market systems.
- Test your questionnaires with the market team. Ideally, the test would be carried out using an actual situation at a marketplace. If this is not feasible, the Analysis Team Leader could organise a role-play among market team members.
- There is never sufficient time to follow every lead or speak to every person, so prioritisation is essential. Work out how many 'interview hours' you are likely to be able to fit into the time you have available. This will depend on the number of days, travelling times, and the size of the market team. As a rough guide, you should allocate your available interview time (excluding travel time) as follows:

TABLE 8 TIME SPLIT BETWEEN DIFFERENT MARKET ACTORS

Interview type	Share of time	Example
Target population – households ¹⁷	15%	8 hours (12 short interviews or 8 focus group discussions)
Local retailers, traders, buyers or employers	30%	12 hours (15 medium interviews)
Wholesalers, major buyers, importers in trading centres	30%	12 hours (15 medium interviews)
Other key informants, officials, trade unions, etc.	15%	6 hours (6 long interviews)
Contingency and follow-up interviews	10%	4 hours

- **Sampling techniques** could also be used. Considering the nature of the PCMA proposed here, it is recommended to first use purposive sampling (i.e. interviewing in each market actor's category the people thought to be best able to provide relevant information – often wholesalers, bigger traders who have an overall understanding of the market system, and the traders whom the target groups access directly) and then snowball sampling, asking the first interviewees to recommend relevant market actors to talk to.
- **Triangulation** is key in knowing when the purposive sampling is effective: keep interviewing market actors until you notice a trend forming in ways of functioning, ranges of volumes, types of behaviour, etc.
- Implement the data collection as per the plan, and **record the data** collected either through data sheets, interview records or field notes. Record names and phone numbers of the actors you interview, as you may want to call them for further information. Data collected can be input in a database that will ease the process of calculating averages, etc.



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EXAMPLE FROM THE FIELD

MOBILE DATA COLLECTION FOR MARKET ASSESSMENT

In Niger, the IRC used mobile data collection for the PCMA exercise, with the advantages of efficiency gain and almost real-time review of data collection despite limited connectivity. This initiative was also seen by the market team as a good capacity-building opportunity.

See this [lessons learned document](#) for a detailed step by step explanation of how mobile data collection was used in Niger.

BOX 9 APPROPRIATE IMPRECISION

'Appropriate imprecision' is an EMMA principle that could be applied to all PCMA exercises.

If you are struggling to get precise data, remember that the PCMA cannot achieve the same sort of statistical accuracy as large surveys. For example, suppose 20 people tell you how much they spend on rice each month. Their answers (averaged) will represent the wider population with only limited accuracy. Therefore, it is misleading to state the result like this: 'average spending = Rs. 72.30'. It is too precise. A more correct description would be 'average spending ranges from Rs 60–80'. Assume that findings are only very approximate, and try to cross-check (triangulate) them against other sources of information. PCMA also uses the concept of appropriate imprecision and does not waste time either trying to get very precise answers to quantitative questions or using misleadingly precise results in its analysis. This does not lead to loss of quality because in the **systemic analysis, understanding the logic and behaviours** (how does this actor interact in the market, and how does he/she make his/her decisions) is as important as having quantitative ranges and trends. **Focus on factors affecting key market functions – the signals, the drivers, the relationships and barriers in the market system.**

Despite the appropriate imprecision that you may rely on, you will need the following quantitative data to be collected and reliable. 'Reliable' here should be understood as the point when you reach data saturation, i.e. when the collection of new data does not shed any further light on the issue.

- Numbers of market actors at each step in the chain (with more precision at the key points of the chain that concentrate the flows – e.g. importers at country level, wholesalers at studied area level – so that you can estimate the total flow in the chain and the total flow in the area studied);
- Prices of items at key transaction points;
- Volumes (quantities) of goods or services produced and traded;
- Availability (stocks and lead time).

Treat people's responses cautiously, as traders may exaggerate how quickly they can obtain supplies. For each of the points above, look at crisis time, reference time and expandability (noting conditions for expandability).



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- When interviewing traders, keep in mind that this initial engagement with a trader may be the first step towards a longer engagement if your agency is planning on working with markets. Treat the data collection as an important part of this engagement process.
- **Interviewing traders** is very different from interviewing target-group members. Traders are usually busy people, so be well prepared and know your questionnaire. Do not necessarily follow the questions in order, but fill in the questionnaire according to how the discussion goes. Answer in advance the questions that rely on observations. Remember that it is easier to administer the questionnaire in teams of two: one asking the questions and the other taking notes.
- The way you **introduce yourself** is key, especially in pre-crisis settings. Traders can be suspicious of people asking questions about market functioning. To avoid any potential issues, agree to a set of talking points you can use when introducing yourselves. Field teams can introduce themselves by explaining that they are:
 - Conducting a market assessment to better design humanitarian programmes;
 - Not from the government;
 - Independent humanitarian actors;
 - Identifying opportunities to benefit the local economy;
 - Concerned about the impact of a future crisis on livelihoods in the area.
- Ask for consent to conduct the interview. Highlight that the traders do not have to answer any questions they are not comfortable with, and that the information collected can remain anonymous.
- Plan for **daily feedback sessions** after fieldwork. These sessions will allow for data processing and will help keep the field team on the same analytical page, keep them motivated, and will also identify any missing data or key questions that need to be answered in the next day's fieldwork and interviews. These debriefings should include:
 - Verification that the chosen crisis scenario is clear to the interviewees;
 - Problems/challenges faced in the fieldwork and potential solutions;
 - Update of the reference and crisis maps to capture the team's findings;
 - Update of the seasonal calendar to capture the team's findings;
 - Capture of key market actors' behaviours, decision-making rationale and coping strategies;
 - Preliminary response analysis, looking at the possible response options and what they would involve (in essence, the initial phases of the feasibility study); where possible and relevant, identify questions that can be added to the questionnaires to test feasibility of some potential response options (e.g. readiness of traders to be involved in certain responses or modalities, or traders' perceptions/evaluations of the feasibility of some options);
 - Review of plans for the following day;
 - Review of interview questionnaire and/or semi-structured interview checklist content to ensure evolving focus of interviews as the general picture gets clearer (i.e. some questions can be set aside and additional feasibility questions can be asked).

8.7. Finalise the maps

- Use the debriefing session to finalise the market maps and the seasonal calendar, and even to begin the analysis. On the reference map, add information or correct the pre-existing information about the market chain, market services and market environment. Then finalise the crisis map, highlighting how the forecast crisis is likely to impact the market system's structure.
- Complement both maps with a short narrative drawing attention to the key features, such as:
 - How and where the different agency's expected target groups are involved in the market system;
 - Which pathways (or chains) in the system will be the most important in meeting the target population's needs if the crisis unfolds;



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- Which market actors are the most crucial players in these chains, and what are their coping strategies;
- What forms of infrastructure and types of supporting services are especially important;
- Any rules, regulations, social norms or practices (conduct) that are significant factors currently affecting the performance of the market system or the access of particular target groups to it;
- Any rules, regulations, social norms or practices (conduct) that will be significant factors affecting the performance of the market system, or the access of particular target groups to it, in the event that the forecast crisis unfolds.

These last two points include socially or culturally determined gender roles.

EXAMPLE OF MARKET MAPS

Examples of market maps can be found in the PCMA reports stored on the [EMMA website](#). For example, the PCMA exercise conducted by the IRC in [Somalia](#) or the PCMA exercise conducted by Oxfam in [Bangladesh](#).

8.8. Analyse the market maps

8.8.1. Household needs or gap analysis

- As mentioned, the PCMA is a component of a broader situation analysis which should also include, as part of a separate process, a calculation of the target population's needs. This is usually done through a Household Economy Approach (HEA) or a needs assessment. The **PCMA** uses this information, but it **is not meant to generate a need analysis or a gap analysis**. Refer to [Section 4.1](#): Determine the needs for more information.
- In addition, **depending on the objectives of your PCMA, you will not necessarily need a full gap analysis** to be in a position to answer your key analytical questions. In general, you will not need a full gap analysis if you are implementing a light touch market analysis. Refer to [Table 6: Light touch or in-depth market assessment?](#)
- During a PCMA, two gaps may be calculated, depending on your PCMA objectives: one in a reference year situation and one in a crisis year situation. To learn more about how to calculate these gaps, refer to the [EMMA toolkit Step 7: Gap analysis](#).
- The **needs and uncovered needs** during the reference year form the **chronic gap**, corresponding to the target population's needs and its current consumption. It indicates the extent to which the target population can access the goods/services in a normal time period. This chronic gap highlights access constraints that the target population has to the markets/items and how the market system needs to be strengthened. It is also a potential indicator of how market systems can be strengthened to increase supply, to better service the target population and make them more resilient to shocks. Even during the reference time, it is likely that your target group will face a gap.
- The **needs and the uncovered needs** during the crisis year correspond to the **target population's needs and its forecasted consumption during a crisis**, and will indicate what impact the crisis had on people's access to the markets/items or on market availability.
- Draw conclusions about different target groups' access constraints and preferences. You should then have information about the likely duration of needs, the access factors and constraints facing the target groups in terms of the market system, and the preferences expressed by different target groups about the form of assistance they would need if the crisis occurs.



