

# Multi-sector Market Assessment: Companion Guide and Toolkit



This tool was produced by UNHCR,  
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# Multi-sector Market Assessment: Companion Guide and Toolkit

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# 1. Introduction to The Companion Guide and Toolkit

Markets play a vital role in the lives of refugees and displaced people. They provide displaced people and host communities with the goods and services needed to ensure survival and protect livelihoods, both in the immediate aftermath of a disaster and in the longer term. Market-based responses such as cash-based interventions (CBIs) can help people to meet their basic needs through local markets that may ordinarily be inaccessible to them because they do not have the means to shop there or because of other economic or social vulnerability. Persons with specific needs may also be in this category because they may look to the market to provide them with specific services and products.<sup>1</sup> Doing a market assessment is an essential step in determining if a CBI is an appropriate response option.

*The Multi-sector Market Assessment: Companion Guide and Toolkit* **provides step-by-step guidance and ready-to-use tools to enable non-specialist staff to conduct market assessments and undertake market monitoring.** The purpose of this Companion Guide and Toolkit is to enable Multi-Functional Teams to include findings of market assessment analyses in their analysis and decision making related to CBIs.<sup>2</sup> The guidance and tools will determine whether markets could support cash-based interventions for the multiple sectors in which UNHCR responds and is in line with UNHCR's basic needs approach.

The Companion Guide and Toolkit should be used in conjunction with UNHCR's *Operational Guidelines for Cash-Based Interventions in Displacement Settings*,<sup>3</sup> which highlights the importance of undertaking market assessments as a vital precondition for implementing cash-based interventions. The Companion Guide and Toolkit provides more details on how to conduct these market assessments.

The Companion Guide and Toolkit is divided into three components that should be read together:

1. Multi-sector Market Assessment Companion Guide
2. Market Assessment Toolkit
3. Annex A: Additional Guidance

The first component, the Companion Guide introduces the Companion Guide and Toolkit and outlines its target audience, assessment timeline, team roles, protection considerations and market assessment rationale. The Companion Guide is framed by the Market Assessment Framework (MAF). The MAF outlines the seven steps of the assessment, demonstrating which data must be collected and how the tools and methodology should be utilized in each step to answer critical questions before moving to the next step. A supplementary step on market monitoring for CBIs ensures that data are updated for ongoing analysis during the operations management cycle.

The second component, the Toolkit (section 5), consists of 12 easy-to-use tools including questionnaires, checklists, mapping instructions and worksheets. Machine readable questionnaires and other accompanying Information Management tools will also be made available.

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<sup>1</sup> UNHCR, *Operational Guidelines for Cash-Based Interventions in Displacement Settings*, 2015, pp. 17–18.

<sup>2</sup> The Multi-Functional Team is at the heart of UNHCR's participatory approach to operations management, bringing together people with varying skills, experiences and perspectives to make sure that the protection environment is analysed and a response designed and delivered in a more complete and AGD-sensitive way.

<sup>3</sup> Ibid.

In addition, Humanitarian Exchange Language (HXL) will be applied, where possible, so that data collected can be shared easily across the humanitarian community.<sup>4</sup>

Teams should tailor the tools to the operational context in which the assessment is being carried out, implementing the tools according to the step-by-step process introduced in the Companion Guide.

The third component, Annex A, provides the assessment team with additional guidance, resources and supplementary technical support that may be required during the assessment. This additional guidance is for assessment team leaders and should be read before the assessment starts. The Annex gives a more detailed understanding of assessment methodology and available solutions to some of the challenges that may be encountered. It shows, for example, how to apply a protection lens to the assessment process, how to work in different contexts and how to understand data collection methodologies.

The Companion Guide and Toolkit has been developed for staff with limited or no technical skills in market data collection. Since UNHCR works globally and in varied contexts, this process will support decision making in **all** operational contexts. These include protracted and emergency settings, camp and non-camp settings, in low- and middle-income countries and in urban and rural areas.<sup>5</sup>

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<sup>4</sup> HXL is an interagency agreed language involving the tagging of data so that it can be easily cleaned, analysed and aggregated between organizations. By doing this, different humanitarian actors can pool information on market pricing, limiting the risk of over-assessing markets.

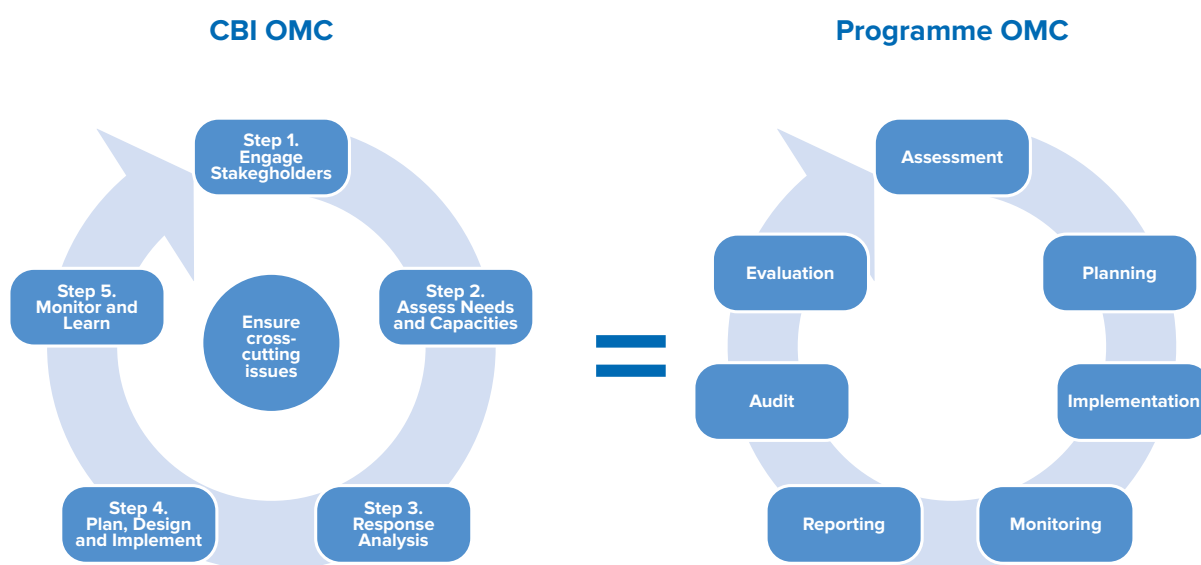
<sup>5</sup> Some lessons learned about markets and CBIs in different contexts as well as key considerations during the operations management cycle are highlighted in Figure 4 of UNHCR's *Operational Guidelines for Cash-Based Interventions in Displacement Settings*.

## 2. Scope

The *UNHCR Multi-sector Market Assessment: Companion Guide and Toolkit* builds on existing tools developed and used by UNHCR, other United Nations organizations and other humanitarian agencies and complement current UNHCR operational guidance, including the following key documents: the *UNHCR Operational Guidance for Cash-Based Interventions in Displacement Settings*; the *High Commissioner’s Policy on Cash-Based Interventions*; and the *Strategy for the Institutionalisation of Cash-Based Interventions in UNHCR (2016-2020)*.

The market assessment process put forward in the *UNHCR Multi-sector Market Assessment: Companion Guide and Toolkit* takes into consideration the UNHCR programme operations management cycle (see below) as well as the operations management cycle used for CBIs (see *Operational Guidance for Cash-Based Interventions in Displacement Settings*). Figure 1 shows how the two cycles are complementary.

**Figure 1: The CBI and programme operations management cycles linked**



### 2.1 Target audience

The *UNHCR Multi-sector Market Assessment: Companion Guide and Toolkit* is for UNHCR and partner technical sector specialists, supply officers, administrators, finance and programme officers working in Multi-Functional Teams in operations. It is also intended for other staff members who could play an essential role in determining whether markets are robust enough for the implementation of a CBI.



## 2.2 Time needed to undertake the market assessment

The time required to undertake a market assessment and analyse assessment data depends significantly on:

- The information needs;
- The context and scale of the planned programme;
- Whether secondary data can be collected ahead of the assessment;
- Security and protection concerns that may require additional security measures or technical expertise;
- How well the assessment team understands the context;
- The assessment team’s capacity, skills and knowledge with respect to market analysis;
- Access to good key informants and stakeholders; and
- Availability of relevant and credible secondary data.

The table below shows approximately how much time is required for completing the key activities of a market assessment – from quantifying needs and collecting secondary data to final analysis.

**Table 1: Assessment activity and timing**

Activity	Day							
	1	2	3	4	5	6	7	8
<b>Training and orientation</b>								
<b>Step 1:</b> Gather the necessary pre-assessment information. <i>Primary and secondary data collection including consultations with people of concern to verify identified priorities.</i>								
<b>Step 2:</b> Prioritize core goods and reference market places. <i>Fieldwork and desk-based analysis.</i>								
<b>Step 3:</b> Confirm goods specifications and reference market places. <i>Desk-based analysis and decision making.</i>								
<b>Step 4:</b> Check availability of and access to goods. <i>Fieldwork to collect data required to determine supply chain capacity (Step 5).</i>								
<b>Step 5:</b> Determine supply chain capacity to meet needs for core goods. <i>Desk-based analysis and decision making. Key informant consultations regarding supply chain capacity may be necessary.</i>								
<b>Step 6:</b> Identify risks associated with supply chain and the wider market system. <i>Desk-based analysis and decision making. Key informant consultations regarding risk may be necessary.</i>								
<b>Step 7:</b> Collate market assessment findings and recommendations. <i>Desk-based analysis and decision making.</i>								

## 2.3 Team members, roles and responsibilities

The market assessment requires a collaborative working relationship among team members and across their core functions, under the guidance of a team leader (see *Annex A, Part 1: Guidance for the Team Leader*). Members of the assessment team should have specific roles, including the following: market assessment team leader, data analysts, data collectors and those who do data entry and data cleaning.

## 2.4 Protection and, Age, Gender and Diversity considerations

Age, Gender and Diversity (AGD) elements should be incorporated into the assessment tools. Below are a few examples of how AGD approaches can be integrated into a market assessment.<sup>6</sup>

- Undertake structured interviews with key informants from varying social strata;
- Triangulate data from different social strata to obtain information on the variety of experiences of people of concern;
- Include questions and themes in the assessment that might be relevant to marginalized or less vocal segments of communities.

**Protection analysis should be part of the market assessment and analysis process to ensure that there is sufficient consideration of the protection risks and benefits.** To enable this, liaison with protection staff is necessary. (See *Annex A, Part 4: Resources for applying a protection lens to market assessment*.)

**Note:** Due to constraints on the time and resources available for the market assessments, the depth of data collection and analysis required for the assessment process has been minimized and technical language and analysis kept as simple as possible. In contexts or for core goods that present significant challenges, specialist support is recommended.

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<sup>6</sup> UNHCR, *Needs Assessment Handbook* 2016, part 1, draft 1.0, 17 May 2016.

### 3. Definition of guidance

*The UNHCR Multi-sector Market Assessment: Companion Guide and Toolkit* provides guidance that follows the steps outlined in the Market Assessment Framework (see *Figure 2, below*). This Companion Guide links steps to tools and highlights the minimum information the team will need to make decisions on the most appropriate way(s) to deliver assistance and services. This approach helps the team understand why specific data are collected and how certain activities lead to the next step. The assessment team leader is encouraged to use the MAF to orient the assessment team regarding the wider assessment process while focusing on a specific step.

Each step is covered in this Companion Guide, with the following provided:

- Expected output of the step (including key questions from the MAF that the step is designed to answer);
- What the team needs to know;
- Actions; and
- Tool summary.

Key terminology is defined in section 6: Terms and definitions. There is also a glossary of abbreviations.

Annex A includes additional guidance to help the assessment team think through activities and concepts, including:

- Guidance for the team leader;
- Guidance on applying the tools in various contexts;
- Overview information on supporting traders and strengthening markets;
- Resources for applying a protection lens during market assessments; and
- Guide to holding focus group discussions and key informant/stakeholder interviews.

## 4. Multi-sector Market Assessment Companion Guide

Section 4 includes all the guidance necessary to carry out a UNHCR market assessment. Section 4.1 introduces the Market Assessment Framework; 4.2 details the seven steps necessary to undertake a market assessment; and 4.3 outlines the actions necessary for CBI market monitoring. Section 5 explains the 12 tools that can help in this process.

While reading and implementing these guidance and tools, staff must keep the following in mind:

### 1. The timeframe for data collection and analysis is of critical importance

As with all assessments, a market assessment acts as a snapshot in time, meaning that the information collected and analysed reflects the time when the assessment is undertaken. Many assessment processes will therefore compare the current context to a reference year.

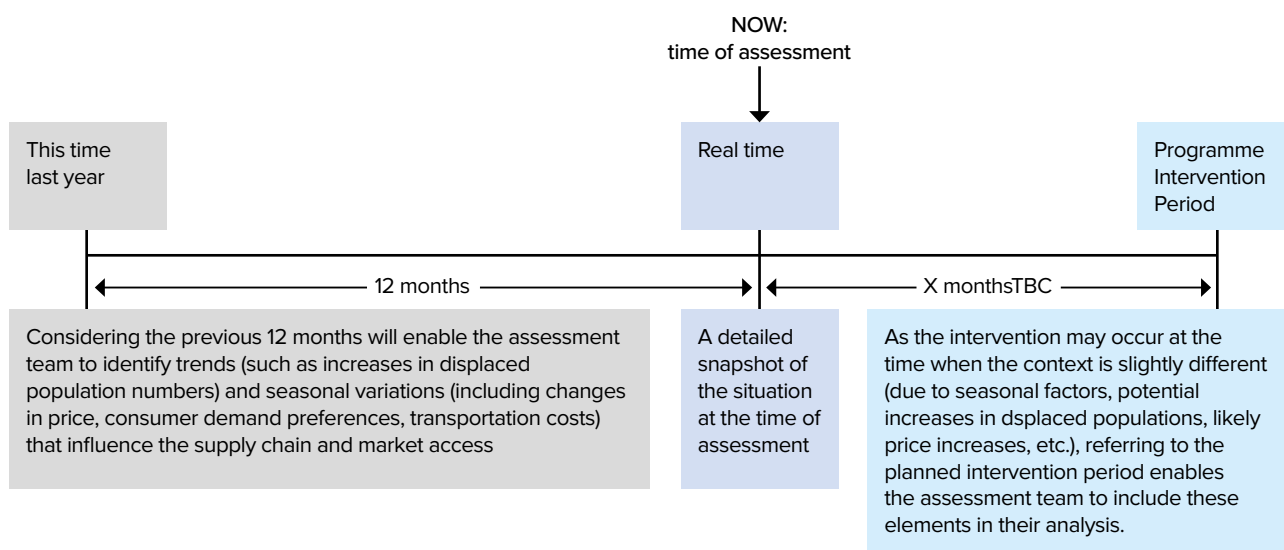
The dynamism of the contexts in which UNHCR works means identifying a ‘normal’ year can be a challenge, because the situation may have been changing for several years.

*The UNHCR Multi-sector Market Assessment: Companion Guide and Toolkit* uses three specific time periods to ensure that trends and changes in access to markets are accurately recorded. These three specific time periods are illustrated in Figure 2 (below) and are as follows:

- 1. Real time:** The situation **now**, at the time of the assessment.
- 2. Programme intervention period:** The market in the near future, when the planned intervention will take place. Ideally, this period should not be more than six months in the future in non-rapid-onset emergency contexts.
- 3. The last 12 months:** How the markets functioned during the past 12 months. This will capture market changes and trends due to seasons, people movements and changes in the conflict/context. Reflecting on what has happened in the past is particularly recommended in contexts where there have been recent influxes of refugees or displaced people, because it is likely that the market may have expanded and contracted in the past. This may illustrate the capacity of the market to respond to changes in need.

**Note:** in case of the first phase of a **rapid-onset emergency**, in a relatively stable context, the assessment will refer to ‘before the crisis’, to get a sense of how markets have changed over time (see *Annex A, Part 2.2: Using the market tools and guidance in an emergency context.*)

**Figure 2: Timeframe for data collection and analysis**



## 2. 'Reference market places' are the markets in which people shop

Many of the market assessment tools found in this guidance document will refer to local or reference markets. 'Reference' markets are the markets that people of concern frequent to access the commodities and services they seek – in essence, their local markets.

