

> Making markets work for refugees

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Making Markets work for Refugees and IDPs

*Stimulating market systems among
displaced and conflict-affected
populations*



Overview

- 01** What is the case for market systems for refugees and IDPs?
- 02** NU-TEC MD in Northern Uganda
- 03** Propcom Mai-karfi: Market Recovery in Northern Nigeria
- 04** Northern Kenya: Skills for Life
- 05** Questions and Comments

A Case for Market Systems with Refugees and IDPs

01

The increasing scale and complexity of the situation

Scale of the Situation

- Responding systemically rather than programmatically
- May need to adjust ToC regularly
- Host community is critical to this
- The Aid System is also critical for systemic change



Complexity of the Situation

- Solving core problems
- Possibly multiple issues, looking at sequencing and timing
- Ability to adapt and adjust with the changing landscape



Increasing length of time refugees and IDPs are displaced

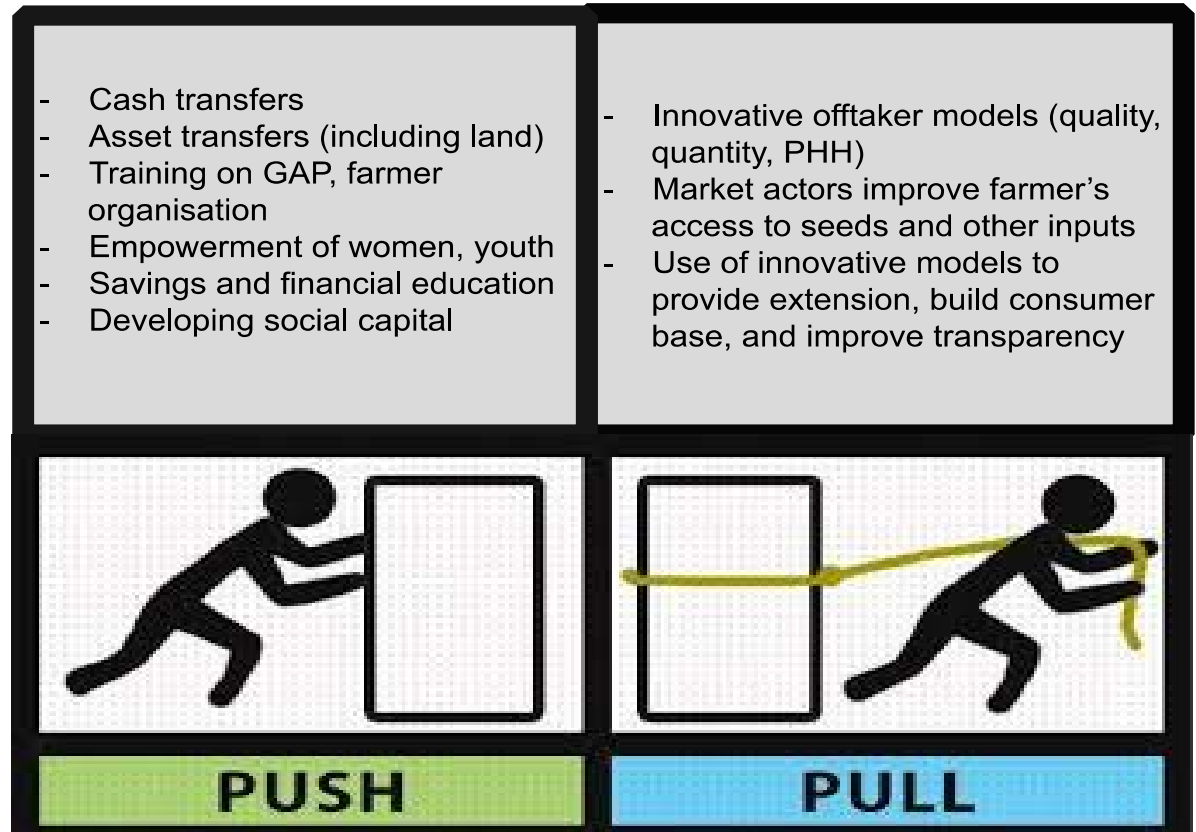
- Average time refugees remain in their host community in East Africa is **18 years**
- IDPs in Uganda were in camps for up to **30 years**