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8.8.2. Market capacity analysis

- Building on the daily analysis, draw conclusions about the market system's capacity and performance during reference time and crisis time:
 - To analyse the **market capacity**, multiply the number of traders by the amount a trader can supply during a specified period of time (e.g. a week, a month, etc.) both during reference and crisis times, as well as their expandability. Refer to the **RAM tool 11 Conclusion tree to assess market response capacity** the analysis;
 - To analyse **market performance**, assess the market integration during reference time and the ability of the market to carry on supplying that same capacity during crisis time. This is mostly dependent on whether the markets remain integrated during the forecast emergency. The degree of market integration is a vital consideration for the PCMA. If the market is poorly integrated, then an increase in purchasing power will not lead to a quick increase in supply and could result in inflation. In such an instance, cash transfers should be avoided as a response option. Supporting market integration could be an option once the factors limiting integration have been identified and understood;
 - Analyse how the forecast **crisis** would **impact the key market actors**, their behaviours, their numbers and their relative power in the market system. Would the market integration decrease?
- Analyse how the forecast crisis would impact the supply-demand dynamic within the market system. Market systems work through the interaction between demand – people's ability to pay for goods or services that they need – and supply – traders' capacity to deliver those goods or services. Demand-side and supply-side constraints have very different impacts on target groups, depending on whether they are affected as consuming households, producers or workers: hence there are different implications for humanitarian action. The key question to answer here is whether the shortfall in household consumption or in household income is a supply or a demand problem. Use **Box 8.13 on page 149 of the EMMA toolkit** to support your analysis.
- If the shortfall is a supply problem, then supporting people to cover their needs would require looking at how to support the market to supply. A demand problem would require looking at how to support people's access, i.e. purchasing power for a good or service, or people's eligibility for employment etc. Sometimes both supply and demand can be affected and will need support.
- Consolidate findings about the status of the critical market system during a reference year and the impact of the forecast crisis on the market system; in particular, analyse the supply-and-demand constraints in the emergency-affected situation, then conclude on the analysis of the market system's capacity and performance in reference time and crisis time. A market system is capable of contributing to the emergency response if, without causing harmful changes in prices or availability for others, it can provide:
 - A sufficient and reasonably priced supply of the critical food, items or services directly to the target population – assuming that the latter has access and purchasing power (e.g. cash, vouchers);
 - A reliable and reasonably priced source of the critical food, items or services for local procurement by humanitarian agencies; or
 - A reliable outlet (i.e. employers, buyers) and a fair price for the target population's labour or produce – and thus a critical source of income.

How long is this going to take?

The market analysis is carried out on an ongoing basis during the daily debriefing sessions at the end of each day of field research, under the leadership of the Market Team Leaders and the overall supervision of the Analysis Team Leader. To date, this process has also typically involved a two-day workshop at the end of fieldwork, prior to the response analysis, but it could potentially take more or less time depending on the scope of the study.



CHAPTER THREE

9. USE PCMA TO DESIGN MARKET-BASED INTERVENTIONS

CHAPTER 3: USE THE RESULTS OF THE PCMA

By the end of this chapter what should be achieved?

- The market team has made response recommendations for future emergency responses and market-strengthening interventions.
- The market team has communicated the results of the PCMA to the relevant stakeholders.

9. USE PCMA TO DESIGN MARKET-BASED INTERVENTIONS

Why this step?

This step is critical as it describes how to use the results of the PCMA to inform your response analysis.

What should be achieved by the end of this step?

- The market team has identified the relevant and feasible programme options to be implemented before, during and after the crisis.

What will you do during this step and how will you do it?

9.1. Market-based programming: what is it?

- Market-based programming or interventions are projects that work through or support local markets. It covers all types of engagement with market systems, from using them to deliver a relief intervention to proactively strengthening and developing local market systems or market hubs.
- During this step the market team will have to identify the relevant and feasible actions that could be implemented:
 - The response options to be implemented before the forecast crisis occurs, to strengthen the market systems and increase preparedness, to ensure DRR, reinforce livelihoods and improve access to markets by target groups.
 - The response options to be implemented as the crisis unfolds, to protect the target population's livelihoods, assets and markets.
 - The response options to be implemented to address people's primary needs during/just after the crisis.
 - The response options to be implemented after the crisis, to support early recovery of livelihoods and markets.

The type of response options to be drawn from the PCMA exercise will depend on the PCMA objectives you set at the beginning. Refer to **Table 1: Logical sequence: PCMA objectives, key analytical questions and type of programming.**



9. USE PCMA TO DESIGN MARKET-BASED INTERVENTIONS

TABLE 9 MARKET-BASED PROGRAMMING: WHAT IS IT?

	DIRECT INTERVENTIONS Interventions whose objective is to directly improve the target group's situation in a market aware manner.	INDIRECT INTERVENTIONS Interventions whose objective is to improve the target group's situation by supporting the related market system.	
	Market sensitive	Market strengthening Indirect interventions supporting existing market systems	Market developing Indirect interventions supporting non-existing market systems
Preparedness	Voucher for sheep vaccination with local veterinarians to protect herds before dry season.	Cash grant to traders so they are able to stock essential food items before the rainy season, to ensure coverage of the target group's basic needs during this period.	Awareness raising with pharmacists so they are aware of the existing suppliers for Aquatabs and could access them in case of a flood.
Emergency	In-kind non-food item distribution through local procurement.	Road rehabilitation so the marketplace can be accessed by local traders.	In an emergency, it is discouraged to try to develop a new market system.
Recovery	Increasing literacy rate of female coffee producers to increase their livelihood opportunities.	Supporting locally produced tomatoes so that the nutritional status of target group increases.	Introducing locally produced chlorine so that the target group's access to drinking water is sustainably improved.
Long-term	Developing/brokering linkages between producers and traders	Supporting 'buy local' campaign to grow the market for products	Influencing the way in which a product is traded globally, for instance through developing a 'fair trade' label



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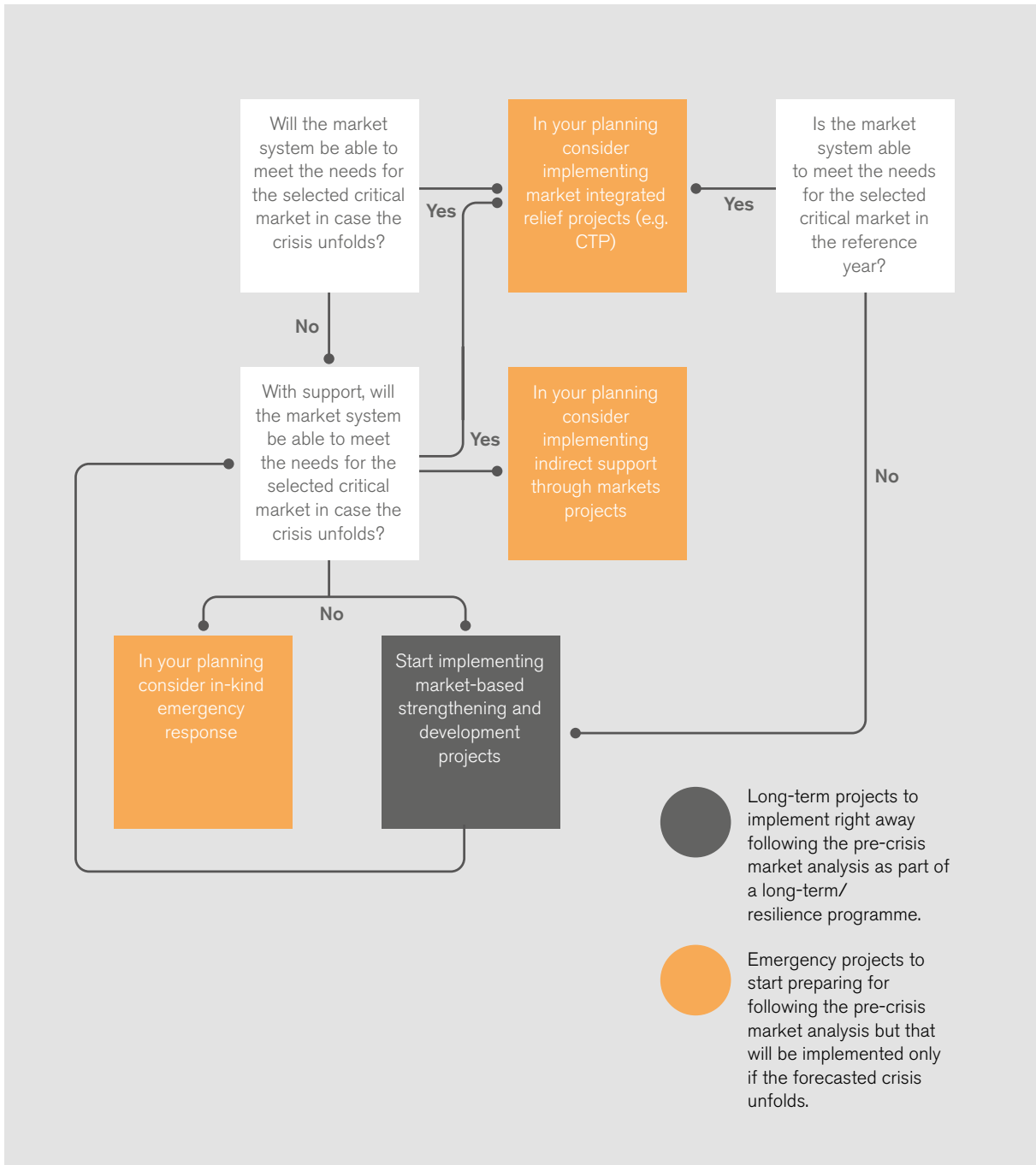
9. USE PCMA TO DESIGN MARKET-BASED INTERVENTIONS