In rural contexts, where there are few markets and limited opportunities to travel to alternative markets, identifying these reference markets may be fairly straightforward. In peri-urban and urban areas, there is generally more choice. People of concern may visit several markets, depending on the commodities and services they seek (See *Annex A, Part 2.1: Considerations for urban and rural contexts*).

## 3. Small markets may have the capacity to respond to an increase in demand

Assessment teams should not assume that small traders or market places do not have the capacity to respond to an increase in demand. This is a common mistake in market assessments and often results in their exclusion in the assessment. By talking to traders and using the tools and guidance in this document, the assessment team will be able to understand the capacity of even small markets to respond to an increase in demand.

## 4. This Companion Guide and Toolkit has been developed for multi-sectoral needs

The tools can be applied to goods and certain services across and within sectors. Assessment teams must contextualize certain elements, such as units of measurements (e.g. kilos or cups) and frequency of data collection (see *Annex A, Part 1.3 for additional information on multi-sectoral needs*).

## 5. Talking to the correct people and ensuring tools are adapted to the local context save time and resources

The methodology in this guidance document relies heavily on the availability of knowledge from key informants and stakeholders (including local partners) who have a good understanding of the context, local markets and economy. (See *Annex A, Part 1: Guidance for the Team Leader, for more information.*) The market assessment process is designed to promote the active involvement of key informants and stakeholders in data collection and analysis.

Although an element of contextual flexibility is built into the tools, members of the assessment team **must modify the tools for their operational context**. The team leader must take time to adapt assessment tools. This can improve stakeholder experience during the assessment and enhance the quality of the findings and recommendations.

## 4.1 Market Assessment Framework

By following sequential steps, and guided by the Market Analysis Framework (MAF) (Figure 3, below), UNHCR staff members undertaking market assessments are guided through a process that will help them determine whether markets will be able to respond to increased demand if cash-based interventions are implemented. The MAF indicates where specific tools (available in section 5, the Market Assessment Toolkit) can be applied to answer analytical questions. Where needed, there are references to additional guidance, available in Annex A.

When collecting and analysing data, the assessment team should focus on trends and relationships among data sets, for example, prices of goods in different market places. Market data (such as prices) can follow seasonal trends that must be considered to understand whether there is any irregularity in price behaviour. (See Annex A, Part 1: Additional technical guidance, for more support on seasonal analysis.)

Understanding markets and people of concern's access to and interaction with them is necessary for identifying appropriate response modalities, whether in-kind, CBIs or a combination. The key questions to answer are:

- Do existing markets (local, regional, national) supply the goods or services needed by people of concern?
- Can existing markets (local, regional, national) provide these goods or services at an appropriate price?
- Can these markets respond to increased demand if CBIs are used?

Market assessment and analysis is iterative and ongoing. For this reason, the MAF and the market assessment process include a monitoring component. The MAF indicates where it may be possible, advisable or beneficial to revisit earlier steps in the process, indicated by a two-way arrow.

**Figure 3: Market Assessment Framework**


## 4.2 Multi-sector Market Assessment Companion Guide

### Step 1: Gather the necessary pre-assessment information

#### Expected output

The output of this step will be a collection of all information needed to prepare for the market assessment. This information will be used in Step 2 to focus the assessment and set priorities. This step will be guided by the following questions from the Market Assessment Framework:

- Have target population needs been specified, documented and prioritized?
- Have market places used by people of concern been identified?

Because this step takes place before the actual assessment, it is not necessary to have all team members present. It may also be possible to ask someone who is not involved in the assessment to collect the information.

#### What the team needs to know

Before beginning the market assessment, the team requires some critical data. At this stage, the information is top line and can be summarized as follows:

- **Context:** Details about the context in which UNHCR is working;
- **Needs:** The needs of people of concern in the intervention area; and
- **Markets:** The markets that people visit to purchase the things they need.

#### Context

The context in which the market assessment will take place refers to the nature of the humanitarian situation, how long UNHCR and partners have been working there and any changes to the context that have occurred recently or may occur in the near future. Describing the context includes the number of people affected and some details about where people of concern have come from.

Contextual factors can have a significant impact on local markets. For example, if there has been a recent influx of people, then this is likely to have increased the demand for goods in local markets.

#### Needs

The needs that people have may include a range of goods, services and other support over a period of time. Needs may be met by providing access to these goods, services and other support at various times during the year (i.e. school uniforms at the beginning of the school year), with varying frequencies (i.e. hygiene items monthly or one-off household kits), and in varying quantities (i.e. linked to the number of household members or number of children).

This is relevant because the needs of people of concern are part of the demand information required to prioritize goods for the assessment. Understanding what people of concern buy in local markets, where and when they buy these things and how much and how often they buy them is a first step.

#### Markets

'Market places people use' refers to the market place(s) where people regularly buy the things they need. Beginning the assessment with some basic supply information about these markets is important. It is important to know how regularly they operate, what they sell and how many traders sell the goods that people of concern want to buy. Also crucial is access information – how far people travel to these markets, how easy it is for all people to make this journey, etc.



This is relevant because beginning the assessment with basic market information will help teams prioritize focus market places for the assessment.

## **Actions**

A market assessment will be undertaken in UNHCR's area of intervention. Use Tool 1: Checklist of pre-assessment information to gather all available primary and secondary information. Remember to record the information collected.

### **ACTION 1.1 Collate context information**

It is likely that much of this information is already available as a part of the country operation plan.

- If there has been a recent change in the context, verify this information with relevant actors and ensure that you have the most up-to-date figures.
- If specific camps have been identified within a larger area of intervention, ensure that you have sufficient information on those camps.
- If this information is not available from the country office, use secondary data sources to research information.

### **ACTION 1.2 Collate needs information, including information on how communities use markets**

- Refer to recent assessments undertaken by UNHCR, its partners or other actors. Refer to Tool 1 for more information on sources.
- If helpful, bring relevant actors together during this process to brainstorm a long list of needs.
- If the team does not feel confident in available information on what people need, what people buy and which markets they visit, revisit communities and hold focus group discussions (FGDs) with communities.

### **ACTION 1.3 Collate information on market places people use**

Ensure that data on all markets are captured. In many contexts, this information may be quite straightforward, i.e. in some rural contexts, there may be only one main market. But in other contexts, there may be more than one market (see *Annex A, Part 2: Guidance for applying the tools in different contexts*).

- If information on market places is not readily available, or if it is incomplete, refer to the checklist and consult with people of concern or partners to complete the data.

### **ACTION 1.4: Discuss and record context information**

Use this opportunity to discuss and record how the context may influence the market assessment and its findings. This will include:

- Whether the situation is a new emergency or a protracted crisis: if this is a new crisis, markets may still be adjusting to the change in demand, whereas if it is a protracted crisis that is relatively stable, markets may already have adjusted.
- The size of the displaced population relative to the host population: if the displaced population is large relative to the host population, demand for goods by people of concern may have a more significant impact.
- Where people are displaced from and how freely they can move: this may have implications for both physical and social access to markets.
- Whether there are any protection concerns that may affect how the assessment is undertaken or who is involved in the assessment.

This information will be used in the ongoing analysis and when making decisions in Step 3. Make sure all discussions are documented.

**Box 1: Pre-assessment data collection: Lessons from a pilot project, Myanmar, September 2016**

When collecting essential pre-assessment information in Myanmar, the UNHCR assessment team met with camp management to ensure that the information was as accurate as possible. In this peri-urban context, people of concern were visiting more than one market regularly, so verifying which markets people visited for which product was very useful.

While gathering pre-assessment information, the team also consulted with UNHCR drivers and partners to document accurate distances between camps and markets. At this stage in the assessment process, informally consulting with relevant informants helped to ensure that the assessment began well.

**Tool summary**

<b>Tool 1: Checklist of pre-assessment information</b>	
Purpose and rationale	<ul style="list-style-type: none"> <li>• Ensure that all necessary information is available before beginning the market assessment process</li> <li>• By having all the necessary information, the team will save time and ensure that the assessment is relevant and appropriate</li> </ul>
Methodology	The checklist can be used to guide the collection of data from a range of sources, either desk-based or in consultation with other actors
Output	<ul style="list-style-type: none"> <li>• All relevant context information, a list of needs (including needs that could be addressed by a CBI) and information related to the markets people use regularly</li> </ul>

## Step 2: Prioritize core goods and reference market places

### Expected output

In this step, the team discusses and prioritizes core goods and collects additional data on market places. The team should consider the following questions from the MAF:

- Which core goods will be assessed?
- Are core goods available in the reference market places?
- Which market places can target populations access (physically and socially) to purchase these core goods?

This process starts with office-based teamwork before the team heads to the field to gather more data.

### What the team needs to know

This step not only prioritizes core goods and identifies reference market places but also calculates core good demand and considers any protection concerns related to access by people of concern to markets (*Team leaders are encouraged to read Annex A, Part 1.3: Additional technical guidance, for more information*). To complete this step, the team will need the following information:

#### Information about demand

**Demand** is the amount of a specific good or service that a consumer, or a group of consumers, will want to purchase at a given price.

- What people need: One output of Step 1 was a long list of needs, which most likely includes goods from multiple sectors. This is because needs are almost always multi-sectoral and will usually consist of more than one good or service.
- How many people need these goods and the quantity needed: Establishing whether market actors in the supply chain can increase the volume of needed goods and how much supply can increase over what time period.
- When people need goods: Understanding when people and communities have particular needs is important for market analysis because there may be seasonal changes in need, price and availability. Whether these are regular needs or one-time needs, the market assessment must consider whether supply can meet demand at any time.

#### Information to identify reference market places

It is important to know where people usually buy the goods they need, approximately how many people use each market place and whether or not there are any protection concerns to consider when people are visiting those markets.

Market-related protection issues may include: (*see Annex A, Part 4: Resources for applying a protection lens to market assessment*)

- Security: are there any security concerns related to the market place itself, or other security concerns that might affect access, i.e. during the journey to and from the market?
- Ethnicity: are there any social or ethnic tensions related to this market place? This is especially important in conflict areas and may also relate to issues of trade fairness between ethnic groups.
- Gender: is it as easy for women to access this market as it is for men? Are women safe in this market and would they be safe to visit at all hours? Are women able to trade in this market?
- Social: are there any other social issues in the given context that might prevent the entire population from accessing this market, for example, social division due to poverty?

## Actions

Ensure that all market assessment team members are present for this step, because it will involve consensus building and requires a range of expertise. Use Tool 2: Needs and market place summary and complete actions 2.1–2.3 below. When you have reached consensus and are confident that your list of needs reflects the immediate and ongoing situation, move on to market mapping before making the first visits to market places to engage with key informants using Tool 3: Market place questionnaire.

### ACTION 2.1 Determine which goods are not suitable for CBIs by using Table 2

At this stage, it is worth noting that if services are to be included in the assessment, additional technical advice should be sought. Though most goods will have some kind of local market, not all can be considered for purchase within a UNHCR programme. Use Table 2 to decide whether the goods on the list can be included in a cash-based intervention.

**Table 2. Is a good or service suitable for market delivery? (for use in discussion)**

Criteria	Explanation	Examples
Is this a priority for people of concern? Would they spend their own money on it?	People may not prioritize some items for socio-economic reasons, or for cultural or traditional reasons.	An item is relatively expensive and not part of traditional consumption, as might be the case, for example, with <b>water purification tablets</b> ; people may not be willing to pay for this item.
Does the good or service have a particularly high specification?	Goods of high specification may not be available or may not have existed in the market prior to the increased demand.	This is the case with <b>micronutrient supplementation</b> , for example. This may also be the case with <b>shelter building materials, tents</b> , for <b>specific food items, energy-efficient lighting</b> , etc.
Does UNHCR have a specific policy related to the supply of this good or service?	Specific approaches or policies within sectors guide the decision on using markets to meet certain needs.	Some sectors have a policy of working through public services where possible, e.g. health care and education. In this case, using markets – and therefore paying for services, e.g. private school – may directly oppose internal policy. This may also be the case when considering providing resources for baby formula, whose supply and consumption is guided by specific interagency nutrition policies.

- Record all goods that your CBI aims to address in Tool 2: Needs and market place summary. Though the list of goods should represent all needs, prioritization is needed to allow the assessment team sufficient time to assess the most important goods.
- The goods that are included because the good IS suitable for market delivery will be referred to from this point forward as **‘Core Goods’**. (See *Glossary for a definition*.)
- It will be necessary to determine and communicate next steps for any good that has not been included as a core good in the market assessment.

### ACTION 2.2 Detail the required specification of goods needed

- Detail the minimum specification required for each core good. Add as much detail as possible, which could include brand, specific size or pre-determined material or quality specifications.

- While discussing specification, bear in mind that people of concern may choose not to purchase these goods at the same specification, especially if there is a cheaper alternative on the markets.
- Record the final specification of each core good carefully and expect to revisit this in Step 3 following the implementation of Tool 3: Market place questionnaire.

**Box 2: Revision of core good specifications (pilot project, United Republic of Tanzania, September 2016)**

Core good specifications in the United Republic of Tanzania market assessment pilot project were initially based on UNHCR core relief item (CRI) specifications. Following discussions with refugees regarding their preferences and priorities, and after reference market place visits, it was clear that the specifications had to be revised. The few core goods (meeting UNHCR specifications) that were available in the reference market place were very expensive and not commonly purchased by local populations or refugee households. Refugee households preferred to buy core goods of a lower specification (and quality), because they were more available and sold at a more affordable price. The specifications of the core goods identified for the market assessment were hence revised to lower quality products that refugees were most likely to purchase if they were provided with cash.

**ACTION 2.3 Detail the minimum quantity of goods needed over time**

- Use Tool 2: Needs and market place summary to document demand for each core good by documenting the quantity needed, how often it is needed and when it is needed. The questions in Tool 2 should help team members compile the information necessary to calculate demand. See Box 3 for an example of calculating required quantity over time for a one-time relief good.
- Summarize priority needs. Ensure that outputs clearly reflect next steps.

**Box 3: Estimating when and how often a good is needed (pilot project, Myanmar, September 2016)**

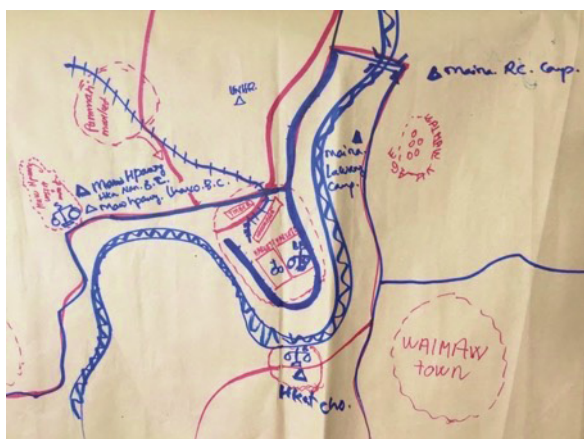
During its market assessment pilot work, the Myanmar team identified 10 core goods, some of which met regular, ongoing needs and some that people needed only occasionally (for example, temporary shelter items). For the latter, it was important to estimate the approximate demand on local markets at any given time – since it was unlikely that all recipients of a CBI would purchase these items at the same time. The team estimated that these purchases would take throughout the year and calculated demand accordingly by dividing total quantity of demand by the number of times these purchases would happen.

**ACTION 2.4 Based on prioritized needs, determine the timeframe for the assessment and analysis**

Getting the timeframe right is critical to the whole process, so ensure that it is discussed in sufficient detail with the team. Use the timeline graphic (Figure 2 on page 9) to support this action.

- Typically, unless the context is an extreme scenario or there are highly unusual concerns/needs, the timeframe for the assessment will consist of three specific times:
  - a. The first will be the real-time analysis: a snapshot of the situation at the time of the assessment.
  - b. The second will be a critical time in the future for which information is needed. If the programme is not starting immediately, this will be the date on which the planned intervention will.
  - c. The third moment to be analysed is a recent comparison moment. This will usually be ‘this time last year’ or ‘12 months ago’.

## ACTION 2.5 Begin prioritizing market places by drawing a market place map



### Box 4: Market place mapping (pilot project, Myanmar, September 2016)

This example is the first draft of the market place mapping carried out in Myanmar. The team undertook this exercise prior to making field visits. It was used to plan for the assessment, including splitting the team appropriately to make the most of resources; it also helped ensure that all market places were covered.