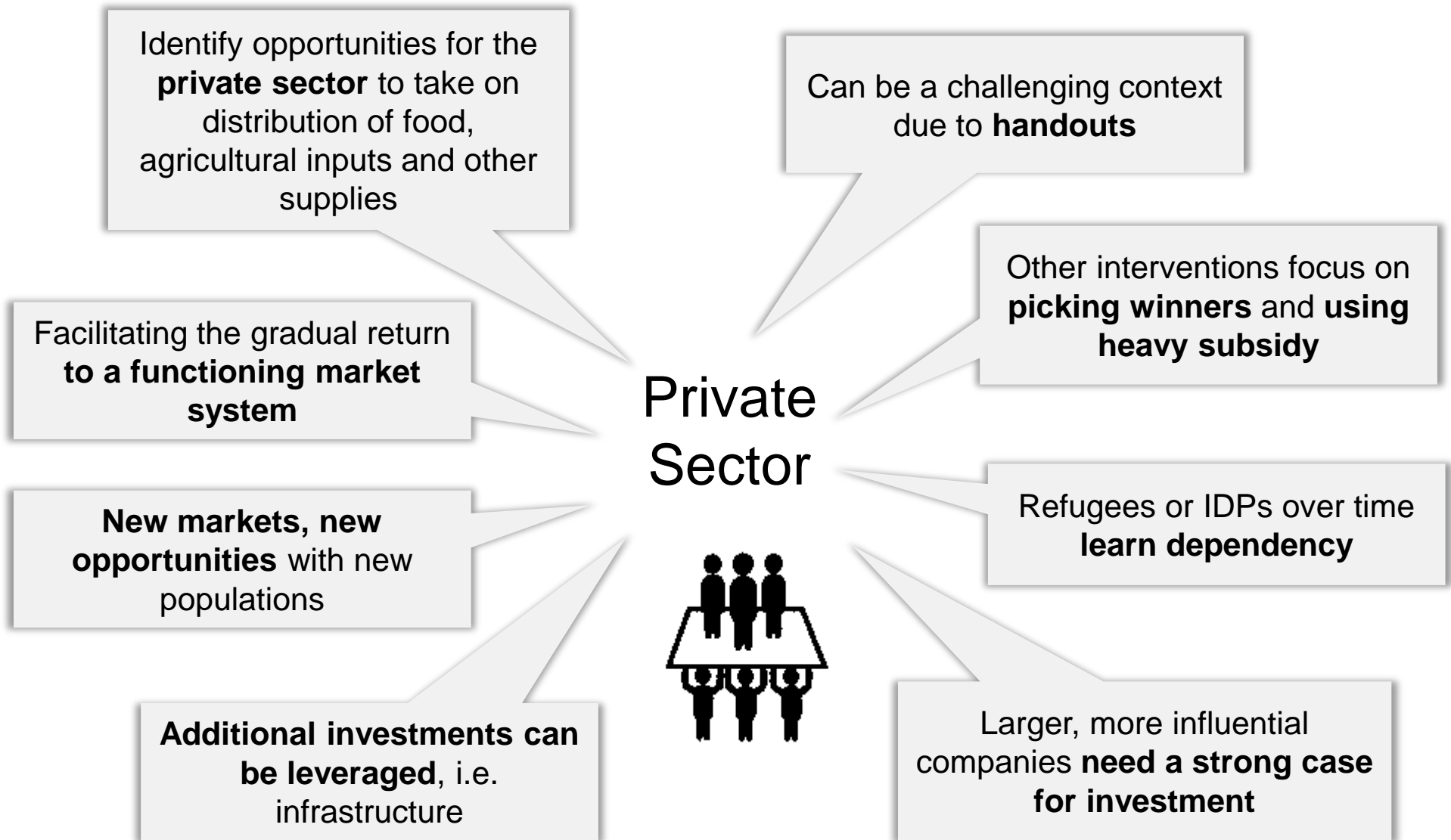
Economic opportunities are market based

- Real solutions to ensure sustainable integration of refugees or IDPs
- Incorporating the host community
- Using the private sector:

what components of push/pull work for certain target groups, what is the timeline, sequencing, etc