9.2. The response analysis process

- The response analysis process is the link between situational analysis (needs assessment, market analysis and other contextual information) and programme design. It involves the selection of programme response options, modalities and target groups; it is informed by considerations of appropriateness and feasibility, and should simultaneously address needs while analysing and minimising potential harmful side effects.
- Response options are not only dependent on the results of the PCMA but will also depend on other situation analysis components such as the needs assessment, the gender analysis, etc. It may be useful to remind the participants of this.
- Many agencies are opting to utilise only responses they are familiar with, rather than using the PCMA to its full potential by implementing equally important but less 'traditional' interventions. Donor resistance or lack of internal awareness at agency level could explain those limitations – use your analysis to illustrate your recommendations and to lobby donors and your own agency.
- Use the questions below with the market team to help you during this step:
 - Brainstorm potential response options and discuss advantages and disadvantages of each;
 - On flipcharts, write three to five preferred response options suggested by your response analysis, and for each of them evaluate the risks and assumptions, effects on markets and population, timing and feasibility;
 - In your discussion, consider the following questions:
 - * Which responses would allow people to meet their needs?
 - * Which would give the target group fairer access to the market systems, in crisis time and reference time?
 - * Which actions or support to markets might allow responses that meet people's needs and support market recovery/strengthening?
 - * What could be the impact of different response options on markets and people's access to markets? What are the risks?
 - * Which actions could mitigate those risks?
- Speak with some of your key informants at the end of this step about the response options you have selected, to check their feasibility.
- To support the decision-making process you can use the decision tree below, and also **Step 9 Response Analysis of the EMMA toolkit (pp.159-183)**.



FIGURE 2 MARKET-BASED PROGRAMMING DECISION TREE



- Keep in mind that in the figure above, only the response options to be implemented before the forecast crisis (i.e. the ones in orange) could be implemented immediately after the exercise. The other responses are forecast responses for which the team should prepare after the exercise, as well as updating the contingency and preparedness plan.



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9. USE PCMA TO DESIGN MARKET-BASED INTERVENTIONS

9.3. Market-based programming: what does it look like?

- The list below is far from comprehensive and exists to stress the multi-sectorial nature and very wide spectrum of market-based programming. It displays examples mostly of indirect interventions. However, numerous examples exist of direct interventions, including all market-aware interventions such as Cash Transfer Programming (CTP). For more examples, refer to the [CaLP library](#).

EXAMPLES FROM THE CRS SCOPING STUDY¹⁸

- **Enabling the coverage of basic needs:** In Nepal, in the aftermath of the 2015 earthquakes, CRS supported 300 petty traders in marketplaces accessed by CRS emergency response beneficiaries, so that those vendors would be in a position to supply CRS beneficiaries enough to cover their emergency needs. Vendors were petty traders of all kinds, not just those selling specific commodities. Vendors were provided with unrestricted conditional cash grants of 300 USD, disbursed in three tranches.
- **Supporting households' nutritional status:** In South Sudan, Mercy Corps supported 50 traders with unconditional restricted cash grants of between 600 and 800 USD disbursed in two tranches. Traders were tasked with buying specific staples – rice, sugar, wheat, flour – that would help food-insecure households access a more diverse and nutritious diet. Traders used the transfers just before the outbreak of violence in the area in May 2015 to restock their goods (a mixture of food and non-food items); this kept the market afloat during the crisis period when they were completely cut off from the source market for over a month.
- **Allowing access to shelter:** The CRS shelter response to the Ukraine crisis covered home winterisation, which included repairing windows. CRS wanted to rely on local craftsmen to do this, and considered distributing service vouchers to the 400 targeted households so they could repair their windows. However, the window suppliers were not in a position to participate in the scheme, as they had lost their capital and had no access to credit, while the materials to repair the windows had to be paid for upfront. CRS provided support to about five window suppliers by pre-financing 50% of the voucher amount and by holding discussions with the window-material wholesalers until they agreed to supply the vendors with the raw material on credit.
- **Supporting access to drinking water:** In the aftermath of Typhoon Haiyan in the Philippines, Oxfam aimed to provide safe drinking water to the urban dwellers of Tacloban. Following an EMMA of the drinking water market system, it was discovered the main issue was on the supply side: the main operator was not in a position to rehabilitate the broken water pipeline due to a lack of capital and of access to fuel. Rather than distributing water through water trucking, Oxfam directed its Cash for Work and Food for Work schemes (set up within the Oxfam livelihoods programme) towards the rehabilitation of the water pipeline.

How long is this going to take?

- This step should be carried out with the market team members and led by the Analysis Team Leader the day after the finalisation of the fieldwork. It should then be formalised into a draft report (see the Annexes for PCMA Report templates). The proposed structure is a standard one, but the length of the final report will vary depending on the scope of the assessment (see [Section 4](#): Determine the scope of your assessment and the critical market systems).



10. COMMUNICATE THE RESULTS

Why this step?

Documenting the PCMA findings and communicating them in a timely and effective way to the management, decision makers and other target audiences is critical for triggering action following the exercise. This will be made easier if the exercise has been participatory throughout.

Emphasis should be placed on convincing, evidence-based, visually accessible formats for reports or presentations.

What should be achieved by the end of this step?

- The market analysis report has been completed and disseminated.

What will you do during this step and how will you do it?

10.1. Finalise the PCMA report

- Within no more than 10 days from the end of the analysis, make sure the Analysis Team Leader has written up the findings and conclusions of the PCMA. It is important to ensure that the report is written soon after the end of the exercise, as this has proven to lead to greater uptake of the recommendations.¹⁹
- The report should be in a user-friendly template, the executive summary of which can be shared separately with decision makers and management. You can use the PCMA Report templates in the Annexes. Ideally your PCMA report will already include a section on market monitoring (see market report template and **Section 11.2:** Set your market indicators).

BOX 10 A CLEAR, TRANSPARENT AND ACTION-ORIENTED REPORT – A CRITICAL FACTOR OF SUCCESS

The PCMA report is one of the key elements that will contribute to the use of the PCMA findings and recommendations. It should include sufficient evidence and a clear explanation of its methodology. The analysis should focus on this evidence, which must be clearly documented (both sources and methodology) in the report. The sources of information, structures and formats of surveys, response-recommendation frameworks and/or action plans should all be annexed to the report.

The evidence and analysis should form the basis of findings and recommendations, which are presented as an operational action plan. The action plan should outline the roles of the different actors or stakeholders in operationalising the recommendations.

From the IRC Uptake Study.



CHAPTER THREE

10. COMMUNICATE THE RESULTS

- If you have not had a chance to involve key stakeholders during the response analysis, which is highly recommended, (see **Section 9.2**: The response analysis process), you can circulate the draft report to those stakeholders so they have a chance to give feedback before the report is finalised.
- Ask the Analysis Team Leader also to develop a 15 to 20-minute presentation of the key points.

10.2. Disseminate the PCMA findings and recommendations

- Identify key decision makers and invite them to an hour-long meeting to present them with the key findings and recommendations. Split the time as follows: a 20-minute presentation of the main findings, recommendations and planned updates; then 40 minutes' discussion. Alternatively, you can present the PCMA findings and recommendations at an existing coordination meeting.

BOX 11 SHARING OF FINAL FINDINGS IS IMPORTANT BUT NOT SUFFICIENT

Dissemination begins at the very start of the assessment, and should not be limited to the sharing of the findings at the end. As mentioned, ensure the PCMA exercise is as participatory as possible (**see Box 8**), and communicate broadly about it from the outset to build buy-in from stakeholders and prepare them to engage with the recommendations.

