

USING MARKET ANALYSIS TO SUPPORT HUMANITARIAN WASH PROGRAMMING



Briefing note 2: Types of Market-Based Programming to Strengthen Emergency Responses

Market-based programming (MBP) in emergencies which uses, supports or develops local market systems, is increasingly used by humanitarian agencies to meet the needs of crisis-affected communities. This briefing note describes different types of WASH market-based programming used in pre-crisis, emergency or post-crisis contexts, giving examples from Oxfam's experiences in Bangladesh, Indonesia and Zimbabwe.

KEY POINTS

1. MBP aims to meet the needs of crisis-affected populations by working with existing market supply chains and service providers.
2. In the majority of humanitarian contexts, there are opportunities to work with market systems to improve emergency response modalities.
3. The market assessment and the level of market engagement will depend on the stage of the emergency cycle.

WORKING WITH MARKET SYSTEMS

Figure 1 illustrates how MBP works on the *demand side* and the *supply side* of the market. On the demand side, the focus is on supporting affected populations access market systems. Cash transfer programming (CTP) is one of the most effective means to boost demand and is increasingly mainstreamed in humanitarian responses. However, CTP can only operate when markets are functional. Therefore, on the supply side, MBP focuses on strengthening the capacity of market actors to provide goods and services in sufficient quantity and quality to crises-affected populations.

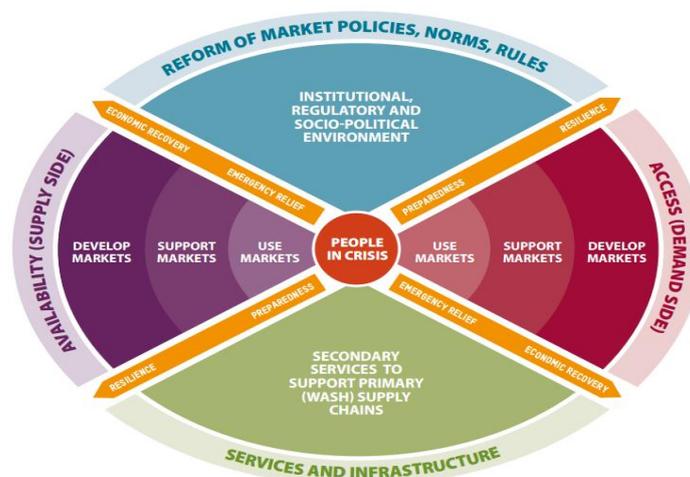


Figure 1: MBP – a framework for moving from emergency relief to economic recovery
Source: Sphere 2018 Annex: Delivering through markets

Market engagement takes place through different modalities that relate to **market use**, **market support** and **market development**. Broadly speaking, these correspond to i) immediate emergency response/preparedness, ii) protracted crisis response/contingency planning, and iii) post-crisis rehabilitation/resilience.

Figure 1 further illustrates two other important components of MBP:

- 1) Sector-specific market systems are dependent on non-sector-specific market systems to function effectively. For instance, market systems rely on secondary market actors for transportation, communications, financing services, power (fuel, electricity), and spare parts that are needed for the primary market to function.
- 2) Market actors operate within institutional and regulatory systems which define the laws, standards, and codes of practice that govern how commodities are produced, accessed and exchanged. The success of market-based programmes is influenced by this market environment within which market actors operate.

Examples of WASH interventions related to the different modalities of market engagement are shown in Table 1. The table shows that there are many opportunities for market support to local market actors and private service providers to improve provision of WASH facilities/services/systems. Some of these, predominantly related to market use, are already widely practised by humanitarian agencies, but not always categorized as MBP.

Table 1: Examples of market-based approaches in the WASH sector

		USE	SUPPORT	DEVELOP
Water	<i>Supply</i>	Contract water trucker to distribute water to crisis-affected community	Small grants to repair water pumping/piping equipment	Install small-scale water treatment plants and train operators
	<i>Demand</i>	Cash transfers to enable households to purchase water	Promote awareness of water quality issues to stimulate demand for water purification products	Marketing to promote new point-of-use water treatment products
Sanitation	<i>Supply</i>	Procure latrine slabs from local supplier	Support to manufacturers to improve quality of slabs	Provide equipment for desludging pits to private sector actors
	<i>Demand</i>	Vouchers for desludging of pit latrines	Micro-grants for households to purchase sanitation components	Sanitation marketing to stimulate demand for improved latrines
Hygiene	<i>Supply</i>	Procure NFIs and/or hygiene services from local markets	Subsidize wholesale price of NFIs to enable bulk purchase of sanitary pads	Support women's groups to establish enterprises to manufacture and sell soap
	<i>Demand</i>	Distribution of vouchers to poor for purchase of hygiene products	Promote awareness of good hygiene behaviour	Undertake market surveys to understand customer preferences for hygiene commodities

Using market systems

Programmes that *use* market systems are generally best suited to emergencies where market systems are functional. Thus, framework agreements can be signed with local market actors/suppliers to supply commodities to affected communities to meet their essential needs (see Box 1). On the demand side, cash transfers involving commodity vouchers (conditional or unconditional) or multi-sector cash grants can enable families to procure the goods and services that they need.