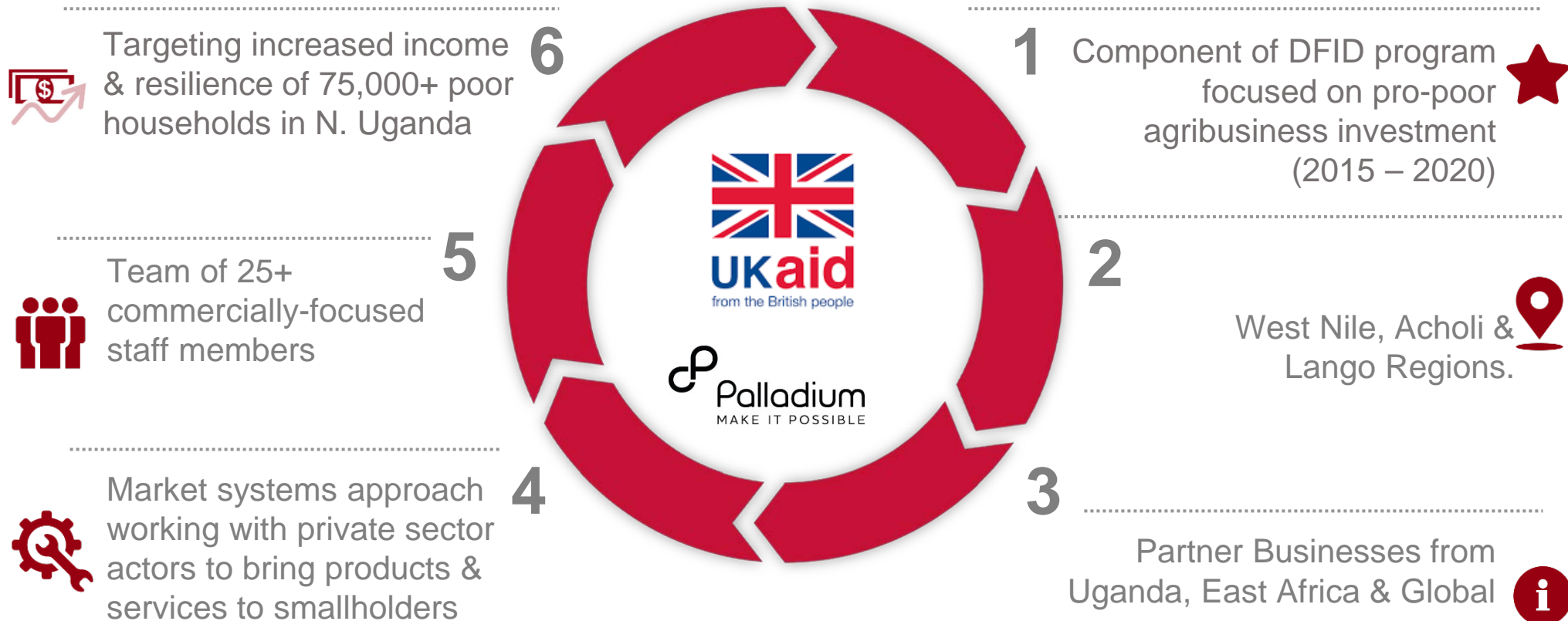
Involving the Private Sector



DFID NU-TEC Market Development

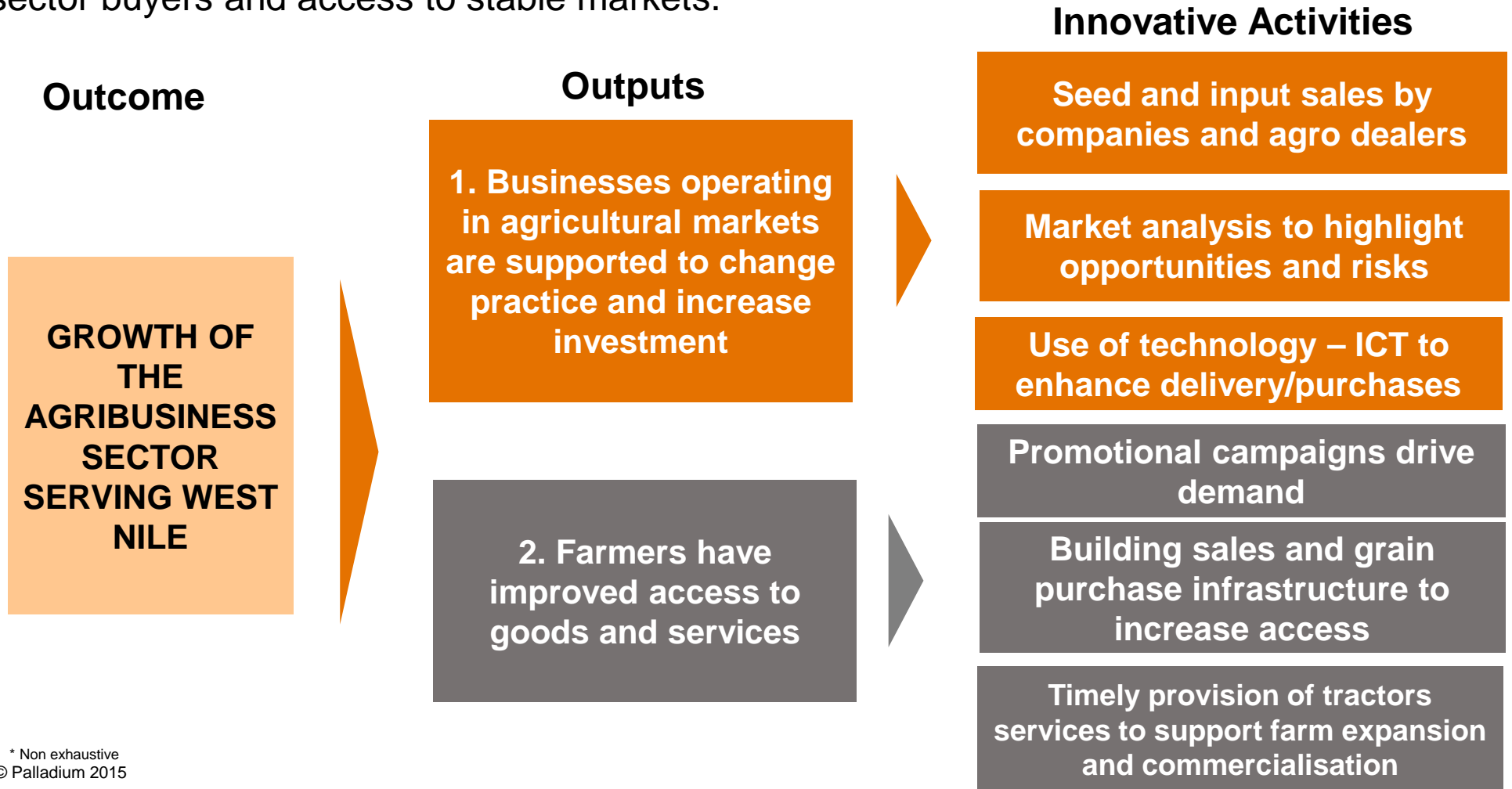
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Project Facts: NU-TEC MD at a Glance