The adequacy of dissemination is a key factor in determining the uptake of the findings and recommendations of the PCMA exercise. The audience for dissemination should involve all humanitarian programme stakeholders: donors, decision makers, technical specialists, managers, logisticians, finance staff, administrative staff, government officials, individuals involved in the critical market systems, etc.

- Send key findings and a summary of the methodology to the meeting participants beforehand so that at the meeting they can focus on discussing recommendations.
- Disseminate the report through in-country networks (clusters, coordination groups, etc.) and via online platforms, including:
 - **The EMMA website**
 - **The Markets in Crises DGroup**
- If it is related to food commodities or related services, the report can also be disseminated via:
 - **FEWSNET** and **FAO Global Information and Early Warning System (GIEWS)**
 - **Food Security Cluster**
- Use the report to lobby donors and country offices on the need to invest in interventions prior to a crisis.

How long is this going to take?

The overall report writing should take two to four days. But dissemination should start from the very beginning of the PCMA exercise and be ongoing throughout the assessment.



CHAPTER 4: KEEP THE PCMA UP-TO-DATE

By the end of this chapter what should be achieved?

- The market team has identified market indicators to monitor for surveillance and (if relevant) for Early Warning, and has set up a monitoring plan.
- The market team has decided on key indicators and triggers for updating the market maps and the PCMA. This should be clearly documented.
- The Market Focal Point knows how and when to update the PCMA, and how to use the updated information to make operational decisions.

11. MONITOR THE MARKET

Why this step?

Markets are dynamic by nature should therefore be monitored on a regular basis, whether the crisis scenario occurs or not. Market monitoring is useful for:

- Integrating the dynamic nature of market systems in the PCMA by providing up-to-date information. Doing so can enable the launch of a response with at-hand and up-to-date market analysis, and can capture the changes in the market systems across time.
- Extracting triggers for different responses, with a timeline showing at what moment of a crisis each type of response shall be implemented.
- Potentially updating the existing Early Warning System (EWS) by adding in some market indicators, or advocating for the set-up of an EWS using the results of the analysis.
- Monitoring the response designed from the market analysis exercise to:
 - Ensure that the value of assistance being provided is still adequate;
 - Ensure the quality and availability of goods is at least as good as it was at the beginning of the project;
 - Contribute to the assessment of the continued appropriateness of the chosen delivery modality;
 - Ensure the project is doing no harm to the market (e.g. by surpassing the available supply, increasing prices for non-beneficiaries, creating a monopoly situation, creating inflation, etc.);
 - Support the assessment of the wider multiplier effect of the project on the local economy.

What should be achieved by the end of this step?

- Monitoring and Evaluation frameworks include market monitoring indicators.
- Market monitoring is planned, organised and budgeted for.

What will you do during this step and how will you do it?

11.1. Choose the commodities to monitor

- The commodities or services to be examined for market monitoring will be the same as those selected for the PCMA exercise. Note that you may already implement market monitoring for certain commodities based on the Minimum Expenditure Basket you have used to set a cash grant amount, the objectives of projects or the results of a previous Post-Distribution Monitoring, but this will not be examined in detail here.



CHAPTER FOUR

11. MONITOR THE MARKET

11.2. Set your market indicators

- Deciding which market indicators to monitor should be based on the market analysis and the response analysis following the PCMA exercise. The list below is for indicative purposes only. To select your indicators, identify which are the most uncertain and sensitive to change, and what you have based most of your market analysis on.
- Market monitoring indicators could also be defined at cluster level to avoid duplicating efforts. Agencies can then get a national picture of the situation by sharing their data, and operating agencies can gain awareness about their impact on market systems.

EXAMPLE OF JOINT MARKET MONITORING

In Northern Syria, several agencies are implementing **joint price monitoring**.

TABLE 10 MARKET MONITORING INDICATORS

Type of indicators	Indicators
Household-level indicator	<ul style="list-style-type: none"> • Physical access to markets; safety of households in accessing markets
Market-system-level indicators	<ul style="list-style-type: none"> • Number of trucks/tonnes/containers of key commodities arriving in the area per week • Type and number of traders of/for the key commodities present in the market • Price of sale of key commodities • Key commodities available in the market (volume and quality) • Volume traded by big traders and estimate of total volume traded in the physical market for key commodities • Origin of key commodities and wholesale price at procurement point (by traders who bring it to the area) • Level of stocks for key commodities
Marketplace-level indicators	<ul style="list-style-type: none"> • Number of trade routes/borders open and operating; this is especially important if a lot of markets are supplied by imports (as in Syria or Lebanon) • Main terms of trade (cash, barter) • Storage capacity in town



CHAPTER FOUR

11. MONITOR THE MARKET

- Market monitoring should also be a component of the Monitoring and Evaluation framework of the projects designed following the PCMA. Adequate resources for market monitoring should be planned for in the response budget, considering the costs of: tools design and development, set-up of the database for analysis, printing of the tools/use of new technologies for data collection, HR for data collection, data analysis, and report writing.
- Very often, market monitoring is limited to price monitoring of the key commodities, which is a minimum requirement. Always remember to use the logistics team's knowledge of the market. Prices should also be monitored at the regional, national and potentially international levels (depending on the type of commodity), as these can significantly affect the local market.

BOX 12 HOW TO MONITOR PRICES

Below are some guiding principles for price monitoring:

Ensure consistency. When collecting prices, make sure they refer to the same units of measurement. Items need to have the same characteristics, quality, variety, etc. Ideally, visit the same trader each time.

Check for irregularities. If one single price is much higher or lower than the others, it is likely that there has been an error. In this case:

- Double-check if the price has been correctly converted to the unit of measurement.
- If the price has been correctly converted, check if the reported price is correct, possibly by asking a key informant from the market.
- If the price is correct, speak with traders to understand the reason for the irregularity.

Plot the average price of each commodity across markets over time.

Be aware of seasonality in prices – prices change along seasonal patterns, so when monitoring prices it is critical to use the seasonal calendar you have drawn. Compare any price changes to the prices in a reference year to understand if the price fluctuations are normal for that time of year, or if the fluctuations are greater/less than would normally be expected.

Be aware of the difference between the indicated price and the true price. When the price paid by the buyers is the result of a bargaining process, the price collected during price monitoring may be the indicated price, i.e. the one the negotiation started with, rather than the true price, i.e. the one useful for monitoring the appropriateness of the grant amount and the potential inflation. In this case, cross-check your prices with those of the buyers.

Combine price monitoring with volume monitoring (in trends), as it is difficult to analyse market price trends without volume trends.

- More information regarding price monitoring (although limited to food price monitoring) can be found in the **MARKit**.

- Formalise the market monitoring framework in the PCMA report (see **Section 7** of the PCMA Report templates).



CHAPTER FOUR

11. MONITOR THE MARKET

11.3. Organise the data collection

- Review first what is already available through secondary data review:
 - FEWSNET or WFP (mostly for food commodities);
 - The Consumer Price Index (CPI) is a macroeconomic indicator used to monitor price movements – a measure of the weighted aggregate change in retail prices paid by consumers for a given basket of goods and services. Price changes are measured by re-pricing the same basket of goods and services at regular intervals (usually monthly), and comparing aggregate costs with the costs of the same basket in a selected base period. The CPI is usually collected at national level.
- **Select the marketplaces** where you will collect the data. Use the same criteria as in **Section 4**: Determine the scope of your assessment and the critical market systems.
- **Identify the traders** from whom you are going to collect the data. Select three to five retailers²⁰ per commodity, ideally the same traders at every visit, but be careful of traders' 'fatigue'. The number of traders will depend on the number of commodities sold by each. If you are monitoring three commodities, and all of your traders sell all of those commodities, you will only need to collect data from three to five traders in total. If, however, each trader only sells one commodity, you will need nine to fifteen traders in total (three to five for each commodity). In a case where the market-based response you are implementing uses vouchers as a delivery modality, make sure you collect prices from both participating and non-participating vendors. This will add to the number of vendors you need to interview.
- **Determine the frequency of the data collection:** This will depend on the robustness of the initial market assessment, the volatility of the context, and the stage of the project (e.g. data collection may be more frequent at the early stage of a project). Indicative frequency can be:
 - Price monitoring: between once a week and once a month. You may select the date of the monitoring based on your distribution calendar;
 - Household-level market-related indicators should be measured at the same time as other household-level indicators as defined in the project's logical framework;
 - Indicators of general market functionality: between once a month and once every six months.
- Set up the data-collection tools and, as much as possible, integrate the market data with that to be collected in the project MEAL: use a market lens with the project data-collection tools, rather than creating specific market monitoring tools.