Market place mapping is a useful way to start thinking about the connections between markets in terms of the movement of goods. It is especially useful in contexts where intended recipients of a CBI visit more than one market to meet their needs. This exercise is similar to the supply chain mapping undertaken in Step 3, but it differs because this mapping considers physical locations of communities and market places.

- Use a map of the region or locality and begin by mapping the target camps or populations.
- Next, mark on the map the markets that people use. Use the information collected in Step 1 to approximate locations and distances from each community.
- If you can estimate sizes of markets, mark this on the map, and indicate the physical flow of goods.

Remember that this map does not need to be perfect! Include as much information as is known.

To develop the map, consider:

- Designating a symbol that identifies each good; and
- Using different colours to illustrate flows of different commodities.

## ACTION 2.6 Undertake initial market place assessment to check correct selection of reference market places

Use Tool 3: Market place questionnaire to visit market places and record required information to inform Step 3.

- Take time to adapt Tool 3: Market place questionnaire so that it reflects the agreed timeframe and the core goods under discussion.
- Ensure that all team members are familiar with the questionnaire. Practice asking the questions and allow for discussions related to understanding of the question (in case it needs to be asked in multiple ways) or translation (if the tool has not been translated).
- Visit every market place and carry out 3–8 interviews based on the questionnaire. The number of interviews will depend on the size of the market, the level of confidence the team has in the answers received and the number and diversity of core goods being assessed.

### REMEMBER

- Complete as much of the questionnaire as possible, because the information collected here will also be used in a later step. Thorough data collection during this step will save time and ensure more informed decision making later.
- Be sure to collect data on the range of core good specifications available in local markets.

## Tool summary

<b>Tool 2: Needs and market place summary</b>	
Purpose and rationale	<ul style="list-style-type: none"> <li>To guide the prioritization of core goods and reference market places</li> <li>To build consensus on the focus of the assessment</li> <li>To provide space to document decisions made for reference throughout the marketplace assessment process</li> </ul>
Methodology	The tool includes a series of self-explanatory questions and boxes to be filled in. This tool should be used by the full Multi-Functional Team because all expertise is required to prioritize needs and document market places.
Output	<ul style="list-style-type: none"> <li>A list of core goods for the assessment</li> <li>A list of reference market places for the assessment</li> <li>Documented decision making</li> </ul>

<b>Tool 3: Market place questionnaire</b>	
Purpose and rationale	<ul style="list-style-type: none"> <li>To collect basic information on availability of core goods in reference markets</li> <li>To collect or confirm data on the physical and social access of people of concern to reference markets</li> <li>To collect data to inform subsequent steps and analysis</li> </ul>
Methodology	This tool is a questionnaire designed to guide interviews with market actors, usually (but not exclusively) traders in market places. Because this will be followed up with a more detailed questionnaire in Step 5, informants to interview using this questionnaire are identified based on their broad knowledge of the market place. The tool also uses observation to record access and availability.
Output	<ul style="list-style-type: none"> <li>Completed questionnaires for all reference markets</li> </ul>

## Step 3: Confirm core good specifications and reference market places

### Expected output

In this step, team members work together to analyse the information from the market place data collected in Step 2. The team will determine, based on information collected in the previous steps, whether target populations are *likely* to access the goods needed in the quality and quantity required in their reference market places.

By the end of this step the team will have *identified the critical areas for continued investigation*. Outputs include the following:

- Finalized list of core goods;
- A documented analysis of physical accessibility of people of concern to reference market places;
- A list of market places that will NOT be considered due to protection concerns;
- Updated/finalized market place map and draft supply chain map; and
- Identified information gaps for further data collection.

### What the team needs to know

This step helps the assessment team finalize identification of reference market places (on the basis of key criteria) and core goods specifications in the reference market, keeping in mind what the target population would buy and what is available (even in small quantities).

### The value of early analysis

At this stage, it may be possible to draw conclusions on market places and core goods. **In certain situations, it may be possible to reduce the scope and hence simplify the assessment.** Some situations where this might be the case include:

- If the targeted population represents a small percentage of the total population utilizing the reference market place for core goods.
  - An increase in demand made by the target population is unlikely to impact the ability of the market to respond to it.
- The core good is available in many shops throughout the year and all market key informants report an ability to increase demand within a short timeframe and without additional costs.
  - In this case, it may be possible to conclude that no problems will arise.
- The markets have shown (in the recent past) the ability to meet an increased demand for core goods.
  - In this case, it may be possible to conclude that no problems will arise.
- The data you have collected so far indicates that certain groups within the targeted population have protection concerns and are unable to access the market safely.
  - In this case, you will likely decide to exclude this market place from the assessment.

### Grouping goods by supply chain

It can be beneficial to group – or ‘bundle’ – goods if the supply of a group of products is from the same source, meaning they have a similar supply route. If goods have the same supply chain, they can be mapped together and it can be assumed that they behave the same in markets. It is beneficial to group items because it saves time and resources. Teams should be aware that supply chains may split at points in the supply chain. In this case, the goods cannot be bundled. See *Annex A, Part 1.3: Additional technical guidance*.



### The benefits of market supply chain mapping

With market supply chain mapping, the team can identify the critical components of a market supply chain, which will help it identify the most relevant stakeholders in the market place along with gaps in information. Tool 5: Market supply chain mapping, provides a detailed description of the process. Market supply chain mapping differs from mapping market places (Step 2) because market supply chain mapping looks at the system and movement of goods within the supply chain and refers to goods rather than their point of sale, the market places.

### Actions

#### **ACTION 3.1 Use Tool 4: Market screening worksheet to support your market place analysis**

- Provide all team members with a copy of Tool 4: Market screening worksheet, and ensure that everyone has time to understand the guiding questions.
- Led by the team leader, teams discuss and conclude the answers to the questions.
  - For the first set of questions, ensure that the team answers *for each reference market*.
  - For the second set of questions, ensure that the team answers for *each core good*.
- Ensure that conclusions are well documented. These data will be used to write the report and will be necessary for ongoing analysis, including monitoring data *if* a CBI is implemented.

#### **ACTION 3.2 Discuss the specification of core goods and amend if necessary**

It is likely, especially in larger market places, that a range of specifications is available for many of the core goods. It is critical that the team agrees which specification will be considered in Step 4 of the assessment, because the data will only be comparable if collected against the same good.

- In the team, discuss the range of specifications that are available in each market place for each of the core goods.
- Refer to the record kept in Tool 2: Needs and market place summary, and consider the goods that people of concern will buy (the team may have gotten this information during conversations with key informants).
- Decide whether the specifications that the team is using for any of the core goods need to be amended. If so, ensure that changes are communicated to the team and that any changes to tools and other documents are made.

#### **ACTION 3.3 Using the supply data collected using Tool 3: Market place questionnaire, group goods by supply chain where possible**

- Identify goods that have similar supply chains (geographic origin of the goods, common wholesalers, etc.). It makes sense to group or bundle for market analysis goods with similar supply chains; this will most efficiently use assessment time and resources.
- Remember that some products might have a similar supply chain up to a certain point in the chain – to the wholesaler for example – but have a different supply route afterwards.
- If there is a core good that the team is particularly concerned about, and its supply chain is not clear, do not bundle this item with other goods.
- Record demand information and preliminary market supply information.

#### **ACTION 3.4 Determine key assumptions for the market supply assessment and identify key informants**

- Use Tool 5: Market supply chain mapping to develop a draft market supply map. Note that this exercise can be expected to take 1–3 hours, depending on the nature of the market supply chain, the amount of information available and the experience of the team. Ensure sufficient time for this exercise.
- Using the draft supply chain map and the information collected and discussed previously, identify critical assumptions and remaining information gaps for each supply chain you are analysing.

Consider:

- What conclusions have been made so far about this supply chain?
- What are the major gaps in information?
- Identify key market actors and informants who may be able to provide this information. Identify the next opportunity to collect this information, including questions in Tool 6: Guide to KII/FGD with market actors and Tool 7: Trader questionnaire.

## Tool summary

Tool 4: Market screening worksheet	
Purpose and rationale	<ul style="list-style-type: none"> <li>• To pose questions that enable the team to analyse market place data</li> <li>• To frame a discussion that helps identify assumptions, information gaps and key stakeholders in the market chain</li> </ul>
Methodology	Checklist and worksheet used to guide the decision-making process. The team can decide how to record the information and discussions.
Outputs	<ul style="list-style-type: none"> <li>• Recorded summary of market place access and goods availability</li> <li>• Documented analysis by market place and by core good</li> </ul>

Tool 5: Market supply chain mapping	
Purpose and rationale	<ul style="list-style-type: none"> <li>• To draft the supply chain maps of core goods</li> <li>• To identify additional key stakeholders and informants for involvement in the market assessment and analysis</li> </ul>
Methodology	Mapping is a group exercise and benefits from all relevant input. The tool presents a series of questions that allow the team to add additional information to the map in stages. The guidance suggests two points at which the mapping is done, however the team can use this tool whenever useful.
Output	Supply chain map that: <ul style="list-style-type: none"> <li>• Indicates the potential size of the supply chain, number of actors, depth of market chain</li> <li>• Highlights information gaps that can be checked in later steps</li> <li>• Identifies entry points for additional information gathering – such as wholesalers and large traders or supermarkets</li> </ul>

## Step 4: Check availability of and access to core goods

### Expected output

Most field-based data collection takes place during this step, including trader and wholesaler interviews and visits to reference and supplier market places. The data collected in this step will be used in Step 5 to confirm the answer to this question from the Market Assessment Framework:

- Can target populations access the goods and services needed in the quality and quantity required in their reference market places? (Considering the supply chain, duration and frequency of assistance)

The data are collected for each core good supply chain and include two specific time moments (now and the future programme intervention period). Data collected include the following:

- Quantity of each core good sold (volume) in the reference market place;
- Seasonal variations in supply, demand and price of core good;
- Range of core good prices within the reference market place;
- Trader restocking capacity and ability to increase (or expand) supply to meet potential demand for the core good; and
- Potential protection concerns.

### What the team needs to know

This step collects the data required for Step 5 and Step 6. In Step 5, the assessment team assesses the capacity of core good supply chains to meet the needs of the target population if a CBI were implemented. Data collected in this step are also used to better understand risk and protection concerns (Step 6) and trader capacity to restock and support needs (Step 5), amongst other aspects.

### How to calculate supply chain volume in small and large markets

In this step, the market assessment team will use three tools (Tool 3: Market place questionnaire, Tool 6: Guide to KII/FGD with market actors and Tool 7: Trader questionnaire) to get an adequate understanding of the volume of core goods available in the reference market places. Exact numbers are not needed, but good estimates are required to enable reliable analysis and decision making.

In small market places with fewer traders, interviewing most traders selling core goods will be possible; in larger market places, it will be very difficult to interview all traders selling core goods. Interviewing all traders is not required, however. The assessment team should:

- Estimate the number of traders of varying sizes (small, medium, large) selling the core good;
- Calculate an approximate core goods capacity for different sizes of traders (for example, small = 400 bars of soap sold per week; medium = 1,000 bars of soap per week; large = 2,000 bars of soap per week);
- Speak to 2–3 traders of each size to collect data. The estimates of number of traders of each size can also be checked to ensure that data collected are correctly generalized across all traders; and
- Using the data collected and the estimated (and checked) number of traders of varying size, generalize or extrapolate the data to get a ‘good enough’ estimate of core good supply.

### Understanding supply chain expandability at the reference market place

Supply chain expandability refers to the ability of the supply chain to increase the volume of goods available to customers in the reference market place. It is normally measured as a percentage. Estimating supply chain expandability is necessary if the target population is likely to increase the demand for goods significantly, because this additional pressure on the supply chain could result in price increases until the supply chain can respond. A supply chain is expandable if the following is possible:

- An increase in core good supply volume by current traders of that core good; and/or

- An increase in the number of traders that supply the core good in the reference market place. These are traders who are attracted to the potential business created from an increase in demand.

Supply chain expandability percentages should be explored carefully if either of the following is true:<sup>7</sup>

- The target population – including the target populations of UNHCR and any other organization planning to start a market-based intervention utilizing the same supply chains in the area – represents more than 20 per cent of the total population using the same reference market place; or
- The induced demand from the total target population (again, the target populations of any organizations planning to start a market-based intervention utilizing the same supply chains in the area) represents more than 10 per cent of normal trader flows in the reference market place in a rural area or 25 per cent in an urban area.

If your assessment finds one of these scenarios, an estimate of increased demand and expandability is advised. Bear in mind issues of seasonality and keep in mind previous trends (see *Box 5 for an example of how prior experience can give a good indication of what can happen in the future*).

## Actions

### **ACTION 4.1 For the programme intervention period, identify the supply chain expandability percentage**

Several tools – Tool 6: Guide to KII/FGD with market actors, Tool 7: Trader questionnaire, Tool 8: Supply chain capacity worksheet, Tool 9: Risk analysis and Tool 10: Market assessment report format – refer to a ‘programme intervention period’. If your programme is not planning a future intervention, identify a period of time that reflects the planning cycle; see *Box 5* for an example. If the programme is starting immediately, questions related to the programme intervention period can be removed, because the intervention period would be in real time.

- Consider what percentage expandability the tools should include, based on an approximation in expected increase in demand (*refer to Annex A, Part 1.3: Additional technical guidance, for more about expandability*). Expandability refers to the ability of the supply chain to increase the volume of goods available.
- If necessary, change the percentage included in Tool 6: Guide to KII/FGD with market actors, Tool 7: Trader questionnaire and Tool 8: Supply chain capacity worksheet (which currently states 30 per cent) to reflect current and potential future demand.
- Keep in mind that traders are also asked how many, if any, additional traders are likely to enter the market place if demand increases. Ensure these data are captured for Tool 5: Market supply chain mapping.

#### **Box 5: Programme intervention period example (pilot project, Myanmar, September 2016)**

The exercise in Myanmar was undertaken as part of a preparedness exercise and for information gathering, therefore there was no specific ‘programme intervention period’. To test the extent to which markets could support a response, the team identified a hypothetical programme start date and expandability percentage, based on a scenario planning exercise.

<sup>7</sup> Austen, Lois and Sebastien Chessex, *Minimum Requirements for Market Analysis in Emergencies*, The Cash Learning Partnership, Oxford, 2013.

#### **ACTION 4.2 Decide how many traders, wholesalers and key informants to interview**

- Use the following information to determine the number and types of interviews to be undertaken by the team:
  - At least 1 key informant interview (KII) (or a focus group discussion (FGD) of 8–10 market actors or key informants) per reference and supplier market visited to gain an overview of the market, its catchment area, traders, seasonal variations, etc., using Tool 3: Market place questionnaire. This can include market authorities, local government and local traders.
  - At least 5–8 market actors of varying sizes along each supply chain (from the reference market to supplier markets) should be interviewed using either the questionnaire (Tool 7: Trader questionnaire) or the semi-structured questions (Tool 6: Guide to KII/FGD with market actors) that can be used with individual traders or in a FGD with traders of similar size selling similar goods.
  - Keep in mind the gender and ethnic balance of the key informants and market actors and that some market actors are not likely to give specific details of their business during a FGD. In addition, focus group discussions with traders might be difficult to organize, because they are busy and tied to their shops/outlets.

#### **ACTION 4.3 Identify key informants and stakeholders for interviews in reference and supplier markets**

- Consider contacts made in Step 2, when markets were visited quickly to identify the right reference market places, as well as people known to team members, e.g. UNHCR supply staff.
- Use the draft supply chain map developed in Step 3 to help to identify supplier markets and key informants to interview.
  - Keep in mind existing livelihoods programmes that manufacture core goods. If there are opportunities for building on existing livelihoods of target populations – for example, production of soap or briquettes or fuel-efficient stoves – the assessment team should highlight this for the Multi-Functional Team and consider their production in the data collection and supply chain analysis (see *Box 6 for an example*).
- The **identification and inclusion of key stakeholders and key informants is an iterative and evolving process**. New key stakeholders and key informants should be identified during the assessment process as additional people are met, or as recommendations and introductions are made, a technique known as ‘snowballing’ (see *Box 7*).

##### **Box 6: Including refugee soap production in a market assessment (pilot project, United Republic of Tanzania, September 2016)**

A partner of UNHCR in Nyarugusu refugee camp has established women’s soap production groups that actively produce and sell government-certified soap to the wider refugee population. Because soap was a core good identified by the target population and because UNHCR was interested in supporting this livelihoods group, the soap produced by the groups was included in the assessment data collection and analysis process. Recommendations included supporting the groups to increase their production following further livelihoods value chain analysis.