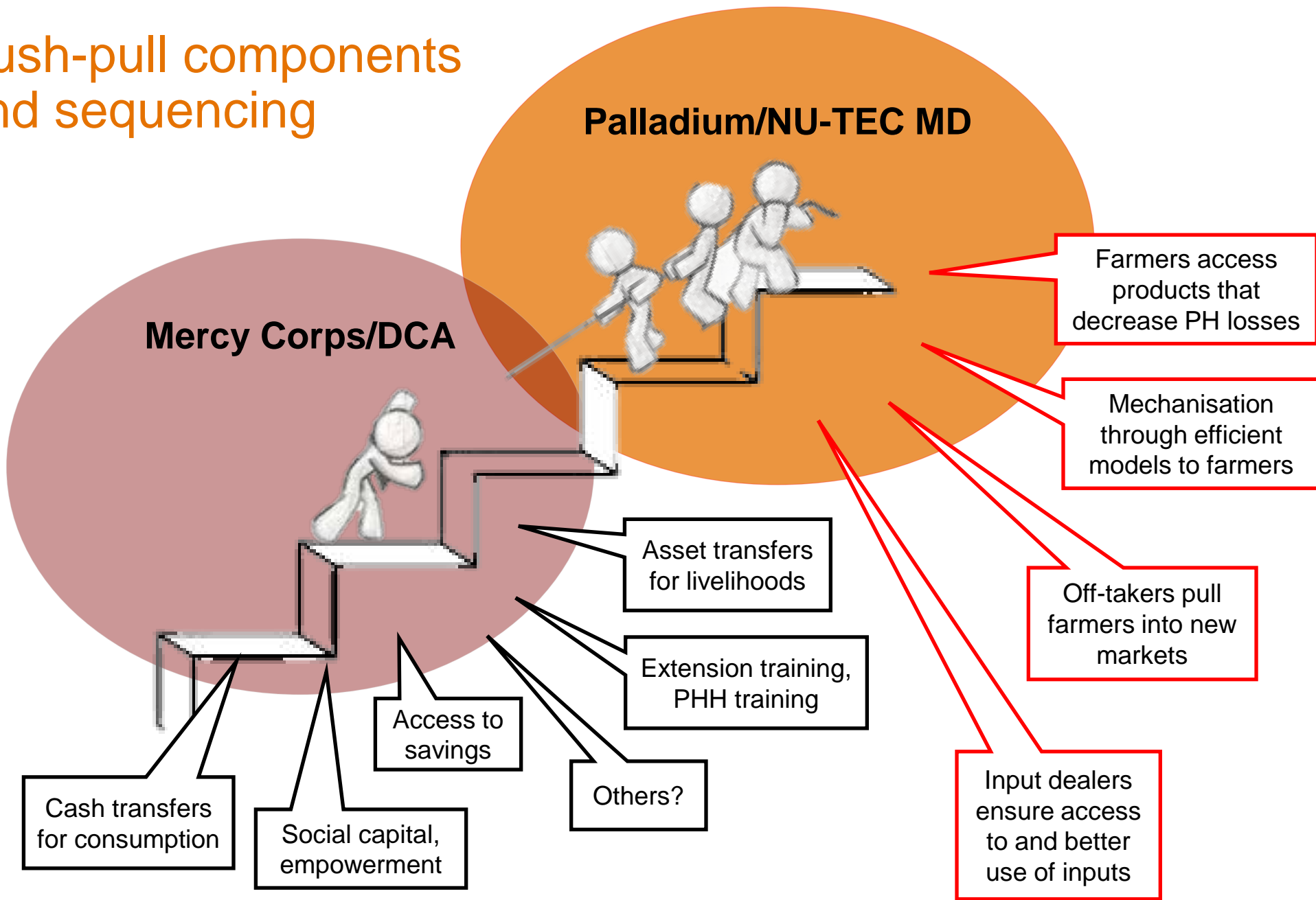


ToC - Market Systems for Refugees & Host Communities

Well defined agribusiness opportunities in the refugee and host community areas will attract private sector investment in the provision of agricultural inputs needed by the refugees and hosts. Good quality inputs will enhance production of surplus for market, attracting private sector buyers and access to stable markets.