11.4. Analyse the results of the market monitoring²¹

- At the start of the response, set a threshold that will determine when the programme must investigate and explain price/volume changes. You can start with a 30% change from month to month, a 15% change observed in a bi-weekly monitoring schedule, or a 7.5% change observed from week to week.²²
- Chart the prices of the different key commodities. If you have monitored the volume traded, you can also chart this.
- Below are the main potential explanations for price and volume changes:



TABLE 11 CAUSAL ANALYSIS OF PRICE AND VOLUME CHANGES

		Commodities	
		One/Few	Many/All
Markets	One/Few	<ul style="list-style-type: none"> • Seasonality • Local supply shocks • Trader capacity/actions • Intervention 	<ul style="list-style-type: none"> • Seasonality • Local supply shocks • Demand shocks • Trader capacity/actions • Intervention
	Many/All	<ul style="list-style-type: none"> • Seasonality • Local supply shocks • Global food prices 	<ul style="list-style-type: none"> • Seasonality • Large-scale supply shocks

NB: Price changes can also be linked with changes in policies, inflation, exchange rates and fuel prices, but those factors will not be examined in detail here.

- To come to a conclusion about the reasons for price and volume fluctuations, you can use the control market or the seasonal calendar, or organise focus group discussions or interviews with traders or trade unions. Detailed causal analysis can be found in the **MARKit**.

11.5. Make the link with longer-term tools

- Information gathered through the PCMA process is not only useful for preparing for and responding to the early onset of a crisis, but can also help to inform early recovery/longer-term market studies such as labour market analysis.
- Understanding the function of specific markets pre-crisis can help humanitarian, recovery and development practitioners to build back better market infrastructure, employment opportunities and enabling environments. Recent guidance published by Save the Children, IRC and Mercy Corps which focuses on labour markets, **Labour market analysis in humanitarian contexts, a practitioner’s guide**, discusses further how to use pre-crisis and EMMA information to design programming focused on the longer term.

How long is this going to take?

Defining the indicators can be achieved during a 1.5 to 2-hour meeting. Think about involving the logistics team in this step, as they should be involved in the price and market monitoring. Ideally, defining the indicators should be part of the two-day workshop held at the end of the fieldwork.

The monitoring of market indicators is itself a continuous process.



CHAPTER FOUR

12. UPDATE THE REFERENCE AND CRISIS MAPS

12. UPDATE THE REFERENCE AND CRISIS MAPS

Why this step?

A PCMA may be updated at two different periods in time: 1) when the forecast crisis has happened, and 2) when the context has changed in such a way that regular market monitoring is not enough to capture those changes. The trigger, depth and purpose of the updates will be different in each of these two situations.

What should be achieved by the end of this step?

- The Market Focal Point knows when and how to update the PCMA.
- The plan for the update is documented at agency level.

What will you do during this step and how will you do it?

12.1. Update the crisis map if/when the crisis scenario occurs

- When the crisis hits, the market baseline will remain relevant and the update will focus on the crisis map. The objective of this crisis map update will be to verify your analysis of the expected effects of the shock on the critical markets, and update your response options accordingly.
- The trigger to update the crisis map will be the launch of a new needs assessment.
- The existence of the PCMA will allow the impact of the crisis on those markets, market actors and the targeted population to be analysed more quickly, and market-aware emergency responses designed accordingly.
- In order for this to happen, you will use the same logic that led to the full PCMA exercise, only with a focus on analysing the crisis period. This should happen much more quickly than the full exercise, as the team will already be trained, the key actors identified, etc. Your objective is more to get a reality check than to undertake a full assessment and analysis.

**EXAMPLE FROM THE FIELD****PLAN FOR UPDATING THE IRC PCMA IN SOMALIA**

Following the PCMA exercise in Somalia in November 2015, the IRC planned for its update:

In the event of a small or mid-sized displacement (affecting 4,000 households or less) in Mogadishu, a very rapid post-crisis assessment should be carried out, ideally once it is fairly clear where displaced households will be moving to, but before any humanitarian aid has been distributed. This assessment should take a small team (4-10 people) one day or less. Because the biggest changes in the market systems studied in this assessment are related to in-kind humanitarian assistance, by and large we would expect most aspects of these systems to be functioning normally following another displacement but before the distribution of aid.

Because of this, it should be sufficient to follow the guidelines for market monitoring in the present report, with a few caveats: (1) The 2-3 smaller marketplaces visited should be those that are most important for the people living in the camps where IDPs have relocated; (2) Marketplaces should be visited in person as security permits; (3) If the team's size allows, multiple vendors of different sizes and a representative of the marketplace (e.g. a market manager) should be interviewed; (4) Tools 8 and 9 from the RAM should be simplified to develop slightly more comprehensive questionnaires that inquire into impacts of the crisis on the market environment and market infrastructure, inputs, and services as well as the standard number, price and volume data; and (5) Needs assessments that occur in IDP camps should include questions about traders whose businesses have been impacted/destroyed in the displacement, in order to inform potential market support interventions for this population. Specifically, these questions should try to capture the scale and scope of the damage to these businesses.

View the full PCMA report [here](#).

- If there are massive differences between predicted and observed values, you may want to consider a more in-depth PCMA.
- If the crisis that has struck is not the one that had been forecast, or if the priority needs of the affected population are different from those identified during the PCMA, then the use of a post-shock market analysis tool (EMMA, MAG, etc.) should be considered. The results of the PCMA could still be useful and considered as secondary data.

12.2. Revise your PCMA if the context has drastically changed

- Market monitoring allows you to capture the dynamic nature of markets and to monitor seasonal and historical trends, which can be especially relevant in a slow-onset crisis context. However, changes may occur that will require you to undertake a new PCMA, for example a massive change in trade regulation in-country, or if you used severely faulty assumptions in your analysis (e.g. selecting a crisis scenario which has no impact on the market systems). This is usually discussed at country level during yearly strategic exercises.



CHAPTER FOUR

12. UPDATE THE REFERENCE AND CRISIS MAPS

- In this case, you would have to undertake a new PCMA using the process described in this guidance. You could take this opportunity to train new team members.

How long is this going to take?

In a post-crisis context, updating the crisis map and refining the response recommendations can be done quickly, in parallel with a needs assessment. Because the PCMA has been carried out, the team is already trained, and the data collected will serve only to update your crisis map and response options – i.e. to confront the plan with the reality – the whole exercise could be achieved within two to three days.

If you are updating your PCMA because the context has changed, then the same time should be allowed as for a full (but tight) PCMA: around five to eight days.



A Syrian woman living in a city in Jordan shops for food at a local grocery store. Many refugee families in Jordan receive vouchers in order to purchase basic necessities. Photo: Meredith Hutchinson/IRC



PCMA AGENDA SAMPLE

- Based on recent experience, the average pre-crisis market analysis takes 11 full days (3 days training/ in-room workshop, 1 day field preparation, 5 days fieldwork, 1 day analysis workshop, 1 day for further analysis). But if, for example, your objective is to provide baseline information and you are implementing it with an experienced team, it can be done in 3 to 5 days. Always consider the report-writing time when you are planning your analysis. Usually it takes 2 to 3 days for the Analysis Team Leader to write up the report.
- As mentioned earlier, keep in mind that the length of the exercise can vary greatly depending on its objectives, the depth of information needed, and the team composition. It can be achieved by 1-2 trained people within 2 or 3 days, depending on what you want to know.
- Below is the agenda used by Oxfam during a market analysis exercise undertaken in Kenya in 2013 with limited time (8 days).

Day 1	Day 2	Day 3	Day 4-7	Day 8
Introduction to market baseline assessment training	Introduction to hum market analysis 2 – understanding and mapping market systems	Preliminary market analysis	Data collection	Presenting field results and considering data
Introduction to hum market analysis 1 – why markets are important	Introduction to hum market analysis 3 – emergency maps, direct and indirect responses	Market analysis – concepts, logic and indicators	Lunch in the field	Gap and Market analysis
Setting the scene for markets – cash and in-kind	Scenario selection and needs analysis	Gap analysis	Data collection	Overview of projects
Cash transfer modalities	Critical market selection	Fieldwork preparation	Group debrief and update of different tools: seasonal calendar, HH profile and gap analysis table	Response options and recommendations
Cash delivery mechanisms	Key analytical questions	Extra session	Sharing with other group: presentation, Q&A	Monitoring markets and updating maps Action plans



ANNEXES

PCMA TOR SAMPLE

KENYA URBAN PCMA TOR – OXFAM

Assessment dates: 3-13 June 2013

Host agency: Oxfam in Kenya

Participating agencies: Concern Worldwide, Intermon, Save the Children, Mukuru Slums Development Project (MSDP), Umande Trust, Oxfam

Budget: 18,000 Euros

Analysis objectives

- To identify through a rapid market analysis appropriate responses (cash/in-kind/market support/advocacy) to meet emergency and early livelihood recovery needs.
- Strengthen Oxfam GB's national capacity in market analysis and in its use in response analysis and design as well as DRR, preparedness and contingency planning.
- To build Oxfam's understanding of existing coping mechanisms and to inform programming on ways of reinforcing these mechanisms.

Given that one of the key objectives is to build national capacity, Oxfam's local implementing partners MSDP, Umande Trust, Oxfam's WASH, EFSL and support staff will take part in the response analysis and recommendations formulation, in order to ensure integration where possible.