##### **Box 7: Trader and supplier identification: ‘snowballing’ experience (pilot project, United Republic of Tanzania, September 2016)**

Reference market core goods traders were asked for the contact details of other traders like them in the same location; they were also asked for the contact information of their suppliers. These contacts were followed up and asked similar questions, creating a network of traders and suppliers for the assessment team to interview.

#### **ACTION 4.4 Identify core goods that require collection of data on price**

It is necessary to understand the sale prices of core goods (of the same specification) within the same reference market place. Data related to price help teams understand core goods supply chain integration and competition and can be used to establish a market price baseline for core goods, which is essential for monitoring change.

- Review the number of traders involved in the sale of the core goods. Consider the number of traders who should be interviewed using Tool 6: Guide to KII/FGD with market actors and Tool 7: Market questionnaire.
- Decide whether additional data on prices are required. The assessment team should understand price variations (if any) across the market place, information which can be gained from a sample group of traders.
- Price data can be collected using Part C of Tool 12: Market monitoring for CBIs.

#### **ACTION 4.5 Adapt tools to your context and familiarize teams with data collection and recording methods**

- Review the tools and adapt and edit them for use in this step. Edit the questions based on any assumptions or concerns raised in Steps 1–3.
  - Not all the questions listed in Tool 6: Guide to KII/FGD with market actors have to be asked; edit the tool to focus on the most important questions based on the gaps in data collected so far. Please note the difference between section A and section B of this Tool: section A includes general questions for traders, whereas section B is for traders interested in expanding their business (*see Tool Summary below*).
- Agree on interview and data recording methods. (*See Annex A, Part 1.2: Tool Application for more guidance.*)
- If sensitive questions or issues emerge that require further analysis, develop methods to collect this information. For example, if there are protection concerns due to the ethnicity of traders, develop a series of semi-structured questions with input from protection staff.

#### **ACTION 4.6 Field test tools to ensure they capture the data required**

Field testing not only tests the tools and the suitability of the questions, but also enables team members to gain confidence in using the tools, asking questions and documenting responses. This is important because some questions will have to be asked in a variety of ways to ensure understanding.

#### **ACTION 4.7 Apply tools in reference market places and supplier markets**

- Interview market actors in reference and supplier markets. Semi-structured interviews and questionnaires complement each other. Key informant interviews and focus group discussions (Tool 6: Guide to KII/FGD with market actors) can be used to get a broader sense of the supply chain. Questionnaires (Tool 7: Trader questionnaire) for market actors are undertaken with this knowledge, enabling triangulation and probing. Focus group discussions and key informant interviews can then be used again to check and triangulate the data collected from the interviews and get a deeper understanding of any issues raised. *For more guidance on FGDs see Annex A, Part 5: Guide to undertaking focus group discussions and key informant/stakeholder interviews.*
- Reviewing, revising or drafting supply chain maps with key informants can be useful if there are concerns or if there is insufficient information regarding a specific core good supply chain map (use Tool 5: Market supply chain mapping).
- Collect price data. In large markets with multiple traders selling core goods collecting price data using Part C of Tool 12: Market monitoring for CBIs can enable a broader understanding of prices within that reference market place. Prices can then be compared across market places and used in Step 5 to understand price variations and integration and competition using Tool 8: Supply chain capacity worksheet.

#### **ACTION 4.8 Probe expandability: Interview traders who are likely to enter the reference market place**

- Interview potential new traders (identified using Tool 6: Guide to KII/FGD with market actors and Tool 7: Trader questionnaire) using Tool 6: Guide to KII/FGD with market actors, section B. This is a series of questions for traders interested in expanding their business.

#### **ACTION 4.9 Review data and identify information gaps. Undertake additional interviews if needed**

- Assess whether there are any significant gaps in the data due to missing key informants, lack of knowledge of market actors, etc. If there are significant data gaps, undertake additional interviews with adapted tools to capture the missing information.

### **Tool summary**

**Tool 5: Market supply chain mapping (see Step 3 for information)**

**Tool 3: Market place questionnaire (see Step 3 for information)**

#### **Tool 6: Guide to KII/FGD with market actors**

Purpose and rationale	<p>To gain an understanding of the core goods supply chains and the context</p> <p>Section A = General questions for traders</p> <p>Section B = Questions for traders interested in expanding their business to the reference market if there is an increase in demand for core goods</p> <ul style="list-style-type: none"> <li>• To collect specific information on prices, volume and number of actors along the supply chain and infrastructure used</li> <li>• To gain an estimation of market expandability</li> <li>• To interview traders interested in entering the market place</li> </ul>
Methodology	<p>Identification of key informants and key stakeholders to interview and adaptation of tools to context. Field-testing before fieldwork to ensure the questions are appropriate. Documentation of findings.</p>
Output	<ul style="list-style-type: none"> <li>• Summarized discussions</li> <li>• Market actor contact details for further questioning</li> <li>• An understanding of supply chain expandability</li> </ul>

<b>Tool 7: Trader questionnaire</b>	
Purpose and rationale	<p>An individual trader questionnaire that collects detailed information on the supply and price of core goods, warehousing, etc.</p> <ul style="list-style-type: none"> <li>• To collect specific information in relation to prices, volumes and number of actors along the supply chain at the time of data collection and during the planned intervention period</li> <li>• To identify whether the traders that supply goods would need any help to increase the supply of goods</li> <li>• To estimate market expandability</li> </ul>
Methodology	<p>Identification of key informants and key stakeholders to interview and adaptation of tools to context and information needs. Field-testing before main assessment to ensure the questions are appropriate. Documentation of findings.</p>
Output	<ul style="list-style-type: none"> <li>• Completed trader questionnaires</li> <li>• Market actor contact details for further questioning</li> <li>• An understanding of supply chain expandability</li> </ul>

<b>Tool 12: Market monitoring for CBIs (Part C)</b>	
Purpose and rationale	<p>For minimum market monitoring requirements for CBIs, this Tool has the following specific aims:</p> <ul style="list-style-type: none"> <li>• To identify changes in the market places used by the target population</li> <li>• To identify changes within the supply chains of core goods required by the target population</li> </ul>
Methodology	<p>Part C of the monitoring tool can be used to collect price data for core goods for multiple traders within a market place</p>
Output	<ul style="list-style-type: none"> <li>• Market price data for core goods for each reference market place</li> <li>• A comprehensive understanding of the price of core goods within and across market places</li> </ul>



## Step 5: Determine supply chain capacity to meet needs for core goods

### Expected output

Using the data collected from previous steps, especially Step 4, the assessment team will analyse data collected to *determine supply chain capacity to meet core good needs*.

By the end of this step the assessment team will have understood and documented the following:

- Analysis of the integration of and competition between core good supply chains;
- The capacity of core good supply chains to meet needs in the reference market place; this is assessed looking at the volume of goods available currently and potential volume should the market expand; and
- Whether traders need support to respond to the potential demand created by a CBI.

### What the team needs to know

In this step, the team pulls together all the data collected so far to answer questions on the capacity of supply chains to meet a potential increase in demand. The assessment team will consider the approximate volume of goods along the supply chain, supply chain expandability and integration and competitiveness of the core good supply chains in the reference market places. The discussions that take place as the data is analysed will feed into response recommendations for the Multi-Functional Team. Conclusions of the analysis should be documented for future reference using Tool 8: Supply chain capacity worksheet.

Understanding integration and competition helps us understand how well the supply chain is performing. A well-performing supply chain is more likely to respond quickly to a change in demand without significant price increases or delays in restocking (*see Tool 8: Supply chain capacity worksheet and the Glossary for more information*).

### Actions

Refer to the data collected in Steps 2, 3 and 4 to complete the following actions.

#### **ACTION 5.1 Using supply chain and market place data, assess whether core good supply chains are integrated and competitive (Tool 8: Supply chain capacity worksheet, Questions 1 and 2).**

(Refer to Glossary for information on integration and competition.)

- As a team, review and analyse the data collected. Use questions 1 and 2 in Tool 8: Supply chain capacity worksheet, to reach a conclusion related to supply chain integration and competitiveness.
- Document findings, because the team may decide not to include some core goods in the response because there is lack of integration and competitiveness now and in the future, despite potentially higher demand.
- Revise supply chain maps if needed using Tool 5: Market supply chain mapping.

#### **ACTION 5.2 Insert data into Table 1 of Tool 8: Supply chain capacity worksheet to check supply, demand and price figures**

Data related to target population demand should be available from Tool 2: Needs and market place summary. Insert data related to core good supply and expandability. Use the data from Tools 6: KII/FGD Market actor and Tool 7: Trader questionnaire. Reflect on Tool 3: Market place questionnaire and Tool 5: Market supply chain mapping.

- Check whether supply can meet potential demand currently and during the future programme intervention period. Answer Question 3 to come to a conclusion on this.

**ACTION 5.3 Where core good supply struggles to meet demand, check whether trader support will assist with this, or whether additional traders will enter the reference market (Tool 8: Supply chain capacity worksheet, question 4)**

- Review data regarding what support traders may require to increase their supply. Consider what traders said about entering the market place if demand for goods increased (Tool 6: Guide to KII/FGD with market actors, section B).
- Document findings and any assumptions in Table 1 of Tool 8: Supply chain capacity worksheet.

**ACTION 5.4 Check whether an increase in demand will result in a periodic or long-term increase in prices (Tool 8: Supply chain capacity worksheet, question 5)**

- Reflect on price data and guidance provided to answer this question: Is it likely that an increase in demand will cause prices to rise more than is normal for more than three months?

**ACTION 5.5 Agree on analysis findings as a team; identify potential risks and assumptions that may need further investigation**

- Agree on findings and the implications of the findings and record decisions.
- Risks identified here will be further analysed in Step 6.

**ACTION 5.6 Undertake additional interviews if significant assumptions need further analysis and/or if important gaps in data appear during the analysis**

Response decisions need to be made using 'good enough' information (*See Annex A: Part 1.2*).

- The team leader reviews the available information to ensure that he or she is satisfied with the quantity and quality of data available.
- If important gaps appear in the collected data, or if assumptions that may have an influence on recommendations are being made, go back to Step 4 and adjust tools accordingly before undertaking additional interviews.

**Box 8: Supplier trader interest in entering reference market place (pilot project, United Republic of Tanzania, September 2016)**

Nyarugusu Common Market serves both refugee and local populations. The market assessment indicated poor core good availability and a low number of traders selling some core goods (because ongoing in-kind distributions of core goods were a disincentive to traders to carry the same goods at the market). However, the assessment indicated the potential for the supply chain to expand supply if demand grew. Supplier market traders based in Kasulu were able to supply more goods and some were interested in entering the market place as traders.

## Tool summary

<b>Tool 8: Supply chain capacity worksheet</b>	
Purpose and rationale	<p>Step 4 involved the collection of a significant volume of data, which now needs to be analysed before recommendations can be made. Therefore, the purpose of this step is:</p> <ul style="list-style-type: none"> <li>• To analyse the data collected in Step 4</li> <li>• To identify whether additional data collection is needed before continuing to Step 6</li> <li>• To identify areas for risk analysis for Step 6</li> </ul>
Methodology	Workshop led by market assessment team leader and attended by team members and any key informants or key stakeholders that can contribute to the discussion
Output	<ul style="list-style-type: none"> <li>• An understanding of core good supply chain market integration and competition levels</li> <li>• An understanding of whether the supply chain can provide the core goods needed by the target population in a timely manner and without price increases that last for longer than three months (now and during programme intervention period)</li> <li>• Potential trader support activities</li> <li>• Identification of core goods that should not be included in Step 6</li> <li>• Risk analysis information for Step 6</li> </ul>

## Step 6: Identify risks associated with the supply chain and wider market system

### Expected output

This step consolidates and analyses risk information collected through the market assessment process, including risks associated with the supply chain ability to meet demand; protection risks; and risks connected to the wider market environment and infrastructure. Step 6 will answer the following questions from the Market Assessment Framework:

- *Are there constraints in the market environment or infrastructure that could prevent the supply chain from increasing the quantity of goods supplied?*
- *Are there any risks associated with a market-based response? If so, what can be done to mitigate them?*

### What the team needs to know

Market-related risks and mitigation activities must be considered before making market assessment recommendations and designing interventions. To identify and analyse risks, this step assesses the wider market environment and infrastructure, how these function and whether they could negatively influence the ability of the supply chain to provide core goods or respond to increased demand.

### The market environment

The market environment includes government bodies and policies, price trends, corruption, gender and protection issues, refugee movement restrictions, activities of other agencies, etc. (See *Tool 5: Market supply chain mapping, questions 5–9 for information on how these aspects can be included in the market map.*) The market infrastructure refers to what infrastructure is needed to enable the supply chain to function, including transport, warehousing, road networks and financial services.

The main reason to undertake this exercise is to identify elements of the broader context that could:

1. Negatively affect the performance of the supply chain (examples include border crossing changes, seasonal transportation problems, corruption and bribery, etc.);
2. Affect the suppliers (positively and negatively) and/or have an impact on access to needed goods on the part of the target group or local population. This could include, for example, increases in conflict, changes in policies, lack of access to credit, ethnic considerations, and issues related to AGD and to social norms.
3. Affect interaction between the target population and local populations. Examples of this are levels of social cohesion and tension (especially if there has been an increase in displaced populations) and cultural and ethnic interrelations.
4. Be used to identify potential areas that would benefit from market support interventions (e.g. supporting access to financial services, information, warehousing and transportation) and advocacy.

### Why consider the market context beyond the supply chain?<sup>8</sup>

It is critical that the complex contextual factors and dynamics of displacement contexts are well understood and analysed. By looking beyond the supply chain, it is possible to explore the following:

- What are the existing power relations?
- Which groups dominate decision making?
- Who influences access of specific groups to the market?
- What policy and legal frameworks are currently in place?

8 Adapted from Women's Refugee Commission, *Service Provision Mapping Tool: Urban Refugee Response*, 2015, pilot. See <https://www.womensrefugeecommission.org/gbv/resources/1353-urban-gbv-tools>.

- What role do social networks play?
- Why do certain social groups have access to some services while others don't?
- Why are services located in certain areas and not in others?

## Actions

All actions require the assessment teams to use the data collected in Steps 2, 3, 4 and 5. Ensure the involvement of protection staff in these actions and discussions. Note that risks will be revisited *if* a CBI is implemented.

### **ACTION 6.1 Identify, consolidate and document potential risks related to the market place(s), supply chain, market actors, target population, market environment and infrastructure**

- Refer to data recorded from Tool 3: Market place questionnaire, Tool 6: Guide to KII/FGD with market actors, Tool 7: Trader questionnaire and Tool 8: Supply chain capacity worksheet. Refer to Table 1 in Tool 9: Risk analysis. Keep in mind trends or patterns related to risks – for example, are some more seasonal than others?
- Consider some of the risks associated with the market place(s) identified (security or access problems), the core good supply systems, the market environment and infrastructure. Contact partner agencies and key informants who may have relevant information.
- Summarize risks using Table 2 in Tool 9: Risk analysis.

### **ACTION 6.2 Determine the likelihood and potential impact of risks that have been identified**

- Use Table 2 in Tool 9: Risk analysis to assess the likelihood and potential impact of identified risks. The seriousness of a risk is determined by two factors:
  - The likelihood (probability) that a risk will occur; and
  - The impact (consequences) of the risk if it occurs.

### **ACTION 6.3 Identify actions that will mitigate risks, focusing on those risks with a high likelihood of occurring and which may have a severe impact**

Mitigation measures should primarily address the causes of the risks. More than one mitigation measure can be considered for each risk. For examples, see Table 1 in Tool 9: Risk analysis.

- Consider whether it is possible to implement mitigation measures to reduce the risk to an acceptable level. If this is not possible, then it is advisable to avoid the risk and revert to other feasible options.
- Check protection-related mitigation activities with protection staff. Ensure these activities are feasible.