Push-pull components and sequencing



Market Development – Refugees and Host Communities

Refugee hosting areas - Disconnected from rest of economy; Markets highly distorted due to emergency operations and Markets are thin due to lack of cash

NUTEC MD set out with three main hypotheses. Over the last 7 month, we have implemented a pilot private sector led strategy for market development in West Nile targeting refugees and host communities.

Enterprising refugees and host community households are able to invest in productive activities

- 2,200 households have been able to buy improved seeds of sesame, sorghum and rice to plant.

Private sector will invest in these areas if there is a viable market

- Local private sector setting up distribution and purchasing channels in these areas, seed companies and agrodealers investing in models of distribution in these areas.

Refugee and Host community areas can produce marketable surplus to attract private sector buyers

- An estimated 400MT of sesame and sorghum grains purchased from refugee and host farmers, at a value of over **£230,000**.

Lessons Learned & Challenges

KEY FINDINGS & INSIGHTS

- The context is challenging
- Partial subsidy for refugee and host farmers can work. Getting the level of subsidy is important.
- A subset of refugees can be linked to the private sector from the beginning. These are refugees who have some sources of income – transfer payments, remittances, etc.
- Getting quality inputs to where refugees are located is critical. New varieties can be game changers. What matters is timing and ensuring that it is within reach.
- It is easier to attract smaller, local private sector to work in refugee/host areas than large companies especially at the outset. However, both must see a clear business opportunity/case for them to invest.



Challenges

- How to deal with refugees who sell some of the food aid they have been given?
- How to manage relationships with police and tax authorities/informal tax systems that have potential to reduce the already thin margins?
- Competition from 100% subsidised handouts – avoid similar crops
- Critical is understanding the sequencing of different components to graduate refugees up to the private sector.
- Difficult to have extension support solely through the private sector for refugees, especially with low levels of GAP.
- Small companies are more risky – 2 fails this past season with 2 offtakers.
- Larger companies won't be convinced to invest with 5,000 farmers.

Implication for interventions in economic empowerment

- The private sector can be engaged innovatively to help drive economic development/empowerment in refugee and host community areas through well-designed risk sharing mechanisms. However, a clear profit signal must be demonstrated.
- There is opportunity to utilise resources creatively to crowd in the private sector and strengthen markets in refugee and host community areas. Targeted assessment of market opportunities, supporting private sector to build market channels and innovative use of grants, for instance, in the form of vouchers can stimulate market development.
- A commercial relationship between refugees and the PS will emerge when there are strong market signals. Refugees will utilise limited resources they have to hire, rent or buy productive assets from hosts. Strengthening such emerging markets is good for all.
- Involvement of local authority and government is required. However, they need substantial education to understand what market development is all about. Working within existing economic development frameworks of the host districts is normally welcome.

DFID Propcom Mai-Karfi

03

DFID Propcom Mai-karfi

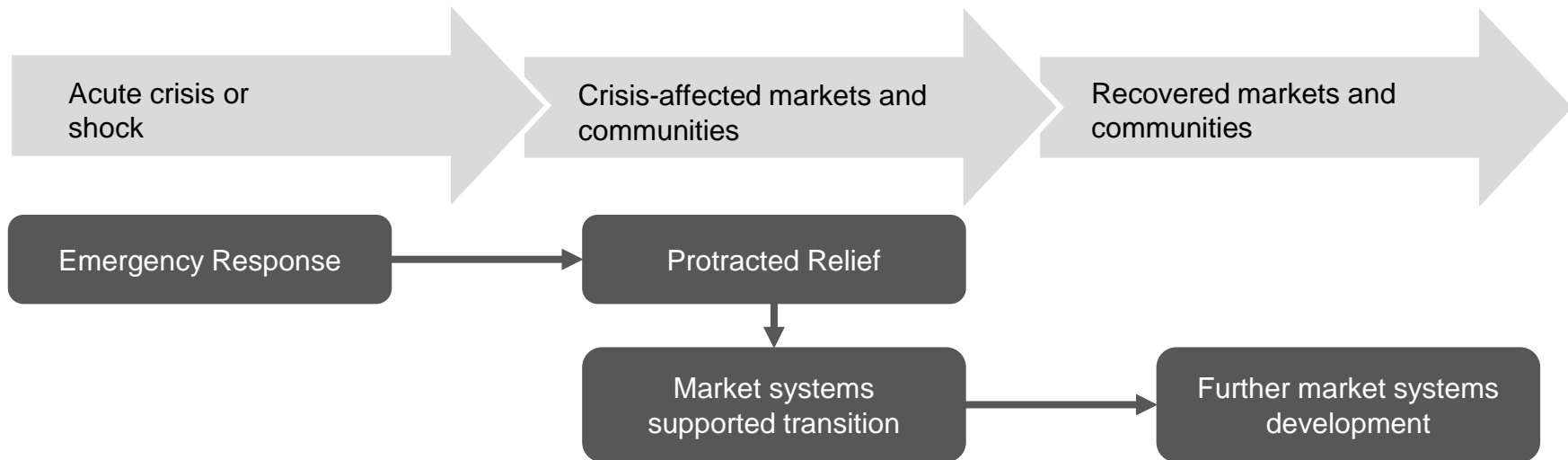
An agricultural market systems programme operating in northern Nigeria for over 9 years.