Outcomes

- Recognise the importance of market analysis as an essential input to response analysis and be able to apply the analysis to preparedness, contingency planning and project design (CTP and/or in-kind), including DRR.
- Design and carry out baseline and emergency market analysis to inform an appropriate response design for any slow-onset emergency in Nairobi informal settlements as well as preparedness, contingency planning and DRR (where possible).
- Propose innovative programming combining different types of direct and indirect interventions as appropriate depending on the specific preparedness, emergency and recovery contexts, throughout the project cycle.
- Identify relevant parameters to be monitored to update baseline market systems information and analysis in case of emergency to inform response design.

Market analysis outputs

Pre-crisis market analysis report with market maps of selected critical markets, key findings and recommendations.

Key findings and recommendations will be presented to the Country Management Team and other external stakeholders from the Urban Vulnerability Forum/Nairobi Contingency Hub.

The final report (with complete analysis and recommendations) shall be completed by the Analysis Team Leader. Support on the write-up of any technical sections of the report shall be provided by Team Leaders/ members of the pre-crisis market analysis assessment team.



Geographical area

One main geographical area of work – Mukuru informal settlement with travel to and around Nairobi for mapping the market players.

Potential critical markets for analysis

Tentatively, the following critical markets have been identified for potential analysis. A final decision of markets to analyse will be made on the first day of the analysis.

- Maize flour
- Water
- Credit services

Teams

Approx 15-18 participants, including 8 international staff.

All participants must be able to communicate in English and all local staff speak Swahili.

Facilitation/training will be primarily in English.

Duration of the assessment and working hours

- From 3-13 June 2013. Please see schedule below.
- Participants should be prepared for working long hours.
- All participants should agree to work the length of the assessment, and without a break if necessary to ensure the work is completed on time, and to the required detail and quality. Please inform us if this is likely to be difficult or if there are any outstanding issues that need addressing.

Communications

- Most staff have local mobile phones and these shall be used. The international staff visiting for the purpose of the market analysis will seek the necessary local SIM cards.
- At the start of the fieldwork, participant mobile numbers shall be collected and shared.

Administration and resources required

The Nairobi office will need to provide the market team the following support:

- Office space and access to printers and photocopier
- Flipcharts and stationery
- Data projector and laptop for presentation
- Refreshments during analysis and feedback sessions
- Vehicle rental
- Accommodation in Nairobi



ANNEXES PCMA BUDGET SAMPLE

KENYA URBAN PCMA BUDGET - OXFAM (JUNE 2013)

Item	Quantity	Unit	Duration	Unit	Cost per unit (local currency)	Cost per unit (GBP)	Total (local currency)	Total (GBP)	Total (Euros)
HUMAN RESOURCES								9381	11258
Staff – Expatriate								6000	7200
Team Leaders (3 persons)	3	person	9	days		200	0	5400	6480
Team Leader for report writing	1	person	3	days		200	0	600	720
Staff – National								3320	3984
Team members	9	person	8	days	6000	45	432000	3230	3876
Logistics team for arrangement	1	person	2	days	6000	45	12000	90	108
Additional staff costs and expenses								61	74
e.g. Visa/permit fees	2	visa			n/a	31	n/a	61	74
OPERATIONAL & LOGISTICS								2730	3276
Transport								1665	1998
International flights (Oxford–Nairobi)	1	flight				798		798	957
Vehicle rental for field visit	3	vehicle	4	days	9000	67	108000	808	969
Vehicle rental for airport pick up and drop for 2 persons	4	trips	1		2000	15	8000	60	72
Accommodation and food								1050	1260
Hotel	2	person	13	days	5400	40	140400	1050	1260
Communication								15	18
e.g. Mobile airtime	1	lump sum			2000	15	2000	15	18
EMMA PROGRAMME/ ACTIVITY COSTS								2419	2903
Market baseline workshop including 3 days initial training and 2 days analysis of results and presentation of results (refreshments, lunch etc.)	18		5	days	2750	21	247500	1851	2221
Presentation of the findings and recommendations	25		1		1000	7	25000	187	224
Stationery, materials & printing	1	lump sum	1		13000	97	13000	97	117
EMMA books	1	book	15	persons		10	n/a	150	180
Taxi hire/transport reimbursement	6		10	days	300	2	18000	135	162
TOTAL								14531	17437
Contingency 3%								436	563
Grand Total								14967	18000



USEFUL WEBSITES FOR SECONDARY DATA REVIEW

Markets in crises community of practice library

EMMA website

Food Security Cluster

Relief web: for general news and updates on emergency situations (organised by countries and sectors), maps, OCHA Situation Reports, Cluster Reports:

FEWS-NET: for food-security information, descriptions of livelihood zones and market profiles, data on markets and trade, food security, maps of trade flows

IPC: the Integrated Phase Classification for Food Security (IPC) for food regional security information

MAP-ACTION: for maps and technical information, for example on trade flows

UNOCHA: 'Who Does What Where' – a contact-management directory

LOG-CLUSTER: for logistics information relevant to conducting fieldwork, road conditions and travel times, maps and supplier databases (for contacts)

UNICEF: for general country-overview information, especially regarding water and sanitation, health sector, essential household items; focus on children's needs.

WFP: for information on food-security issues, CFSVA and CFSAM reports; the Vulnerability Analysis and Mapping branch publishes detailed food-security reports

FAO GIEWS: for general food price data (the data is usually available the capital and major cities);

FAO and **FAOSTAT**: for reports and data on food production, food security, as well as food balance sheets.

Food Economy Group: for Household Economy Analysis (HEA) reports

HEA Website: for Household Economy Approach, Cost of Diet reports

HEA Sahel: for HEA reports for Sahel countries

World Bank: for general country information on various subjects (e.g. agriculture and rural development; labour and social protection)

Regional Development Banks: for general country information: **Africa**; **Asia**; **Europe**; **Americas**

IOM: for reports relating to movement of people and shelter needs

UNHCR: for information on shelter needs and refugee and IDP movements

Microfinance Gateway: for country profiles on micro-finance institutions and credit services

SEEP-Network: for weblinks to country-specific sites on micro-finance, enterprise development

BDS-Knowledge: for a library of reports on enterprise development and market analyses

UNDP: for detailed reports on development policies and livelihood strategies



ANNEXES

LIST OF QUESTIONS THAT CAN BE INCLUDED IN THE DATA-COLLECTION QUESTIONNAIRES

LIST OF QUESTIONS THAT CAN BE INCLUDED IN THE DATA-COLLECTION QUESTIONNAIRES

Adapted from the EMMA toolkit

Sample questions for large traders

Reference situation: normal structure and functioning of this market system

Value-chain actors

1. What is the nature of your business (production of goods or services) and what are its inputs? Who is involved in delivering your raw materials, etc.?

What function does each of these people or companies perform in the chain?

2. To what extent do they compete with each other? And with other supply chains?

Service providers

3. Are there any important services provided by other businesses that support or make this market chain viable? (e.g. suppliers, transport services, storage facilities, communications, financial services)

4. Are there any important services or infrastructure provided by government/local authorities that support or make this market chain viable? (e.g. credit facilities, power and water)

Business environment/institutions

5. Which laws, formal rules, or regulations have a big influence (positive or negative) on the way in which this supply chain works?

6. Are there any informal customs, habits, and practices that shape the relationships (e.g. build trust) between market actors? (e.g. customs about whom to sell to or buy from)

Reference situation: performance of the market system

7. How many people do you employ normally at this time of year? Does it change seasonally? Where do your workers come from? Percentage of men/women?

8. How much do your workers normally earn? Do they receive other benefits?

9. Do profits change during the year (i.e. seasonally)? At what time of year do you employ the greatest/least number of people? In a normal year, how many staff would be working for you, and what would your profits be?

10. Who normally buys your products or uses your services – rich people, middle-class people, poor people? Could you estimate how much each of these households would typically consume per week?

Is this market usually competitive and well integrated?

11. Do you have competitors? Do you or your competitors control the supply and thus set the price of goods/services? If so, how do you/they establish and maintain this control?

12. Does the pattern of seasonal price variations in your area (affected by disaster) tend to be the same as the pattern in other regions or in the capital (after accounting for transport costs)? If not, why do you think seasonal price variations in this area are different from elsewhere?



ANNEXES

LIST OF QUESTIONS THAT CAN BE INCLUDED IN THE DATA-COLLECTION QUESTIONNAIRES

Crisis-affected situation (forecast)

How will the crisis affect the functioning of the market?

13. What impacts/changes do you foresee in your ability to stay in business and employ staff if the crisis were to unfold?
14. Will any particular market actors or functions in the value chain be especially affected?
15. How will the crisis affect important services or public infrastructure mentioned above?
16. How much more costly will it be to do business as a result of the forecast crisis? Which business costs will increase (fuel, storage, goods, labour, etc.) and by how much? How will you deal with this crisis situation?
17. How will you adapt your operations to overcome challenges caused by the forecast crisis?
18. How will other actors in the market chain adapt? (e.g. input suppliers, transporters, producers)

How will the crisis affect competition?