## Tool summary

<b>Tool 9: Risk analysis</b>	
Purpose and rationale	Before making response recommendations, a good understanding of risks and what can be done to mitigate them is needed <ul style="list-style-type: none"> <li>• Identifying risks and potential mitigation actions is a key part in selecting response recommendations that 'do not harm'</li> </ul>
Methodology	Workshop led by the team member, involving team members and any suitable key informants and key stakeholders, ensuring that protection staff participate in the discussions.
Output	<ul style="list-style-type: none"> <li>• Completed risk analysis matrix</li> <li>• Identified mitigation actions</li> </ul>

## Step 7: Collate market assessment findings and recommendations

### Expected output

In this final step of the market assessment process, teams elaborate a market assessment report. This step helps identify concluding summary statements for all reference market place core good supply chains and is the basis of a detailed assessment report.

The report provides an opportunity to document data collected and analysed for future reference, while answering the following question from the Market Assessment Framework: *Can the market place and supply chain provide the target population with core good(s) in the required quality and quantity and in a timely manner without causing price increases that last longer than three months if a CBI was provided to the target population?*

### What the team needs to know

The Multi-Functional Team requires a documented summary of findings and recommendations from the market assessment to refer to when discussing CBI feasibility. This documentation should include market data such as the price of core goods and the number of traders. Not only will these summarized findings and data be used in immediate response analysis and decision making, but they are also required for implementing and monitoring the CBI. Market assessments will also inform preparedness-related activities.

For these reasons, the Multi-Functional Team needs to know to what extent the reference market places and core good supply chains can be utilized as part of a response. A report that outlines the market assessment findings is vital for transparent and accountable decision making. This step involves developing concise reference market place supply chain statements that are accompanied by a clear and concise report based on assessment findings. Box 9 provides an example of the market assessment report format, for which an outline template (including prompts) is provided in Tool 10: Market assessment report format. Box 10 provides an example of supply chain statements.

## **Box 9: Market assessment report outline template**

### **Section A: Market place core good summarizing statements**

#### **Section B: Introduction**

1. Assessment objective
2. Context
3. Target population and rationale
4. Core goods list, specifications, frequency of purchase and required quantities

#### **Section C: Methodology**

1. Assessment time frame
2. Assessment activities and tools use
3. Team members (and affiliated organizations)
4. Challenges and solutions
5. Assumptions and rationale

#### **Section D: Assessment findings**

1. Description of reference market place(s) selected
2. Description of supplier markets and core good supply chains linked to reference market place
3. Supply chain capacity to meet demand by reference market place
  - a. Key conclusions related to competitiveness and integration of market place(s)
  - b. Summary of quantitative analysis of supply compared to demand
  - c. Summary of market expandability
  - d. Trader support and links to livelihoods programmes
  - e. Risks and mitigation activities
  - f. Next steps and areas that require further analysis

#### **Section E: Conclusions and recommendations**

1. Summary of findings
2. Recommendations for Multi-Functional Team decision makers

#### **Section F: Annexes**

**Box 10: Examples of supply chain statements**

Supply chain statements	Core good
<p><b>Kasanda market place</b></p> <ul style="list-style-type: none"> <li>• Supply chain <b>is</b> integrated and competitive.</li> <li>• Supply chain <b>will</b> respond to CBIs if demand for core goods increases during programme intervention period. Traders can increase supply and there are additional traders interested in supplying core goods to this reference market place.</li> <li>• Trader support <b>is</b> needed to support supply chain response to increase in demand. Support in warehousing and access to credit will be needed.</li> <li>• There is <b>unlikely</b> to be an increase in prices for longer than three months if demand increases.</li> <li>• Risks: <ul style="list-style-type: none"> <li>- Market environment <b>does</b> affect the ability of the supply chain to function. Security is changeable and could affect market access and consumer demand.</li> <li>- Market infrastructure <b>does</b> affect the ability of the supply chain to function due to lack of adequate warehousing and transportation routes especially during the wet season when the supply chain may struggle to meet demand in a timely manner.</li> <li>- Significant risks include: <ul style="list-style-type: none"> <li>▪ Poor transportation during the rainy season could lead to delays, lack of trader capital to increase stock if demand increases rapidly (which could result in price increases)</li> <li>▪ Growing social tension between chronically poor local population and refugees</li> <li>▪ Potential changes to the security levels in the area could increase risks associated with physically accessing market places, which would prevent target and local populations from accessing markets, reducing consumer demand</li> </ul> </li> </ul> </li> <li>• CBI <b>only possible under certain conditions</b> <ul style="list-style-type: none"> <li>- Security situation remains calm and does not affect market access</li> <li>- There is sensitization of refugee and local populations about programme objectives and methodology</li> <li>- There is sensitization of traders regarding programme plans to enable pre-positioning of items</li> <li>- Target population numbers gradually increase to enable supply chain/trader capacity to respond</li> </ul> </li> </ul>	<p>Blankets, floor mats, CGI sheeting, kitchen sets</p>



## Actions

It is important that the assessment report illustrate the analytical process and concluding decisions, so this step includes data from all steps of the market assessment process.

### **ACTION 7.1 Develop core good supply chain summarizing statements (section A of Tool 10: Market assessment report format)**

- Develop supply chain statements using Table 1 (in Tool 10: Market assessment report format). Statements should summarize the ability of core good supply chains to respond to an increase in demand for two time frames: currently and during the planned intervention period. If none of these statements summarizes the team's findings sufficiently, edit accordingly.

### **ACTION 7.2 Insert additional information related to the assessment findings and analysis into section B–F of Tool 10: Market assessment report format**

- Follow prompts and questions in Tool 10: Market assessment report format to complete sections. Use headings in bold as a guide and remove supplementary information in italics once information has been added.
- Include trader support activities if necessary and any existing livelihoods activities that could be further developed after additional analysis – see Box 11, below.
- Include recommendations for specialist support for contexts or core goods that present significant challenges.

#### **Box 11: Trader support and livelihoods opportunities**

Livelihoods opportunities: If there are opportunities for building on the existing livelihoods of target populations (such as the production of a good that is in demand, e.g. soap, briquettes or fuel-efficient stoves), the assessment team should highlight this for the Multi-Functional Team.

Trader support activities and market strengthening: Traders may require support (transportation, warehousing, access to financial services, etc.) to help them increase their ability to increase the volume of supplies. Include these activities in the response options and recommendations discussions. UNHCR may decide not to implement them – but partner agencies may. Further information on trader support and market strengthening activities is available in Annex A, Part 3.

## Tool summary

<b>Tool 10: Market assessment report format</b>	
Purpose and rationale	Step 7 pulls together key market assessment data, concluding with market capacity statements <ul style="list-style-type: none"> <li>• To state whether core good supply chains can respond if a CBI is provided to target populations (now and during the programme intervention period)</li> <li>• To outline what trader support activities (if any) are required to enable the supply chain to provide the goods required</li> </ul>
Methodology	Workshop led by the assessment team leader with input from the assessment team members. The workshop is attended by market assessment team members and any key informants and key stakeholders that can contribute to the discussion.
Output	<ul style="list-style-type: none"> <li>• Final report summarizing main findings and recommendations</li> </ul>

## 4.3 CBI market monitoring

Monitoring the impact of UNHCR's interventions on markets is always important – but becomes essential during the implementation of a CBI. Section 5.3 describes the *minimum* market monitoring requirements for CBIs and includes companion guidance and two tools.

Whether the ongoing intervention is a CBI, an in-kind distribution or a combination of the two, market monitoring is essential. This market monitoring will form **one component** of a wider monitoring of the CBI, which will include:

- Regular monitoring of changes in needs, including changes in recipient priorities, changes in the number of people of concern and movement of people;
- Post-distribution impact monitoring, including targeting and consumption;
- Ongoing protection monitoring, including the safety and security of recipients of the CBI;
- Monitoring of the CBI process, including ease of recipient access to grants, reconciliation of funds and monitoring of partnerships with delivery agents; and
- Ongoing monitoring of other modalities of transfer.

### Expected output

Following the market monitoring step will result in a draft of a suitable monitoring plan. By using the tools, the team will collect and analyse data that enable decision making regarding effective and efficient use of markets to meet the needs of people of concern.

The CBI market monitoring tools have the following specific aims:

- To identify changes in the market places used by the target population; and
- To identify changes in the supply chains of core goods required by the target population.

The rationale for monitoring markets includes:

- To confirm that CBIs remain an appropriate response (from a market perspective);
- To identify the impact (negative or positive) of a CBI on local markets; and
- To determine if it is necessary to make changes to the design of CBIs to ensure that CBIs meet their intended objectives without negatively impacting local markets and local host communities.

### What the team needs to know

#### Measuring critical indicators

Price, availability, access and risk are key indicators used to monitor the market implications of a CBI. (See *Terms and Definitions*.) These indicators are relevant for the following reasons:

#### Prices

Understanding the price consumers pay for goods will help teams assess whether recipients of a CBI can purchase the planned amount and types of goods. Any change in price may mean that people of concern can buy more (or less) of a specific good. Prices are also a good proxy indicator of market integration and competition; a change in price may indicate deeper issues with market supply chains. An increase in core good prices in local markets, where volumes are unchanged, may indicate the presence of collusion among traders – or an increase in demand where supply is limited or slow to respond to demand.

#### Availability

Availability (volume) and price data would be expected to move in correlation with one another, where a decrease in the supply of a good may result in an increase in price (and vice versa). This is not always the case, however, and reduced availability may result in a change of consumer behaviour such as a switching

to a good of reduced quality or different specification. An increase in the volume of goods available may result in a reduction in price, which could improve access to specific goods or services.

### Access

Reference market places are assessed during the market assessment process to ensure that people of concern can access markets, both physically and socially. Monitoring market access is essential to ensuring continued appropriateness of a CBI response. A change in access may result in the temporary or permanent exclusion of a reference market place in the monitoring. It may also result in the inclusion of a market place that was excluded during the market assessment.

### Risks

Minimizing risks associated with markets involves understanding the risks markets may pose to the impact of the programme, which will have been identified during the CBI design phase. It also includes risks the CBI poses to markets, which may result from the size and nature of the intervention (see *Step 6 in the market assessment process*). Some risks will automatically make a programme ‘high risk’, including:

- When the CBI targets a large proportion of the population, or if the volume of goods to be purchased (i.e. the total demand) represents a large proportion of overall supply in the reference market, then the intervention should be considered high risk. The minimum requirements for market analysis<sup>9</sup> identify the following guidance for determining whether an intervention should be considered ‘large’:
  - Beneficiaries (intended UNHCR beneficiaries as well as those of other programmes) represent more than 20 per cent of the total population in the programme area.
  - The induced demand (from the UNHCR programme and programmes of other agencies) represents more than 10 per cent of normal trade flows in a rural area or 25 per cent in an urban area.
- When there are external risks related to the context – such as increased fighting, a natural disaster or a large influx of people – that may disrupt market supply chains, then the intervention should be considered high risk. A disruption to the supply chain may cause bottlenecks in supply, which could result in increased prices or decreased supply, causing an intervention to be classified as high risk.

### Using thresholds to guide decision making

During the design of the monitoring approach, the team will identify measurable values for each indicator. These values are referred to as thresholds and are essential for ongoing response analysis and analysis of monitoring data because they will be used to signal an alert that could result in a pre-defined change in programme design. Without this threshold value, it is difficult to assess monitoring information and understand changes.

For example, regarding price: If the average price for a certain unit of good is \$3.50, the team might decide that any variation (either higher or lower) of more than 10 per cent signals a need to review the value of the cash transfer. So, if the price rose to more than \$3.85, the team would need to review.

### Actions

Market monitoring for CBIs consists of seven actions and uses Tool 11: CBI market monitoring risk checklist in the design of the approach and Tool 12: Market monitoring for CBIs for data collection.

The market monitoring builds on terminology and decisions made during the market assessment process, including decisions about reference market places and information on core goods, price, volume, demand

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<sup>9</sup> Austen, Lois, and Sebastien Chessex, *Minimum Requirements for Market Analysis in Emergencies*, The Cash Learning Partnership, Oxford, 2013.

and supply. If this process (Steps 1–7 of this Companion Guide) has not been completed, seek technical advice and begin the market assessment process.

### **ACTION 8.1 Review the market assessment report and supporting data**

The market assessment report provides valuable background information, including any assumptions or limitations that should be kept in mind. This information includes:

- Analysis of market place access;
- Supply chain analysis for core goods, including assumptions on competitiveness, integration and expandability;
- Seasonality of markets for core goods, including specific points in the year when prices or volumes are expected to change; and
- Baseline information on prices, volumes and market place access.

### **ACTION 8.2 Determine the size and scale of market monitoring based on the risks the CBI poses to local markets, using Tool 11: CBI market monitoring risk checklist.**

The size and scale of the monitoring system is determined by several risk factors. Some of these risks may have been identified as part of the assessment (*see the output of Step 6 and refer to Tool 9*).

- Using Tool 11: CBI market monitoring risk checklist, adapted from MARKit,<sup>10</sup> determine the level of risk to reference market places posed by the CBI. In this table, a ‘Yes’ answer signifies a ‘risk’. If it is not clear whether the intervention is high risk or low risk, or if the intervention appears to be ‘medium’ risk, err on the side of caution and call the intervention high risk.
- Note that it is possible that some core goods may be high risk and others low risk. For example, if there are 20,000 internally displaced persons who make up 5 per cent of the population and the CBI is designed to meet ongoing hygiene needs, then this will be a low risk intervention. However, if the same population is provided with a CBI to cover immediate shelter needs – and normally only 5 per cent of the overall population is expected to purchase shelter items at the time of the intervention – then the target population’s demand represents 50 per cent of total demand and so the CBI could be seen as high risk.

### **ACTION 8.3 Identify which market places will be included in the market monitoring system.**

Because it is likely that monitoring includes multiple sectors, it may also cover several supply chains. The guiding numbers below refer to each core good, i.e. for a high risk CBI, 4–5 traders of each core good must be interviewed.

In **high-risk** contexts (mostly ‘yes’ responses on the Tool 11 checklist)

For high-risk interventions, adequately monitoring representative markets along the supply chain is crucial. Market monitoring should be undertaken in all reference market places, as well as in supplier markets and central markets. Plan to carry out monitoring with the following minimum numbers of traders:

- Reference market places (4–5 traders), supplier markets (2–4 traders) and central markets (at least 1 trader).
  - Remember that different goods may have different supply chains, so this must be factored into the monitoring plan.
  - In some cases, the CBI may be a small programme that is high risk, so common sense should guide the number of markets visited.

In **low-risk** contexts (mostly ‘no’ responses in Tool 11 checklist)

- For low-risk interventions, visit all reference market places monthly. It may be most practical to interview fewer traders. In larger interventions, ensure that at least 2–3 traders are visited in the reference market place, plus 1–2 traders in supplier markets.

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<sup>10</sup> CRS et al (2015) MARKit, price monitoring, analysis and response kit, page 11

#### **ACTION 8.4 Determine when to monitor markets**

Monitoring frequency should be aligned to programme activities and level of risk. In most cases, monitoring is undertaken monthly, with the exception of a CBI that is designed to cover one-time purchases of goods at specific times in the intervention period. To determine when to monitor, consider:

- Monthly monitoring if core goods to be covered by a CBI meet regular and ongoing needs and are met by a regular (monthly, bi-monthly or quarterly) intervention.
- Monitor markets before, during and following the CBI if core goods to be covered by a CBI are one-time purchases.
- If the intervention is designed to cover multiple needs that include one-time purchases as well as regular ongoing purchases, monitor monthly and also monitor before, during and after the expected one-time purchase.

Keep in mind that these data will be analysed alongside data from household monitoring that is carried out as part of the wider programme.

#### **ACTION 8.5 Identify monitoring ‘thresholds’ for key indicators**

To understand what is being monitored, it is important to determine the agreed thresholds for the key indicators of price and volume. To do this:

- For each core good, document the real-time price of that good and note the expected change in price for that item over the year, considering inflation and seasonal changes. Agree on minimum and maximum prices (changes from threshold price) that will be accepted for the intervention *before changes must be made to the intervention (so, before monetary amount of CBI would need to be reviewed)*.
- For each core good, make a note of the total volume identified through the market assessment. Use Tool 12: Market monitoring for CBIs to ask about changes to volume and availability. If availability is reportedly decreasing, raise an alert to trigger additional review/adjustment.
- For each market place, ensure that the team is briefed on the outcome of the market place assessment, summarized in Step 3. If necessary, review Annex A, Part 4: Resources for applying a protection lens to market assessment.