In its second phase the programme has leveraged over GBP £25m in private investment into rural markets, **generating over GBP £17.5 million of additional income for 480,000 farmers and rural entrepreneurs.**

Context: the programme is working with DFID to design a final phase working in conflict-affected regions in the north east including Borno and Yobe states.

Objective: to facilitate market recovery, working with humanitarian relief agencies and the private sector to transition from aid dependant communities to functioning markets.

Facilitating market recovery using the ABC approach



Actor-based mapping depicts the current practices and relationships among actors in the system, the drivers of this behaviour and their impact.

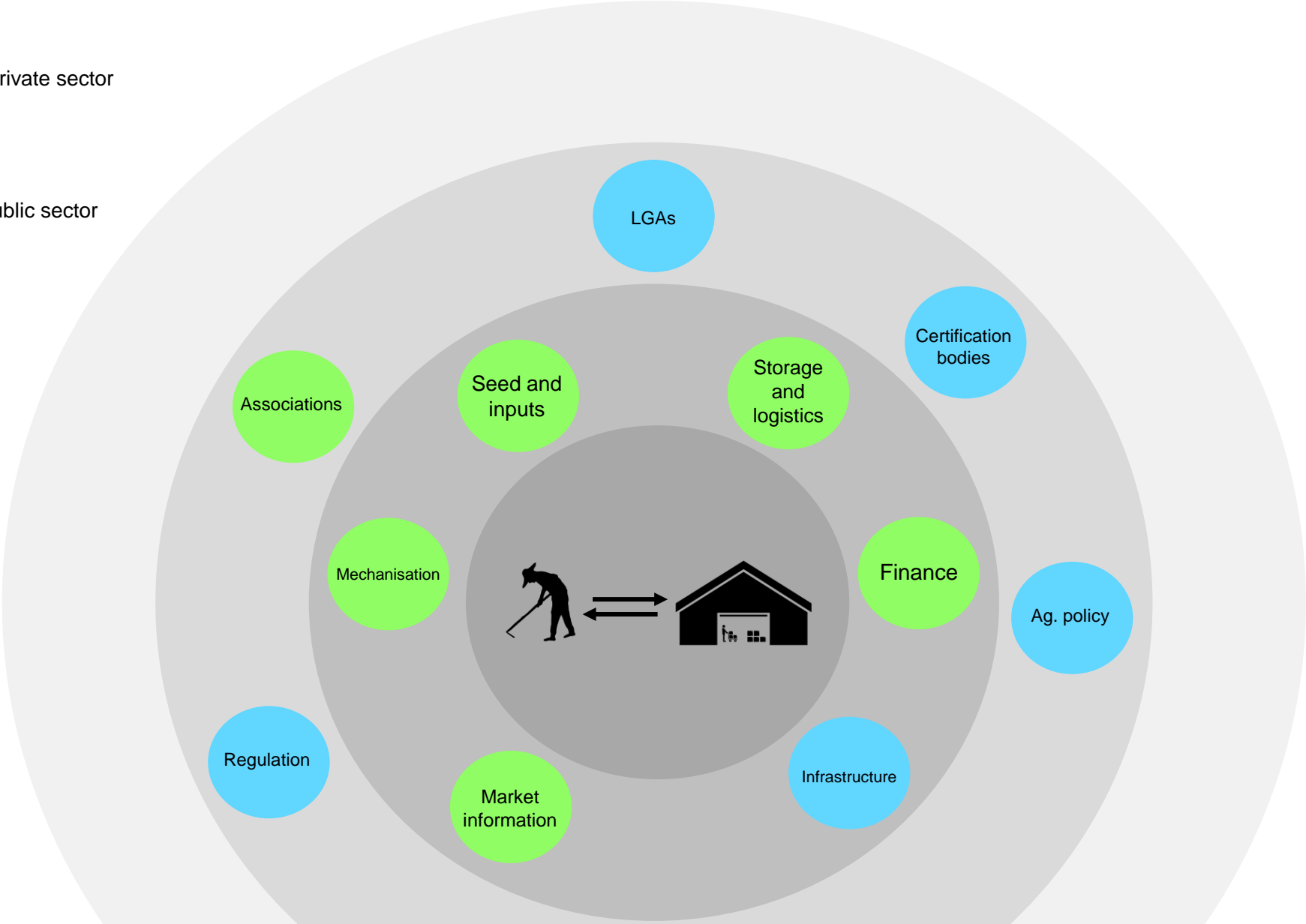
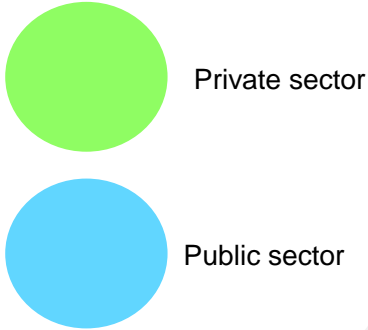


Change agenda identifies the shift from a 'current state' to a desired 'future state', among and between actors in the system.