Box 1: Working with WASH markets in Gaibandha and Satkhira, Bangladesh



Small shops such as this one in Satkhira's marketplace form an essential part of the supply chain of essential WASH commodities such as water storage containers. Photo: Oxfam

Heavy flooding during the monsoon season in many parts of Bangladesh affects poor and vulnerable communities, often resulting in increased prevalence of diarrhoea and other diseases related to water, sanitation and hygiene.

Oxfam recommended that essential WASH-related *non-food items* (NFIs) should be distributed via restricted vouchers redeemable from local market actors. The value of the voucher was established at the WASH Cluster level, based on consensus on the value of different WASH commodities in a typical WASH NFI 'basket'. Oxfam worked with market actors to prepare framework agreements to supply critical NFIs to affected communities via a cash transfer programme. The framework agreements contained clauses that defined the payment mechanism, location of material supply, specific duties and responsibilities of the vendors and materials distribution system, quality of the materials, and compliance with prevailing laws, rules and regulations.

Supporting market systems

Provision of commodities through market systems may not be possible in situations where market actors themselves are disrupted by the crises. Market support actions are often required in post-disaster responses to re-establish supply chains/essential services, and help existing suppliers and service providers recover from the impact of a shock through grants to rehabilitate facilities and repair/replace damaged equipment. In pre-crisis situations, market support actions enable market actors to increase their resilience and emergency preparedness. These activities may provide equipment to market retailers to reduce operating costs or to enable them to receive digital payments through a cash-transfer programme. These types of intervention may also include awareness campaigns to increase demand for existing products and services.

Box 2: Meeting the WASH needs of flood-affected populations in Jakarta

Low-lying and coastal areas in Jakarta are highly prone to flooding. During large-scale flood events, poor and vulnerable families are temporarily relocated by the Local Disaster Management Agency (LDMA) to internally displaced persons (IDP) centres for shelter and safety. IDPs rely on government support for food and other critical commodities.

In light of the increasing frequency and scale of flooding and the subsequent length of distribution queues, Oxfam supported the LDMA to improve emergency responses by working with market actors to provide critical commodities prior to and during emergencies.



Photo: Jonathan Parkinson/Oxfam

Latrine operators signed framework agreements to ensure minimum water levels in order to maintain the functionality of the public toilet/shower facilities and provide WASH to IDPs.

Partly as an incentive but also to ensure that the facilities were of sufficient standard, the operators were offered small grants to refurbish the facilities and install a large water storage tank. In addition, an e-payment system was established to enable IDPs to use public toilets/showers during floods to reduce risk of disease outbreak.

Developing market systems

Market development actions are designed to bring about changes in the market system. This involves supporting markets to either provide a wider diversity of products or services, to expand existing businesses, and/or to strengthen the capacity of these actors to access new markets. Such actions require longer term engagement with market actors as part of pre-crisis or post-disaster recovery and require close cooperation and support from government institutions.

On the supply side, market development may involve the strengthening of suppliers/service providers through training, development of public–private partnerships, support to trade associations for business/enterprise development or to local market actors to prepare business continuity plans. On the demand side, market development might involve promotional campaigns to increase demand for new products/services. This would require market actors to play an amplified role in marketing activities, as described in the case study from Oxfam in Zimbabwe (see Box 3).

Box 3: Promotion of Waterguard in Harare, Zimbabwe



A conventional response to waterborne disease outbreak in Harare includes the in-kind distribution of products for household water treatment (HWT). Such responses are driven by the public health imperative to prevent the spread of disease and are deployed by local and international NGOs in conjunction with the local government. The pre-crisis market assessment found that the majority of households could, under the current economic circumstances, afford to purchase locally available HWT products, but chose not to do so. The reasons cited for this were: a dislike of the taste and/or smell of the product; access to free products from health clinics or aid distributions when outbreak risk was high; and belief that primary water sources were safe or safe enough. As a result, local traders (including pharmacies) had little or no stock of these items and registered little change in demand during an outbreak or during seasonal periods of high risk.

A market trader in Hopely settlement, on the outskirts of Harare, who ran buy-one-get one promotions for Waterguard which is used to disinfect water. Photo; Jonathan Parkinson/Oxfam

Oxfam's programme in Harare focused on promoting a locally manufactured chlorine-based household water treatment (Waterguard) using commodity vouchers in tandem with water quality monitoring and hygiene promotion. The aim was to encourage preventative behaviour through continued use of HWT within households and to stimulate demand using a six-month 'buy one get one free' promotional campaign in a high-risk outbreak area. The increased volume of sales enabled market traders such as the one in the photo above to develop their business and, in this particular case, open an additional shop.

REFERENCES AND SOURCES OF FURTHER INFORMATION

- Oxfam in Bangladesh (2016). **Wash NFI and sanitation hardware market systems in Gaibandha district**. Available from www.emma-toolkit.org
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- Oxfam in Zimbabwe (2016). **PCMA Report: Domestic water supply, sanitation and hygiene products in Harare, Zimbabwe**. Available from www.emma-toolkit.org

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