#### **ACTION 8.6 Develop a monitoring plan and carry out data collection using Tool 12: Market monitoring for CBIs**

- Draft a monitoring plan considering risks, thresholds and indicators. Include a plan of roles and responsibilities, market places to be monitored and planned number of traders to interview.
- Ensure that Tool 12: Market monitoring for CBIs is adapted to the context prior to printing it, and that data collection staff know the Tool’s purpose and are fully trained in its implementation.
- Remember that each market place will require a separate form. It might also be necessary to use more than one form in each market place, if there are goods from multiple sectors to be covered (and traders selling the items are not the same).
- Carry out regular debriefs with the data collection team to ensure ongoing learning from the process.
- Ensure that all data are clearly recorded.

#### **ACTION 8.7 Analyse market monitoring data and make any necessary changes to the CBI**

Always analyse the market monitoring data immediately after data collection and, where possible, at the same time as other programme monitoring data is being analysed. Market data alone are insufficient to inform changes.

For all CBIs (high risk *and* low risk), continue as follows:

- Identify the critical people from the Multi-Functional Team and review the market monitoring data.
- Identify trends in price and availability and compare to the agreed alert thresholds (Action 8.5).

- If trends or data identify problems in the markets, make a plan for investigating this further. This could be done by interviewing additional traders, by discussing with other partners or by investing in further analysis in different markets.
- Review the market place access section for changes in physical or social access.
- Record all discussions and conclusions and communicate to decision makers.
- Amend the intervention as appropriate.

**If the CBI is high risk and there appear to be inconsistencies or changes that go beyond changes from the thresholds, ensure that additional technical advice is sought as soon as the issue arises.**

Tool 11: CBI market monitoring risk checklist	
Purpose and rationale	<ul style="list-style-type: none"> <li>• To provide a checklist to help determine the relative risk of an intervention; the outcome of using the risk checklist tool will be a decision on the depth and rigour needed in monitoring</li> </ul>
Methodology	Tool 11 is a checklist of essential considerations; analysis of results should be undertaken by staff involved in programme design and decision making, in consultation with staff with sufficient information to answer the questions
Output	<ul style="list-style-type: none"> <li>• An informed decision on the depth and rigour needed for monitoring the CBI</li> </ul>

Tool 12: Market monitoring for CBIs	
Purpose and rationale	<p>The monitoring tool has the following specific aims:</p> <ul style="list-style-type: none"> <li>• To identify changes in the market places used by target population</li> <li>• To identify changes within the supply chains of core goods required by the target population</li> </ul>
Methodology	The tool can be used to collect price, access and availability data at points over the intervention period; part C can be used to collect price data for core goods as a baseline and end line if appropriate
Output	<ul style="list-style-type: none"> <li>• Price data for core goods for each reference market place</li> <li>• Access and risk monitoring for specific market places</li> <li>• Comprehensive understanding of the price of core goods within and among market places</li> </ul>

## 5. Market assessment toolkit

- The Market assessment toolkit consists of a number of tools, to be implemented in conjunction with 4.1: Market Assessment Framework, 4.2 Multi-sector market assessment companion guide and 4.3: CBI Market monitoring.
- All tools should be adapted to the local context with the objectives and focus of the market assessment in mind. Additional guidance for tailoring tools to the local context is included in Annex A, Parts 1 and 2. Tools may include example answers in red to help teams to understand the tool. These can be removed when teams adapt the tools for their use.

**Table 3: The tools in the toolbox**

<b>Tool 1</b>	Checklist of pre-assessment information
<b>Tool 2</b>	Needs and market place summary
<b>Tool 3</b>	Market place questionnaire
<b>Tool 4</b>	Market screening worksheet
<b>Tool 5</b>	Market supply chain mapping
<b>Tool 6</b>	Guide to KII/FGD with market actors
<b>Tool 7</b>	Trader questionnaire
<b>Tool 8</b>	Supply chain capacity worksheet
<b>Tool 9</b>	Risk analysis
<b>Tool 10</b>	Market assessment report format
<b>Tool 11</b>	CBI market monitoring risk checklist
<b>Tool 12</b>	Market monitoring for CBIs

In order to access the tools that are attached within the PDF file, please note that the Companion Guide and Toolkit must be downloaded to your computer and then opened in a PDF reader.

# Terms and definitions

## Acronyms

<b>AGD</b>	Age, Gender and Diversity
<b>CBI</b>	Cash-based intervention
<b>CRI</b>	Core relief items
<b>FGD</b>	focus group discussion
<b>HXL</b>	humanitarian exchange language
<b>KII</b>	key informant interview
<b>MAF</b>	Market Assessment Framework
<b>MFT</b>	Multi-Functional Team
<b>OMC</b>	operations management cycle
<b>UNHCR</b>	United Nations High Commissioner for Refugees

## Glossary of frequently used terms and definitions

**Competition**<sup>11</sup>: Market competition ensures that the target population has a choice of who they purchase their goods from. Competition can be understood by the following definition: ‘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. When there is effective competition, no single trader can unfairly set the price of a good or service. This usually brings 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.’<sup>12</sup>

Competition can be measured by assessing the number of traders in a market that sell the same type and quality of goods at a similar price.

In comparison, a **monopoly** is ‘a situation in which a single market actor 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 competing, e.g. high entry costs, government regulation or coercion and/or corruption.’<sup>13</sup>

**Core goods**: Core goods are goods needed by the targeted population to meet their basic needs. Core goods are identified in needs assessments and consultations with people of concern for inclusion in the market assessment for the following reasons:

- They have been prioritized by affected populations as necessary to meet their basic needs in the short and long term;

<sup>11</sup> Adapted from Food and Agriculture Organization of the United Nations, *Market Assessment and Analysis: Learner’s Notes, Lesson 1: Markets and Food Security*, 2008 and Mike Albu, *The Emergency Market Mapping and Analysis Toolkit*, 2010, Practical Action Publishing.

<sup>12</sup> Albu, Mike, *The Emergency Market Mapping and Analysis Toolkit*, 2010, Practical Action Publishing, glossary.

<sup>13</sup> Ibid.



- They represent goods (of an acceptable quality specification) that are available – or can be available – in local markets; and
- UNHCR policy supports market delivery for this core good.

**Demand:** Demand is the amount of a particular good or service that a consumer or group of consumers will want to purchase at a given price.<sup>14</sup> Demand is determined by<sup>15</sup>:

- Income;
- Consumers' tastes and preferences;
- The price of substitute and complementary goods;
- Consumers' expectations of future prices; and
- The number of potential consumers in the market.

**Effective demand<sup>16</sup>:** Suppliers supply goods that they know will be purchased by their consumers, goods that they know there is a demand for. Market demand is the amount of a particular good or service that a consumer or group of consumers will want to purchase at a given price. Only people who can pay for their goods have effective demand.

**Integration<sup>17</sup>:** A market is considered integrated when linkages between local, regional and national market actors work well. Therefore, in a well-integrated market, if there is a lack of goods in one market place, there would be a fairly easy flow of these goods from other nearby markets. So, the concept of market integration describes how easily and regularly commodities flow from one market to another. Observing how prices in different markets move together can give an indication of integration.

Therefore, integration can be measured by:

- Time series data for prices of that good for one or more markets that are related, connected or integrated.
- Whether variations in prices in one market are related to the variations in the other, i.e. if the prices are correlated, then markets are likely to be integrated.
  - This method can measure how prices move together over time. If markets are integrated, price changes in one market would be transmitted to the other.

Keep in mind that within an area such as a single province or region of a country, some markets may be well integrated while others may be poorly integrated. Integration is influenced by various factors:

- Good market infrastructure such as roads and storage and good telecommunications helps integrate markets;
- Expanding cell phone networks have made communication of market information about supplies, prices and other important market attributes more accessible, helping to better integrate markets;
- Government regulations on the movement of goods, which can hinder integration, especially informal regulation and corruption; for some traders in some areas, informal fees and bottlenecks are one of the most significant determinants of whether they will move goods through an area; and Civil unrest and banditry, which has a major influence on the movement of goods; for

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<sup>14</sup> Food and Agriculture Organization of the United Nations, *Market Assessment and Analysis: Learner's Notes, Lesson 1: Markets and Food Security*, 2008, pp. 8–9.

<sup>15</sup> World Food Programme, *Market Analysis Framework: Tools and Applications for Food Security Analysis and Decision-Making*, 2011, p. 8.

<sup>16</sup> Food and Agriculture Organization of the United Nations, *Market Assessment and Analysis: Learner's Notes, Lesson 1: Markets and Food Security*, 2008, pp. 8–9.

<sup>17</sup> Adapted from Food and Agriculture Organization of the United Nations, *Market Assessment and Analysis: Learner's Notes, Lesson 1: Markets and Food Security*, 2008, and Mike Albu, *The Emergency Market Mapping and Analysis Toolkit*, 2010, Practical Action Publishing.

pastoralists and livestock transporters in the Greater Horn of Africa, for example, banditry is a common problem.

**Markets:** An understanding of the term ‘markets’ varies significantly among people and organizations; it may represent a fixed physical location or a virtual one. Considering its target audience, this guidance intends the term ‘market’ to mean the following:

**‘A network of market actors that buy and sell a range of goods, supported by various forms of infrastructure and services, interacting within the context of rules and norms that shape their business environment’.<sup>18</sup>**

The term market, as used in this document, therefore can go beyond the physical location where people buy and sell commodities. To avoid confusion, the term **market place** in this document is understood to be a physical location. The market place is part of a market system, because it is where buyers and sellers physically interact.

**Market-based programming<sup>19</sup>:** Projects that work through or support local markets. 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.

**Market map<sup>20</sup>:** 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 various 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.

**Market system:** The market system includes the whole goods distribution system (or supply chain) from production to consumption. The elements of the market system can be summarized as follows<sup>21</sup>:

- Actors or participants – producers, traders, transporters, consumers, government, etc.;
- Infrastructure – market buildings and stalls, storage facilities, road networks, etc.;
- Information – bulletins, radio broadcasts, informal exchange, etc.;
- Services – financing, handling, transporting, storing commodities, etc.;
- Relationships – contracts, agreements, familial and informal networks, etc.;
- Decisions and strategies – transactions, purchases, sales, provision of services, etc.; and
- Legal framework and norms – grades and standards, property and contract laws, licensing, taxes, etc.

The assessment team builds up a picture of the market system, first understanding the market place, then elaborating the market supply chains and, lastly, understanding the wider environment and infrastructure.

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18 Adapted from: International Red Cross and Red Crescent Societies (2014a) and World Food Programme, *Market Analysis Framework: Tools and Applications for Food Security Analysis and Decision-Making*, 2011.

19 International Rescue Committee, 2016.

20 Ibid.

21 Food and Agriculture Organization of the United Nations, *Market Assessment and Analysis: Learner’s Notes, Lesson 1: Markets and Food Security*, 2008, p. 12.

**Price<sup>22</sup>:** Price is a standard and important element of market analysis. Consequently, prices are probably the indicator most often used, analysed and reported.

Price is the cost or value of a good or service expressed in monetary terms. The price, in the purest sense, indicates the value that has been given to a commodity. Price signals can carry information about the cost of production, transportation, storage, perception of and desire for the commodity as well as, in some instances, distortions. A price represents an agreement between a buyer and seller arrived at through a negotiated process.

**Seasonality:** In the context of a market assessment, seasonality refers to the way in which markets behave over the course of a normal year. This includes how consumer behaviours change as well as how markets respond. The market assessment process specifically considers how the following are impacted by seasonal factors:

- Volume of goods found on markets;
- Prices of goods found on markets;
- Movement and location of people (buyers and sellers); and
- Consumer demand for goods.

**Supply:** Supply is the amount of a commodity being offered in the market.<sup>23</sup> Supply is determined by<sup>24</sup>:

- Production costs and technology;
- The price of substitute and complementary goods;
- Sellers' expectations of future prices; and
- The number of sellers in the market.

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22 Adapted from Food and Agriculture Organization of the United Nations, *Market Assessment and Analysis: Learner's Notes, Lesson 1: Markets and Food Security*, 2008, p. 17 and p. 78.

23 Food and Agriculture Organization of the United Nations, *Market Assessment and Analysis: Learner's Notes, Lesson 1: Markets and Food Security*, 2008, pp. 8–9.

24 World Food Programme, *Market Analysis Framework: Tools and Applications for Food Security Analysis and Decision-Making*, 2011, p. 8.

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# Annex: Additional Guidance

This annex has been developed to provide supplementary guidance to the assessment team leader or interested team members. The following topics are covered in this section:

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## Part 1. Guidance for the Team Leader

A team leader is needed to lead the application of these materials. The Team Leader will need a good understanding of how markets work as well as knowledge of the operational context and target population. The technical background of the team leader is not important but an experienced and knowledgeable leader in market analysis and CBIs will contribute to a higher quality assessment.

### 1.1 Core responsibilities

The team leader is responsible for guiding the assessment team through the process of data collection and analysis, making sure findings are correctly analysed and documented, and communicating conclusions and recommendations in a timely manner in order to enable response analysis. Specifically, the team leader will:

- Lead a 2-day training and orientation session for all team members;
- Communicate the market assessment process to team members;
- Lead the team to decisions that guide the focus for the assessment;
- Contextualise tools prior to and during the assessment process;
- Delegate tasks to appropriate team members to maximise outputs in a timely manner;
- Lead the team in the analysis of assessment information;
- Communicate findings of the market assessment.

With these responsibilities in mind, the person in the leadership role should be identified based on the following skills and experience:

- Experience in assessments: from data collection using rapid and participatory rural appraisal tools to analysis and presentation of findings;
- Leadership skills: the ability to lead, support, delegate tasks and motivate others;
- Organisational skills: an understanding of how to organise teams and fieldwork to maximise their productivity and capacities;
- Conceptual thinking and communication skills: the ability to break down and rephrase complex ideas and questions to suit the audience; i.e. adapting to the cultural and socio-economic background of the interviewee;
- Numeracy and analytical skills: understanding markets requires numeracy skills, the ability to analyse complex information, identify patterns and trends in data collected and gaps in information collected;
- Computing skills: Word, Excel / data base skills for the documentation of data collected, and the analysis of the price data collected during price monitoring.

### 1.2 Tool application: use, contextualising, a 'good enough' approach and documentation

The majority of assessment tools are questionnaire or tabular in form and provide the structure and outline of required content. This is to enable teams with little or no experience in market data collection to know what data is required and in what format (for example Tool 7: Trader questionnaire).

In other cases, the semi-structured questions can be used as checklists to make sure all the required information is collected (for example Tool 6: Guide to KII/FGD with market actors). *Additional guidance on interviewing skills in FGDs and semi-structured interviews is provided in Part 6 of this document.*

Assessment team members should not feel constrained by the order of the questionnaires and should feel confident to move between sections and questions as the discussions take place. Such confidence is acquired through familiarity with the tools as part of the pre-assessment trainings and orientations.

## Contextualising the tools

**All data collection tools will need to be contextualised**, to ensure their applicability to the context they will be used in, and the people who will be responding to them. There are multiple benefits to having well contextualised tools, including but not limited to the following. Well contextualised tools:

- Make data collection tools useable, reducing confusion for users and respondents;
- Avoid unintentional harm or exacerbating social tensions, especially between displaced populations and host communities;
- Assist in an understanding of the assessment findings;
- Result in a deeper understanding of contextual nuances such as power dynamics, social norms and rules that are difficult to capture;
- Recognize the existing legal frameworks, formal and informal institutions, urban/ rural systems and power structures that will affect a response programme and vice versa;
- Make explicit the programme assumptions, risks and trade-offs involved in planning and implementing programmes.

Part 1: Additional technical guidance, clearly indicates when tools will need to be contextualised. These changes can be made electronically prior to printing and include:

- **Time frames included in the assessment:** ‘real time’ and ‘programme intervention period’. Some questions also ask for a reflection on the past 12 months. This contextualisation applies to Tool 3: Market place questionnaire, Tool 6: Guide to KII/FGD with market actors, & Tool 7: Trader questionnaire;
- **Inclusion of the identified Core Goods** – if all tools are filled in electronically it will be possible to transfer electronic data to complete Tool 3: Market place questionnaire, Tool 7: Trader questionnaire, & Tool 8: Supply chain capacity worksheet, prior to printing;
- **Modifying tools to suit specific market actors / key informants:** this may apply to Tool 5: Market supply chain mapping, if different size of markets apply. It applies directly to Tool 6: Guide to KII/FGD with market actors, where a checklist provides a range of possible questions.