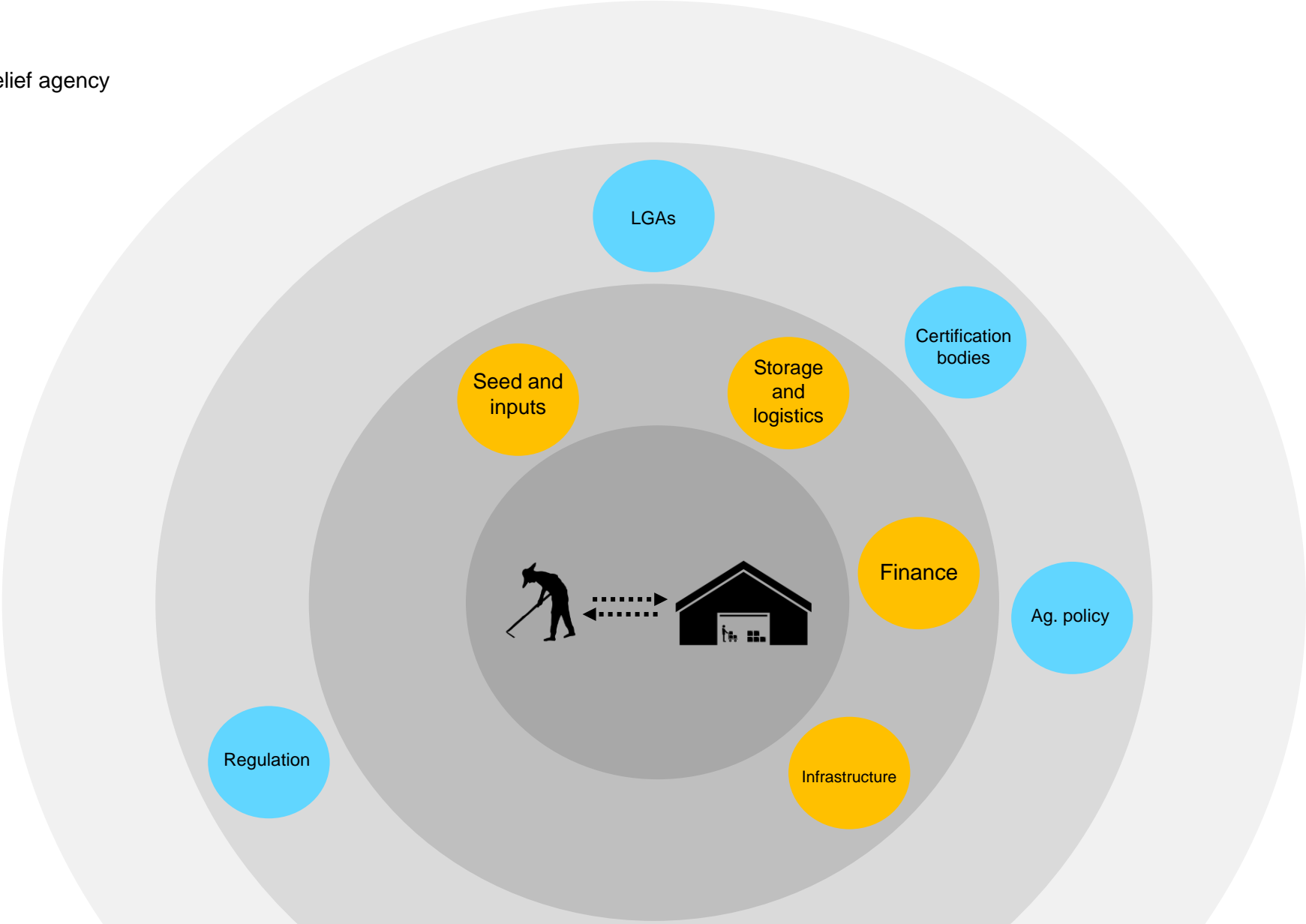
Causal impact pathways plot expected pathways by which interventions lead to actor-level changes and these leads to systemic change.