19. Will the crisis change competition within your sector? (e.g. will some be more severely affected by the disaster than your company?)
20. Do you think you or your competitors will have enough leverage to restrict supply and drive up prices now?

How will the market perform in the aftermath of the crisis?

21. Will your sales increase or decrease? If so, why?
22. Will prices for this product/service increase, decrease, or stay the same, compared with the normal trends for this time of year? Specify by how much.
23. Will certain groups of consumers be unable to purchase these goods/services because of high prices or lack of access to suppliers?
24. What if the purchasing power of your buyers was restored after the crisis and you could continue to employ people?
25. If greater demand for your goods/services in the emergency zone could be guaranteed, to what extent would you be able to increase your supplies/business volumes in the affected area?
26. Will your employees still be available, and are raw materials accessible now?
27. Which factors would be most likely to limit your capacity to increase volumes of business?

Sample questions for larger market actors/key informants

Reference situation: Normal structure and functioning of this market system

Market actors

1. Describe the functional steps and people or companies involved in getting this product to market (i.e. from producers via traders and intermediaries to consumers).
2. What functions do each of these people or companies perform in the chain?
3. During a normal year, what are typical prices paid along the market chain at this time of year?



ANNEXES

LIST OF QUESTIONS THAT CAN BE INCLUDED IN THE DATA-COLLECTION QUESTIONNAIRES

Service providers

4. Are there any important services provided by other businesses which support or make this market chain viable? (e.g. *input suppliers, transport services, storage facilities, communications, financial services*)
5. Are there any important services or infrastructure provided by government/local authorities which support or make this market chain viable? (e.g. *credit facilities, power and water, marketplaces*)

Institutions, rules, and norms

6. What laws, formal rules, or regulations have a big influence (positive or negative) on the way this supply chain works?
7. Are there any informal customs, habits, and practices that shape the relationships (e.g. build trust) between market actors? (e.g. *customs about whom to sell to or buy from*)

Reference situation: performance of the market system

8. Which are the months of highest demand in a 'typical' year? And lowest demand?
9. Please estimate the total combined local production that you and your competitors traded last season (nationally and in the crisis-affected area).
10. Does the price of this product change seasonally? What times of year are the highest and lowest prices usually? What would normally be the price at this time of year?
11. How much stock is generally available in a normal year? (Breakdown by total stock and in warehouse depots up-country.)
12. Who normally buys your products – rich people, middle-class people, poor people? Could you estimate how much each of these households would typically consume per week?

Is this market usually competitive and well integrated?

13. Are there any points in the supply chain where one or two market actors (e.g. traders) are able to dominate or control the supply and thus set the price of goods?
14. Does the pattern of seasonal price variations in the affected area tend to be the same as the pattern in other regions or in the capital (after accounting for transport costs)? If not, why do you think seasonal price variations in this area are different from elsewhere?

Crisis-affected situation (forecast)

How will the crisis affect the functioning of the market?

15. What impacts/changes will there be in the supply routes from producer via trader to consumer?
16. Will any particular market actors or functions in the value chain be especially affected?
17. How will the crisis affect important business services mentioned above, important government services, or public infrastructure?
18. How much more costly will it be to do business as a result of the emergency?

Which business costs will increase (e.g. fuel, storage, goods, labour, etc.), and by how much?

19. Will your sales increase or decrease? If so, why?
20. What will happen to your access to local production?
21. Will the crisis affect your ability to import? (e.g. *damage to ports, rail, roads, or lack of customs staff to clear goods*)



ANNEXES

LIST OF QUESTIONS THAT CAN BE INCLUDED IN THE DATA-COLLECTION QUESTIONNAIRES

22. Will prices for this product increase, decrease, or stay the same, compared with the normal trends for this time of year? Specify by how much.

23. How much stock of these goods will be available right after the crisis? Break down by total stock and in warehouse depots up-country, especially in likely disaster-affected area.

24. Will certain groups of consumers be unable to purchase these goods because of high prices or lack of access to suppliers?

How will you deal with the crisis?

25. How will you adapt your normal trading pattern to overcome challenges caused by the forecast crisis?

26. How well will other actors in the market chain (e.g. input suppliers, transporters, producers, etc.) also adapt?

How the crisis will affect competition?

27. Will the crisis affect the way in which supplies and prices are controlled – and if so, how? (e.g. by reducing the number of businesses in operation, or limiting transport options)

28. Do you think your largest competitor will have enough leverage to restrict supply and drive up prices now?

What if the purchasing power of affected households were restored?

29. If greater demand in the emergency zone were guaranteed, to what extent would you be able to increase your supplies/business volumes in the affected area?

30. Where would you source extra supplies if necessary?

31. Which factors would be most likely to limit your capacity to increase volumes of business?

32. How long would it take you to scale up your trade to meet increased demand?

33. Would there still be certain groups of consumers whom it would be difficult to supply – for example because of high risks, weak infrastructure, poor roads?

Sample questions for local market actors

Your business (at the reference time and crisis time)

1. How is your business doing? What will be the impact of the crisis on your business? How do traders and the community usually cope in difficult times/how are you managing now?

2. Which products/items would you be selling if the crisis began? How much/how many?

3. How much/many are you selling now/at the reference time?

4. What level of stocks are you holding? Is this more or less than normal for you? How much will you hold after the forecast crisis?

Your customers/buyers (at the reference time and crisis time)

5. Who are your customers? What are their characteristics? (NB: 'customer' means person who buys from you, not necessarily the end-user.)

6. How many customers do you have these days? (e.g. number of transactions per week)

7. How many sales will you have at a similar time of year if the crisis unfolds?

8. Will the crisis affect your customers' demand for particular products/items?

9. What is your selling price at reference time? And at crisis time?



ANNEXES

LIST OF QUESTIONS THAT CAN BE INCLUDED IN THE DATA-COLLECTION QUESTIONNAIRES

Credit/debt (at the reference time and crisis time)

10. Do you normally give any of your customers credit? Would that change if the crisis unfolds?
11. How much in total are you owed by your customers? (How many weeks of income?)
12. Do you get any credit from your suppliers?
13. Will you still be able to get credit from your suppliers if the crisis unfolds?
14. How much do you owe your suppliers? (How many weeks' supply?)

Your suppliers (at the reference time and crisis time)

15. Who and where are your suppliers?
16. Will this change if the crisis unfolds?
17. Are there any seasonal factors affecting prices and affecting when you buy inputs/supplies?
18. Will your suppliers' prices change if the crisis unfolds? By how much?
19. If demand from your customers increased following the crisis, how quickly could you supply a) the same quantity as before; b) double the quantity; c) three times as much?
20. Do you think you would have to pay more than before to get these supplies/inputs?
What would be your business costs (i.e. transport, storage, rents, etc.)?
21. What are the major costs that you incur in your business apart from purchasing supplies? (e.g. transport, storage, premises, labour, licences)
22. What impact will the crisis have on these costs?

Your competitors (other businesses) (at the reference time and crisis time)

23. How many other businesses (traders) are selling your particular products/items in the same local area as you?
24. What do you estimate is your 'share' of the total market in the area that you serve?
25. Are there any areas nearby that are not getting regular market supplies? If so, why?

The response (at the reference time and crisis time)

26. What are the main problems that you face in doing business now?
27. Are there any restrictions on where you can move goods for sale or buy goods? Market regulations? Will the crisis have an impact on that?
28. What do you think could be done to solve any of these problems (especially those related to forecast impact of the crisis)? What are the potential immediate and longer-term steps that can be taken to remedy the situation?
29. How will you and your household cope? What changes will you and your family have to make to adjust to the new hardships?
30. Do you know any agencies or governmental structures that would intervene in your area to help you through this time?
31. If you were given cash rather than material aid, what types of goods or services would you purchase first? Where could you spend? Given a choice, how would you prefer to receive assistance with your household food needs? (e.g. food distributions, cash-based help)
32. Given a choice, how would you prefer to receive assistance with your household non-food needs? (e.g. item distributions, cash-based help)



ANNEXES

LIST OF QUESTIONS THAT CAN BE INCLUDED IN THE DATA-COLLECTION QUESTIONNAIRES

Sample questions for women and men in target households

Your situation in reference time

1. What are the main foodstuffs (cereals, meat, fish, oil, and vegetables) that your household consumes?
2. How do you obtain these basic foodstuffs? (*e.g. own production [agriculture, fishing, livestock], purchased in market, collected wild food, gifts from family, barter labour for food, food aid*)
3. What are the most essential non-food items or other services (e.g. transport, loans) that your household uses?
4. What are your primary sources of cash income (or benefits in-kind) at this time of year? (*e.g. wage labour, sale of crops, livestock, micro-enterprise activities, remittances*)

Your situation in crisis time (forecast)

5. How will your household's normal food consumption be affected by the crisis? Which of the different foods (above) will be affected?
6. How big is the gap (deficit) that you will be facing in each of these basic food items?
7. In each case, in what way will the emergency have an impact on your normal consumption? (*e.g. destroy your crop, reduce your income, raise prices, reduce availability in market, block your access to market*)

Essential non-food items or other services – crisis-affected situation (forecast)

8. Which of the essential non-food items and services (above) that your household normally uses will be affected by the crisis?
9. In each case, in what way will the crisis have an impact on your normal usage? (*e.g. increase your need, reduce your income, raise prices, reduce availability in market, block your access to market*)
10. What other urgent non-food or service needs will you have as a result of the forecast crisis?