## Determining minimum information needs and using a ‘good enough’ approach

It is accepted that a thorough understanding of a situation is either impossible, too time consuming or too costly, therefore only the ‘minimum information’ required or a ‘good enough’ picture of the market status and dynamics is sought to inform programmatic decisions. This avoids the risk of having out-dated information or delayed responses.

The Team Leader will need to ensure that sufficient market based data is available for decision making during the response analysis phase which will involve technical judgement and a principle of ‘optimal ignorance’. The companion guide and toolkit have been designed to allow UNHCR to get a ‘good enough’ picture of the operational context, conduct a meaningful analysis and reach transparent and consensual programme decisions.

**Knowing when enough people have been interviewed** also helps. An assessment process can be intense and it may be tempting to draw quick conclusions based on the input of a few informants. The Team Leader with input from team members can decide when enough people have been consulted considering the following questions:

- a) Is the same information being provided by different types of people (called an ‘information plateau’)? If so, enough people have been consulted regarding that topic.
- b) Is the team able to answer analysis questions (Tool 4: Market screening worksheet, and Tool 8: Supply chain capacity worksheet, for example) with some confidence?
- c) Does secondary data back up the findings and conclusions, especially those related to questions that may have been challenging to find answers to?

Keep in mind the point below related to information bias, and ensure that a range of people that represent the issue completely have been spoken to.

### Identifying the best people to talk to during the market assessment process

The outcome of the market assessment process will be richer and more reliable if the right people are interviewed. Speaking to a range of people, who bring different perspectives and different experience will lead to a more efficient and robust outcome. Remember that there are a range of people who can give information on markets, consider:

- Partners/ organisations that are active in the area of implementation that may have CBIs/market-based programmes in place. Also consider partners/ organisations that could play a role in the final programme (once response analysis decisions have been made). Consider logistics and technical staff that may have databases related to suppliers/ market prices, undertaken recent/ past market assessments or monitoring activities.
- Sector specialists, especially if the goods under investigation are represented by specific sector(s).
- Market actors. As this can be a very wide group, consider who are likely to be the most useful key informants, especially initially. The most useful informants are likely to be the larger market actors (e.g. wholesalers) and representatives (market regulatory body) who have an overview of the market system as a whole, including the roles of services (such as finance, transport), policy, and regulations. However, do not rule out smaller market actors.
- Government officials and regulatory bodies who may know who the main market players are.
- Community based organisations (CBOs) and civil society groups that are present in the implementation area and that have knowledge of the population in the area and wider implementation context.
- Consider internal staff members (including drivers and guards) that may have useful knowledge or contacts that could be key stakeholders or informants.

The Team Leader should keep the following points in mind when supporting the team in the identification of key informants, market actors and key stakeholders:

- a) The gender and ethnic balance of the key informants/ market actors spoken to: Use your observation skills to see how represented women and ethnic minorities are in the supply chain – if they are active, try to speak to female market actors. Try and speak to a representative sample of traders, wholesalers – asking people who normally trades in the market, keeping in mind seasonal variations. (See Box 1).
- b) A risk of bias: Everyone has their own opinion and a reason why they have it, including members of the assessment team! Be open to what the bias a key informant, key stakeholder or a wholesaler may have in interviews. Politely challenge people's opinions and bias where you can, using secondary data or the thoughts and ideas of others (unless they are confidential) to triangulate and probe effectively. The gender and ethnic balance of the key informants/ market actors is as important as that of the assessment team. The assessment team composition should reflect the diversity of the market actors that will be spoken to.
- c) The target population may prefer to access goods from specific market actors – so make sure you speak to them! It is not unusual for the target population (or specific groups within the population such as persons with specific needs) to purchase goods from specific market actors. It is important to get a sense as to why the target population have a preference – is it due to security or ethnic reasons? Related to availability of the goods they require or, access to better prices and credit? To understand this better, speak to target and non-target populations, preferred and non-preferred traders.



### Box 1: Reflections: gender and market trader representation<sup>i</sup>

The market assessment team found:

- The small share of female traders in their sample did not necessarily reflect the true situation in the markets, as the survey was not representative at market level.
- Knowing what a representative sample of traders is, at a village level is challenging in developing countries where there is no information is available on the number and type of traders working on the market throughout the year.
- Assessment timing of the played a role in the low participation of women in trade, as women sell agricultural commodities seasonally.
- A strong gender imbalance is found between retailers and wholesalers. Women involved in agricultural trade are more likely to be retailers, even in Cameroon where women make a large contribution to trade.

<sup>i</sup> WFP (2016) Lake Chad Basin Crisis regional market assessment

### Documenting interviews and findings

Managing data collected during assessments can be a challenge. Assessment teams can:

1. Work in pairs when undertaking interviews; one team member asking questions whilst the other documents discussions;
2. At the end of each data collection day, key findings and conclusions can be documented electronically – some data collection formats, such as Tool 7: Trader questionnaire, enable this. For Tool 6: Guide to KII/FGD with market actors, answers to questions asked can be added beneath the question electronically.
3. Documenting any analysis, assumptions and findings is vital and should be done daily.

## 1.3 Additional Technical Guidance: Demand, Bundling, Expandability and Reference Market Places

### Understanding the total demand for goods on markets (as seen in Step 2 & 3 and revisited in Step 5)

**Multi-sector needs / multi-sector demands:** Needs are almost always multi-sectoral and will usually consist of more than one good, as well as services and other needs such as technical expertise. Understanding which of these can be bought on markets is a critical first step in the market assessment process. Remember that for most goods there are a range of options available on local markets. It is helpful to understand people's preference but note that this may not be the same as the standards set by UNHCR.

**When people need these goods:** Understanding when people and communities have particular needs is important as there may be seasonal variations in price and availability. Whether these are regular needs or one off needs *the market assessment will need to consider whether or not supply can meet this demand when it is needed.*

Many needs will be ongoing and predictable, as is the case with everyday food and hygiene items and communication, for example. People's need for some other goods will be specific to particular points in time, whether related to the humanitarian context, for example, if people need emergency shelter, or specific to a particular point in the seasonal calendar (see Box 2 for an example), for example seeds and tools during the planting season or school fees at the start of the school year.

**Box 2: A seasonal calendar example**

A seasonal calendar can assist assessment teams in identifying and understanding how seasonal weather variations (that can affect transportation infrastructure quality and costs, prices and consumer demands) and broader contextual variations (such as changes in displacement patterns and migration movements etc.)

A seasonal calendar can be built on through the data collection, market mapping and analysis processes.

Good	Months of the year											
Core good: blankets	S	O	N	D	J	F	M	A	M	J	J	A
Volume of trade		Low				High						
Prices at market				Peak \$			Low \$					
Seasonal rainfall		Low				High						
Security incidents		Low				High			High			
Road conditions	Good					Poor						
Immigration (work)			Low						High			
Refugee arrivals	+ 200/ month				+ 1,000/ month				+ 1,500/ month			

*Interpretation:* This example shows how trade volumes (for blankets) are normally expected to drop off during October– December, following an increase in volume of trade during the colder months of the year. It also illustrates the flow of migrants for work and refugee arrivals. Both worth considering as they are likely to have an influence on demand for goods such as blankets and could affect security issues, available employment and income.

**How many people need these goods and how much do they need:** establishing whether market actors in the supply chain can increase the volume of goods required and understanding of how much they will need to increase supply by.

It is important to know the total estimated demand for these goods. This includes the demand that people of concern have as well as the demand of host populations. This is especially important for goods that are not purchased on a regular, daily basis and therefore potentially more difficult to supply in large amounts (for example livelihood assets, solar lamps, types of building material such as corrugated iron sheeting).

Even if total numbers change, it is important to have as clear an idea as possible as to how much demand there is for any given product or service. And how this might change over time. Estimating the total demand for goods allows for more accurate conversations with informants and stakeholders of the study.

When calculating the market’s ability to respond to an increase in demand, it is important to not only consider the demand from the target population, but also if another organisation is planning a similar or larger intervention at the same time using the same/ similar supply chains. Consulting other agencies and participating in coordination meetings to access information relating to the plans of others is required.

### Identifying issues related to market place access (as seen in Steps 2, 3 & 6)

Market access is made up of a number of different physical and social aspects (Step 2). The critical questions are outlined below with the rationale for asking each:

- **Where do people usually buy the goods that they need?** Keep in mind the following:
  - *In very remote and rural areas*, one marketplace may serve a large area. In these situations there may be a number of smaller markets that are used more regularly. Discuss these markets in a group and consider whether or not it is worth listing these. As a guide, a marketplace should have a number of shops and demonstrate a level of competitiveness, therefore small village traders would not usually be considered;
  - *In urban environments*, identified communities may visit more than one marketplace on a regular basis. In this case list all market places, starting with the one most commonly used by this community;
  - *In camp environments*, context dependent, markets may be transient, they may be small and they may be new, make a note of this on the worksheet.
  
- **Approximately how many people use each market place?** This is important for the market assessment because it helps to understand the total demand for particular goods.
  - To account for the possibility that one market serves more than one community and that one community might visit more than one market, providing a population range for each market place can reflect this.
  
- **Are there any protection concerns to consider for each market place?** It is important that people of concern can safely access the goods that they need in markets without undue protection issues arising. UNHCR will not proceed with CBIs or other interventions that require attendance at market places, if people of concern cannot access these safely. It may be the case that the market place assessment identifies a good supply of many of the items needed. However, even if this is the case, if people are unable to visit markets safely they are unable to have access to those goods.
  - **Physical obstacles:**  
It might be that markets are very far for particular populations, which may make it difficult for the elderly or disabled. Distance also takes time, which might mean that mothers, for example, are less able to take care of their children.
  - **Social obstacles:**  
In some cases, social tension, discrimination and marginalisation may limit people's access to markets. This might be the case when certain ethnic groups feel less able to spend time in a market, for example. It may also be the case that some groups are more vulnerable on route to markets, as is the case for women in some specific contexts

### Grouping goods by supply chain (as seen in Step 3)

It can be beneficial to group or 'bundle' goods if the supply of a group of products is from the same source. 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 type of clothing (gloves, socks, boots, coats, hats, etc.). However, if a particular item (e.g. boots) is sourced differently, it must be treated as a separate supply chain.

**Table 1: Examples of representative markets for goods<sup>25</sup>**

Good	Demand Information	Preliminary market supply information
Hygiene products	Includes toothpaste, soap and sanitary goods Usually purchased from market stalls Household needs are weekly	Traders source from 5-6 wholesalers who source from national distributors. Most items from from the same country – main constraining factor is exchange rates
Household Goods	One-off purchase per household of 2 buckets, 3 pots, 1 stove, 6 cups / plates	As with hygiene products but also available through second-hand market
Fresh Produce	Interchangeable amount of tomatoes / spinach / potato / onions 2kg/ household/week	Used to be locally sourced – potential to reinstate local production in 3 months

**Exploring trader capacity to increase supply (as seen in Step 4)**

One factor the tools assess is the ability of the supply chain to expand to meet demand that CBIs would create. Expansion can take place through an increase in the supply of items along the supply chain, and/or the increase in number of traders that enter the market place. Both are possible in the likely event of there being an increase in demand as a result of a CBI.

In contexts where the supply chain is not likely to meet potential demand (because its volume now is below potential demand), it is important to ask about expandability – triangulating this data with questions related to access to warehousing, credit, transportation, suppliers/ wholesalers and other aspects that influence expandability. This is a likely scenario in small rural markets where there may be a limited number of traders in the reference market place.

**Consider past market capacity and changes**

Thus providing a historical perspective of shocks and significant contextual changes that may have affected the markets and the consumers (for example, the movement of a large number of displaced people within the market catchment area). In doing so, the assessment team can get a sense of how the market reacted to past events.

**It is important to ask about expandability and not to assume that supply cannot respond to an increase in demand.** Do not make assumptions related to trader expandability on the basis of their shop or the size of market place they are trading in. It may be possible that the trader has a number of shops in different market places and has the capacity to increase their business.

**The increase in number of traders in the reference market place.** When interviewing supply markets and wholesalers, it is important to get a sense of their interest in moving into the reference market place if demand increases. It is possible to identify traders that should be interviewed using Tool 6: Guide to KII/FGD with market actors, and Tool 7: Trader questionnaire. Data related to expandability is collated in Tool 8: Supply chain capacity worksheet.

25 MSMA UNHCR 2015

## Part 2. Guidance for applying the tools in different contexts

Part 3 provides information and considerations relevant to the application of the guidelines and tools in different contexts (see Table 2, below). Though not exhaustive, this will help team leaders and decisions makers to adapt the approach to the many different contexts in which UNHCR work.

Collecting data in insecure contexts, such as conflict affected contexts can be challenging and require innovative thinking as to how data can be collected remotely (see Box 3 below). It is recommended that internal security considerations and measures are applied.

### 2.1 Considerations for Urban and Rural contexts

Table 2 illustrates how a difference in context can influence movement and market access and population size.

**Table 2: Contextual considerations**

Context	Things to keep in mind
URBAN (Camp and non-camp)	<p><b>MOVEMENT AND MARKET ACCESS</b></p> <ul style="list-style-type: none"> <li>- Displaced population movements can be highly dynamic in urban areas, requiring an understanding of trends and patterns to ensure the right geographical area within the urban zone is identified.</li> <li>- Target populations are likely to visit more than one market regularly making estimating demand more challenging. Mapping of markets and consultation with targeted populations is critical to the process.</li> </ul> <p><b>POPULATION SIZE</b></p> <ul style="list-style-type: none"> <li>- Target populations are more likely to constitute a smaller percentage of the overall urban population. In such a context a CBI is more likely to be possible and a quick analysis of markets and protection issues may provide sufficient information for core goods</li> <li>- In some contexts, and depending on the core goods needed, in-depth analysis will be required.</li> </ul>
RURAL	<p><b>MOVEMENT AND MARKET ACCESS</b></p> <ul style="list-style-type: none"> <li>- Rural communities / camps may be isolated from markets meaning that they are marginalised and transport costs may be high / prohibitive.</li> <li>- Small, disparate markets that do not appear to have capacity to scale up.</li> <li>- Rural Cross-border trade/ population movements to markets over borders.</li> </ul> <p><b>POPULATION SIZE</b></p> <ul style="list-style-type: none"> <li>- Displaced may outnumber the host community. In such a context, especially if this is a recent development, it is likely that a more in depth assessment of markets will be necessary to determine the appropriateness of a CBI. When displaced outnumber the host community this could result in issues of social unrest or marginalisation that need including in the assessment.</li> <li>- Target populations may only constitute a small percentage of the overall population. See point above.</li> </ul>

**Box 3: Urban context, specific characteristics<sup>ii</sup>**

Urban environments are characterised by high numbers of very different people living and working in close proximity to one another. In contrast to rural areas, urban inhabitants are more mobile and largely dependent on technical or economic systems [formal and informal] in order to meet their basic needs. The social, political and institutional environment is also more complex [and diverse in degrees of legitimacy, governance and accountability, from one urban locality to another].

ii Parker and Maynard (2015) p.5

**2.2 Using the market tools and guidance in an emergency context**

If a disaster or shock has led to significant changes in the market and a programme response in being planned, use the tools and guidance by ensuring the following considerations are taken into account:

- The timeframes for the assessment will be:
  - Real time: remains the same
  - Questions in the tools ask for information related to the past. This can refer to ‘before the shock / emergency’
  - Planned intervention period: remains the same, this will reflect the immediate start of programming
  - Market mapping: This is a valuable exercise. Keep in mind that the market map will require regular updating as the context will change quickly. See guidance below.

When selecting core goods, keep in mind the following:

- The core goods selected may be different to those used normally,
- Households may select a very wide range of core goods as they have a diverse range in needs. Additionally, household needs will vary depending on any assistance being provided. In such a case, including all core goods in the assessment will be difficult. The assessment team should identify goods: (a) that are likely to be in high demand in the immediate and medium term future and, (b) with potentially problematic supply chains. This enables the market assessment team to focus their efforts on assessing more vital supply chains. More information is available in the Operational Guidance and Toolkit for Multipurpose Cash Grants<sup>26</sup>.