Functioning agricultural market



Crisis disrupted market

 Relief agency

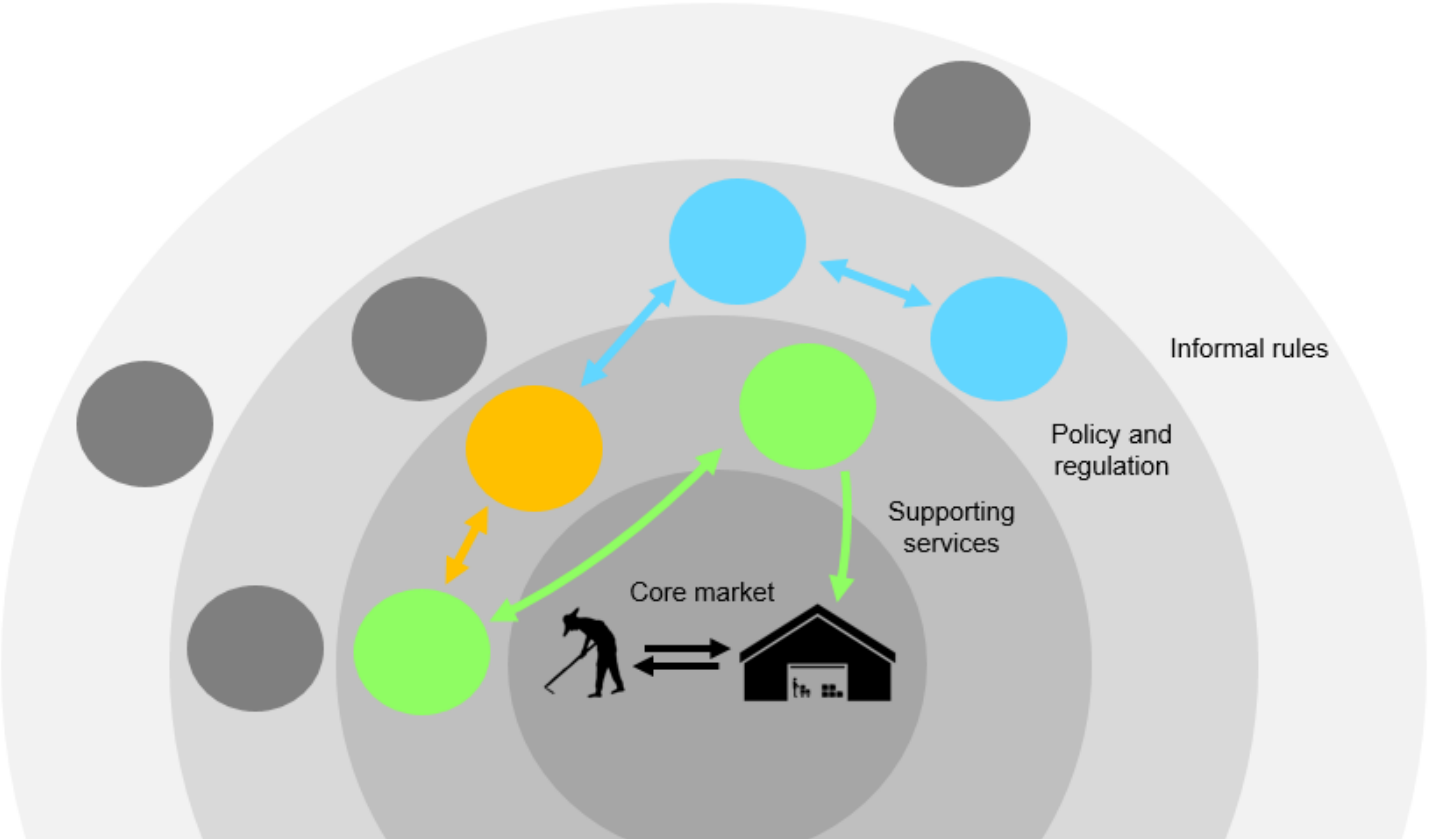


DFID Propcom Mai-karfi

Current State	
Private Sector	Green
Relief Agencies	Orange
Government	Blue



End State	
Private Sector	Green
Relief Agencies	Orange
Government	Blue



SDC Skills for Life

04

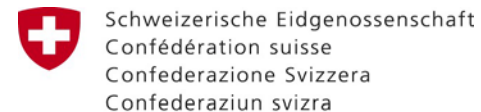
SDC SKILLS 4 LIFE – NORTHERN KENYA



An inclusive markets project working in the cross cutting sectors of skills development and access to finance.

Working in Kakuma in Northern Kenya with both refugees and host communities.

Facilitating access to services to connect refugees and affected host communities to business and employment opportunities.



Swiss Agency for Development
and Cooperation SDC



MARKET
RESPONSIVE
INTERVENTIONS

MARKET
DIAGNOSIS



INNOVATION

ENGAGEMENT
OF MARKET
ACTORS





ENGAGEMENT OF MARKET ACTORS



THIN BUT
GROWING
MARKETS

WEAK PS (FEW
SPS) BUT
INCREASING
ENGAGEMENT



MARKET DIAGNOSIS



REFUGEES
VERSUS HOST
COMMUNITIES
(GENDER)

ECO SYSTEMS:
CORE MARKETS,
SUPPORT
MARKETS AND
BE



MARKET RESPONSIVE INTERVENTIONS





MARKET BASED INNOVATIONS



USE SMART
SUBSIDIES

SUPPORT
MARKET
STRUCTURES

Questions and Comments

05

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Thank you for joining the webinar

Post your questions to the speakers in the Chat box

Please fill in our **quick online survey** – the **link is in the Chat box**.

A **recording of this webinar** will be available shortly

www.beamexchange.org/community/webinar/