Income and/or employment – crisis-affected situation (forecast)

11. If you normally rely on casual labour or employment for income, please describe any changes in the amount of work that you will be able to find after the crisis, and/or the wage rates.
12. If you normally rely on selling your own produce (food, livestock, manufactured goods) for income, please describe any changes in the amount that you will be able to sell, and/or the prices that you obtain.
13. In each case, tell us in what way the crisis will affect your normal earnings/income. (*e.g. make you unable to work, reduce demand for labour, reduce demand for products, cut transport to jobs, reduce wage rates, reduce selling prices for your goods, change the way time is allocated to paid and unpaid activities*)

Humanitarian response – crisis-affected situation (forecast)

14. How will you and your household cope? What changes will you and your family have to make to adjust to the new hardships?
15. Do you know any agencies or governmental structures that would intervene in your area to help you through this time?
16. If you were given cash rather than material aid, what types of goods or services would you purchase first? Where could you spend? Given a choice, how would you prefer to receive assistance with your household food needs? (*e.g. food distributions, cash-based help*)
17. Given a choice, how would you prefer to receive assistance with your household non-food needs? (*e.g. item distributions, cash-based help*)



ANNEXES

PCMA REPORT TEMPLATES

PCMA REPORT TEMPLATES

Executive summary

This is the key summary of the context, findings and recommendations of the PCMA. This mirrors the outline of the main body of the report. It should be no more than four or five pages long and contain brief and succinct sections on:

- Background.
- Objectives, key analytical questions.
- Crisis scenario and selected timeframes (reference and crisis time, season).
- Geographical scope and depth of the analysis.
- Market assessment tools chosen for the analysis.
- Main findings:
 - From the overall market functionality;
 - From the market system analysis.
- Response recommendations:
 - For future emergency responses;
 - For immediate market-strengthening interventions.
- Recommendations for market monitoring.

Section 1: Objectives and key analytical questions

- Objectives of the PCMA exercise and the questions the exercise intends to answer.
- Rationale of the PCMA exercise and articulation with existing or ongoing contingency planning.
- Brief description of the PCMA approach and activities undertaken to produce the report:
 - Composition and experience of the team, and any training provided;
 - Fieldwork locations and methodology (e.g. number and types of interview).
- How leadership and support were provided to the PCMA market team.

Section 2: Crisis scenario and selected timeframe

- A brief description of the selected emergency/crisis – its history, prevalence, cause and forecast impact.
- A quick overview of humanitarian responses to date to this type of crisis and the expected response should the crisis unfold.
- Explanation of the agency's role and geographical area of responsibility.
- Selection of reference and crisis times.

Section 3: Scope, depth of the analysis and market assessment tools

- The needs of the affected population should the crisis unfold, and potential pre-existing chronic needs.
- Key background information concerning, for example, the socio-economy, livelihoods, political context (if appropriate) of the target population.
- The geographical scope of the assessment and the marketplaces to visit.
- The market assessment tools you are going to use for the assessment and why they have been chosen.



Section 4: Market systems and season of the analysis

- The market system to analyse: summarise the decision-making process that was undertaken in order to select specific critical market systems. Explain – briefly – how you got from a general understanding of emergency needs to a list of candidates for market system analysis:
 - What are the critical market systems for the affected population?
 - Which systems will the PCMA look at, and why have they been selected?
- Seasonal calendars.
- Selection of the season for the analysis.

Section 5: Market maps and analysis

This is the main descriptive section of the report. Try to keep it succinct. It is important to look at the key years selected, starting with the reference time.

- Findings from the overall market functionality assessment, including:
 - A description of the existing main rules and regulations, market services and environment;
 - A description of the likely impact of the crisis scenario on those.
- Findings from the market system assessment, including:
 - The market maps in reference and crisis time;
 - A description of the major market actors, their status in reference time and the likely impact of the crisis scenario on them.
- Answers to your key analytical questions.

NOTE: an important element of this section is to highlight the gaps in your knowledge that are due, for example, to limited information/time/team analytic skills. What you don't know, but probably need to know, may be as important as what you do now understand.

Section 6: Main response recommendations

- Response logic.
- Both the planned emergency response should the forecast crisis unfold and longer term/DRR interventions that can be implemented immediately.
- Do the findings above essentially direct us towards a response that relies on the market system performing well (e.g. cash), or one that assumes that it cannot do so (e.g. relief)?
- How feasible is it to change the market system's capabilities through supportive interventions?
- Response options.
- Advantages, disadvantages, and feasibility of the main candidates for response activities.
- Response recommendations presented as an action plan.

Section 7: Market monitoring

Activities or combinations of activities that the market team is proposing, including recommendations for further investigation and monitoring activities – including the M&E framework for: the market-strengthening interventions to be implemented right after the PCMA exercise; regular market monitoring; and future market-based interventions to be implemented if the crisis happens.

Note: the **RAM toolkit** also provides a report template.



ENDNOTES

ENDNOTES

- ¹ <http://www.value-chains.org/dyn/bds/docs/681/OP%20Guide%202008.pdf>
- ² <http://www.cashlearning.org/downloads/a-rapid-market-appraisal-toolkit.pdf>
- ³ Experiences from the IRC, Oxfam and Catholic Relief Services in Niger, Somalia, Pakistan, Haiti, Nepal and Sudan have been captured through 10 semi-structured interviews with members of the assessment teams.
- ⁴ The IRC EMMA uptake study found that of EMMAs led by in-country staff (rather than consultants or surge capacity staff), 100% had substantial uptake.
- ⁵ For more references refer to: **Oxfam and Save the Children (January 2012) A Dangerous Delay, The cost of late response to early warnings in the 2011 drought in the Horn of Africa**; and Humanitarian Practice Network no. 71 System failure? **Revisiting the problems of timely response to crises in the Horn of Africa.**
- ⁶ Equal numbers of men and women were interviewed at household level. For goat vendors, one woman and 11 men were interviewed, and for cabbage vendors five women and four men were interviewed.
- ⁷ From the **Red Cross Movement Cash in Emergencies Toolkit** 1.04 Scenario development
- ⁸ The EMMA and the MAG are typically considered as being based on market system assessment, whereas the RAM, the WFP trader survey and the Oxfam 48-hour tool adopt more of a marketplace approach. In practice, even when using the RAM, the trader survey and the 48-hour tool, there is a need to identify specific market systems.
- ⁹ Adapted from Oxfam (December 2015), **Multi-Sector Market Analysis**
- ¹⁰ Ibid.
- ¹¹ The EMMA, the RAM/MAG, the Oxfam 48-hour tool and the WFP trader survey.
- ¹² Adapted from Oxfam (Dec 2015), **Multi-Sector Market Analysis.**
- ¹³ The RAM has been classified here as a 'light touch' assessment, but depending on the context it can also be used to answer more complex questions on market system capacity.
- ¹⁴ Several Value Chain Analysis tools exist, for example: **<https://www.microlinks.org/good-practice-center/value-chain-wiki/32-value-chain-analysis>**
- ¹⁵ An advert for an Analysis Team Leader can be posted on the usual websites (ALNAP, Relief web, etc.) but consider also using the **Market in Crisis DGroup.**
- ¹⁶ Adapted from Oxfam (December 2015), Multi-Sector Market Analysis.
- ¹⁷ Some market assessment tools, including RAM and the WFP trader surveys, do not actually require household interviews and do not provide household questionnaires. If you are unable to gain information on household needs and preferences from existing sources, such as needs assessments, you should plan to conduct household interviews, regardless of which tool you are using for your market assessment.
- ¹⁸ H. Juillard (January 2016) Market Based Programming, Scoping Study, CRS.
- ¹⁹ IRC EMMA uptake study (not yet released): Seven or fewer days of report writing was linked to better uptake of recommendations.
- ²⁰ Record if the trader is a retailer, wholesaler or both. If the trader is only a wholesaler, find one that sells retail instead, since we are only interested in collecting retail prices (unless wholesalers are the target population of your market-based programming).
- ²¹ Adapted from the MARKit.
- ²² Lentz (2011).



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Front cover photo: A young woman sets up her vegetable stand at a marketplace in Monrovia, Liberia. Business owners tend to be incredibly resilient and are often keen to continue operating during and after crises. Photo: Peter Biro /IRC

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