Market support interventions may be needed to assist traders in having/ building up the capacity to support a CBI. Market access and protection risks would need to be monitored carefully.

***If the disaster is a one-off shock such as a flood/ earthquake and tsunami:***

- Markets may have been physically affected by the shock and / or people’s access to markets may have been affected. In most natural shocks markets recover fairly quickly. If the market seems to be recovering following the shock, the following is recommended:
  - A quick assessment to get a sense of market capacity following the shock
  - Ensure that special consideration is given to questions regarding support to traders to recover
  - Monitoring of market recovery
  - In-depth market assessment may be necessary when the market seems to be stabilising.

***If the emergency has caused a significant influx of displaced population:***

- Markets will be required to increase supply significantly and quickly to meet additional demand. In such contexts it may be the case that new markets appear to meet demand as traders take up

26 UNHCR et al (2015)

opportunities to increase business. In this case consider the following:

- Ensure that assessments include new and emerging market places
- Include projected demand in the coming months in tools to discuss the expandability with traders.

***If there is a slow onset crisis where there is a constant deterioration in the market context:***

- If the market appears to be deteriorating in its capacity to function, traders and service providers have closed businesses or left the market places, local and target population access (physical and financial) to markets is decreasing. This includes contexts of slow onset disasters such as droughts, and contexts of conflict and political instability:
  - Assess the rate of deterioration and likely outcome and, potential impact on the local and target populations
  - Assess protection risks and likelihood of a market based intervention being implemented in the area
  - Quickly map the market as it is to get a sense of the market capacity at this point in time (this can act as a reference map in the future)
  - Get an understanding of the pre-shock market and its capacity
  - Undertake some historical analysis to see if similar events have happened in the past. Asking KI/ KS, try and understand if the market was able to recover, and if so, how long it took
  - Monitor the market, protection risks and consider re-doing the market assessment later, once markets are re-established and the context has stabilised.

**Box 4: Market systems in conflict situations<sup>iii</sup>**

‘Conflict situations usually lead to very profound disruptions to the rules and norms that operate in market systems and enable them to function effectively. Violence, or the threat of violence, is frequently used to create new relationships of market power that affect issues of who can trade with whom, when, and where. New transaction costs are imposed – for example, through road-blocks and rent-seeking. Sometimes entire parallel or shadow market systems emerge to control trade in lucrative goods: this can be one of the drivers of conflict in the first place.’

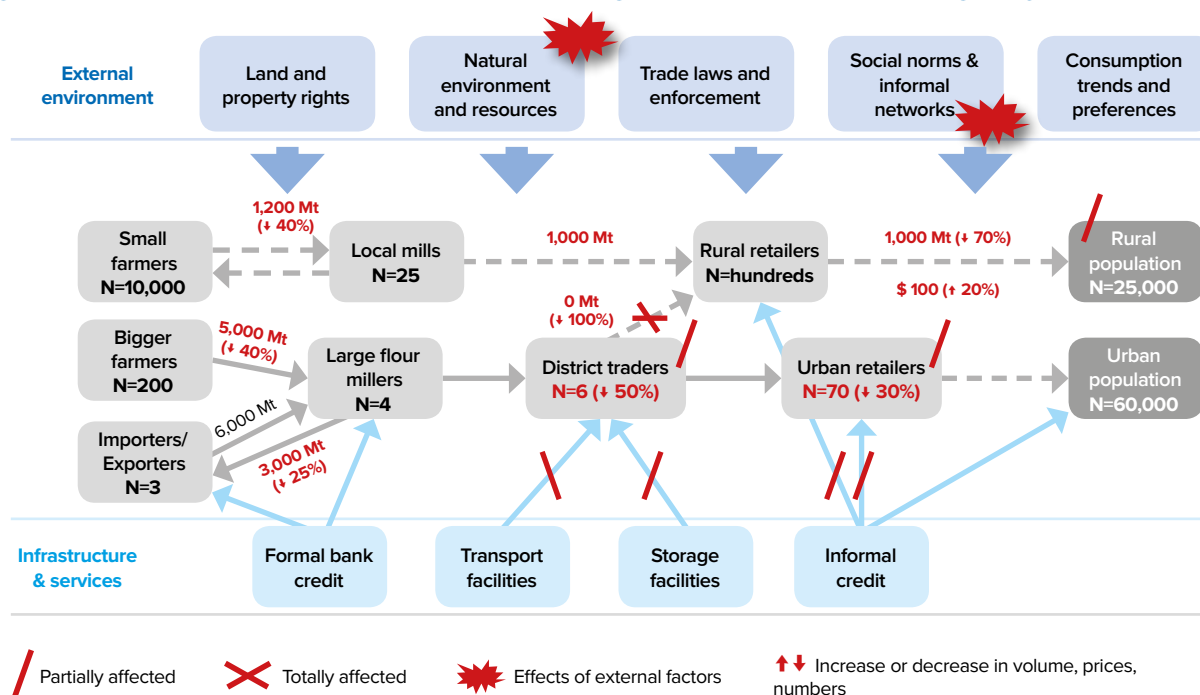
<sup>iii</sup> Albu (2010) p.84

## Mapping Supply Chains in Emergency Contexts

**Emergency maps** can graphically represent the effects of the disaster on the market system (the market actors, market infrastructure and market environment). See Tool 5: Market supply chain mapping, and Glossary for more information.

As can be seen in Figure 2 below, **signs and symbols** can be used to indicate market components, actors and connections that have been partially, mostly or completely damaged. The extent to which these damages affect the market systems’ trading capacity is quantifiable by changes in the number of actors, in the volume of commodities traded and in the prices and profit along the chain. It is important that, whichever symbol is used to represent changes, the meaning is constantly the same and sufficiently explained in a legend.

Figure 1: Example of a market map illustrating the impact of an emergency



### 2.3 Using the market tools and guidance for preparedness

Market assessments can be undertaken for preparedness purposes before the onset of a likely emergency. There are multiple objectives of such an exercise as illustrated in Box 5 below including: to understand how the supply chains for specific core goods are functioning now (pre-crisis) and when a likely emergency will take place (during crisis).

These market assessment guidance and tools can be applied to a preparedness context by undertaking the following steps:

- **Identify objective:** Refer to Box 5 for ideas and rationale.
- **Identify a likely emergency on the basis of past emergencies and trend analysis:** Consider refugee influx, political instability, rapid or slow onset disaster, complex emergency etc. Consult local partners for their opinions.
- **Identify a likely scenario for this emergency:** If emergency type is of a recurring nature, refer to past emergencies for scenario details and to identify potential KI and KS to involve in the assessment. Consider the following:
  - a. Core good (quantities and frequencies and specifications)
  - b. Reference market places the target population will use
  - c. Population numbers: local and target that will be using markets
  - d. Emergency time frame
  - e. Impact on market places, supply chains, access to markets by local and target populations.
- **Adapt and contextualize the data collection tools to reflect the assessment objectives and emergency type:** Substitute the programme intervention period for the emergency timeframe.
- **Identify the right key informants and key stakeholders to include in the assessment and sensitize them of assessment objectives:** Ensure traders and market actors involved in the assessment are aware of the objectives of the exercise so that their answers are relevant.
- **Analyse data collected with the objectives in mind.**



- Refer to 'Part 4: Supporting traders and strengthening markets', a brief overview for examples direct and indirect trader support examples from a recent review<sup>27</sup> according to emergency phase.

*Additional guidance and support on pre-crisis market mapping and analysis is available from: Juillard (2016) Pre-Crisis Market Mapping and Analysis (PCMA). A number of preparedness assessment reports are available online: <http://www.emma-toolkit.org/>*

#### **Box 5: Reasons to undertake market assessments for preparedness<sup>iv</sup>**

- 1. Improve agency preparedness and support contingency planning exercises.** Preparedness 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.
- 2. Trigger early action by providing refined market-related monitoring and early warning indicators** that can be followed and integrated into an Early Warning System.
- 3. 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.
- 4. 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.

iv Juillard (2016) p.21

<sup>27</sup> Juillard (2016)

## Part 3. Supporting traders and strengthening markets: A brief overview

### 3.1 Why consider trader support?

Traders and service providers can face challenges in increasing their activities, even if they are likely to participate in a CBI that could result in a higher demand for the goods that they provide. Some of the limiting factors that they face in ‘scaling up’ their activities can include (but is not limited to):

- Access to credit;
- Access to suitable warehousing;
- Limiting transportation services;
- Poor infrastructure;
- Access to information related to prices, sources for quality products etc.;
- Lack of skills and raw materials;
- Limiting rules and regulations;
- Lack of reliable suppliers.

In CBIs, it is not unusual for implementation agencies to support traders and service providers, especially when the assistance provided enables these market actors to provide the target populations with the goods they need, when they need it – at the quality they need.

Supporting traders and service providers also acknowledges that businesses can be affected in humanitarian situations – protracted and emergency ones. Examples include, but are not limited to:

- Change in consumer needs and preferences (displaced populations may require different items that need to be sourced from different places);
- Reduced communication with consumers (the language spoken by the displaced population may not be the same as the host/ local population, causing challenges);
- Increased social tension/ gang behaviour/ conflict (this is not uncommon in contexts of poverty where poor are displaced and local populations compete for resources);
- Loss of income and pending / outstanding debts (some traders provide credit to their customers, which may have been defaulted due to the emergency);
- Loss of property and assets (building damage and loss of stocks and assets is not unusual);
- Damage to infrastructure (this disrupts the supply chain);
- Damage to communication networks and information services (mobile and radio networks may be affected or no longer available);
- Disruption to enforcement of rules and regulations (multiple impacts including poor trader regulation, price control, market cleanliness).

### 3.2 What can trader support look like<sup>28</sup>?

Support can be provided **directly**<sup>29</sup> to traders engaged in providing one of more good or service; And/Or;

Support can be provided **indirectly**<sup>30</sup>, meaning that by supporting market services (financial service providers, transporters), infrastructures and environment, the traders (and other market actors and consumers) benefit.

28 Based on Julliard (2016) (unpublished draft version March 2016)

29 Direct interventions: Interventions addressing a demand side problem which objectives are to directly improve the crisis affected/vulnerable group situation in a market aware manner

30 Indirect interventions: Interventions addressing a supply side problem which objective is to improve the crisis affected/vulnerable group situation by supporting the related market system

A number of intervention modalities can be used including:

- CBI: cash transfers including vouchers (cash or commodity);
- Providing soft skills;
- In kind support: conditional.

Type of market actors receiving market support can include:

- Large/small market actors;
- Formal/informal market actors.

The following are direct and indirect trader support examples are taken from a recent review<sup>31</sup> and are grouped according to emergency phase.

### **Preparedness:**

- Protection of physical and financial assets
  - E.g.: Cash-for-work or cash-for-training to implement preparedness activities in and around markets. This can include improving vital infrastructure that is commonly affected by shocks.
- Skills/ knowledge development about identifying and mitigating risks
  - E.g.: Cash-for-training on disaster risk reduction related topics.
- Building up or expanding assets that are necessary for resilience to shocks
  - E.g.: Cash grant to traders so they are able to stock essential food items before the raining season in order for the target group to ensure coverage of their basic needs during this period
  - E.g.: Facilitating access to emergency funds for financial service providers, to ensure their functioning in the case of an emergency
- Creating access to goods that are necessary for resilience to shocks
  - E.g.: Awareness raising with pharmacists so they are aware of the existing suppliers for Aquatabs and could access it in case of a flood

### **Early recovery:**

- Transfer of skills or assets necessary for long term improvement
  - E.g.: Skills training and access to capital to enable market inclusion for the very poor
- Short- and medium-term support to market system actors, environment, services or infrastructures to enable more sustainable recovery
  - E.g.: Support to local financial service providers to enable low-cost loans for local traders to rebuild their business
- Providing access to new commodities or services to enable more sustainable or rapid recovery
  - E.g.: Introducing locally produced chlorine so that the access to drinking water is sustainably improved for the target group
- Medium- and long-term support to market system actors, environment, services or infrastructures to enable more sustainable recovery
  - E.g.: Supporting locally produced tomatoes so that the nutritional status of target group increases
- Providing access to new commodities or services to improve the situation of the very poor.

### **Emergency:**

- Transfer of skills or assets necessary for survival
  - CBI or NFI distribution through local procurement
- Immediate support to market system actors, services or infrastructures to enable basic market functioning for survival
  - Road or trail rehabilitation so the market place can be accessed

31 Adapted Julliard (2016) p. 57

### **If considering trader support activities, what does UNHCR have to think about?**

If UNHCR is considering including trader support, use the following questions in discussions held:

- Who are the traders?
  - What size of trader are they?
  - Do they represent a specific group/ gender?
  - Are they accessing support from other actors/ agencies already?
- What do they need?
  - Is this a one-off support or regular support?
  - Is it the kind of support UNHCR normally provides?
  - Who provided this information – are they reliable sources?
  - Has the support needed been checked – to make sure that it would actually support the business in the way described?
  - Is the support they require available from other actors?
- When do is the support needed by?
  - What would happen if there were a delay in the support provided?
- What difference would providing trader support make? In terms of:
  - Re-stocking speed
  - Stock warehousing
  - Prices provided to target and local populations
- Would the trader support make a significant impact on the planned programme:
  - In the short term?
  - In the long term?
  - Multiplier effects on other aspects of the UNHCR programme?
  - In achieving
- Can the planned programme be implemented without the trader support?
  - Is it vital?
- How much would the support cost?
  - How does this cost compare to the overall programme cost?
- Looking at the benefits (impact), is it worth the cost?
  - Consider short and long term benefits
  - Consider UNHCR and Government strategy

#### **Want to know more? The following websites provide useful resources:**

Beam Exchange: <https://beamexchange.org/resources/>

SEEP Network: <http://www.seepnetwork.org>

Practical Action: <http://practicalaction.org/markets>

Markets in Crisis Discussion Group: <https://dgroups.org/dfid/mic>

## Part 4. Resources for applying a protection lens to market assessment

As protection factors should be considered throughout the market assessment process, the majority of questions listed in the protection checklist (Box 6) have been incorporated into the assessment. UNHCR and its partners have produced a number of gender and protection lessons learned and guidance documents that can assist the assessment team. Although they tend to relate to CBIs, as markets are a key pre-requisite to CBIs, protection elements related to markets are included.

- UNHCR (2015) Guide for Protection in Cash based Interventions
- UNHCR (2015) Key Recommendations for Protection in Cash-based Interventions
- UNHCR (2015) Protection Risks and Benefits Analysis Tool
- UNHCR and WFP (2013) Examining Protection and Gender in Cash and Voucher Transfers
- Women's Refugee Commission (2016) *Service Provision Mapping Tool: Urban Refugee Response (Pilot)*, <https://www.womensrefugeecommission.org/gbv/resources/1353-urban-gbv-tools>
- Berg, M. and Seferis, L. (2015) *Protection Outcomes in Cash Based Interventions: a Literature Review*. A report for UNHCR.

### Box 6: Market assessment and analysis<sup>v</sup>

- Analyse access to goods with an AGD lens. Compare this information with protection needs assessments. Determine what can be done to reduce risks, and build upon or improve self-protective capacities.
- Consider obstacles such as the need to pay others to pick up and deliver goods, e.g. for people with disabilities.
- Analyse market systems related to protection, e.g. alternative care, health, legal services, transport, education, birth registration. Consider whether supply can meet demand in those markets.
- Analyse whether there are obstacles for certain groups to access certain shops or traders.
- Analyse security risks for beneficiaries en route to/from and at the market, e.g. violence including SGBV, extortion at checkpoints, attacks.
- Determine whether beneficiaries will be able to reach and return home from the market(s)/ shops within daylight hours. If they cannot go on foot, consider if they can afford safe, secure transport or if the cost would need to be included in a transfer.
- Determine whether the market operates all year/day long. Do operating hours and seasons impact beneficiaries' access? Are there certain times of the year the market(s) become more difficult to access? Why and which households/individuals are most affected?
- Analyse restrictions of movement, including who is affected and how their movement is restricted.
- Assess the opportunity costs/savings to access the local market and compare with in-kind distributions if appropriate.
- Analyse the potential protection risks and benefits of market interactions in the community or among traders. Explore whether existing social tensions might be mitigated through economic connectivity / interdependence. Consider if the selection of traders could create or exacerbate tensions among traders and/or between traders and beneficiaries.
- Consider how the program could be inclusive of small traders, who are often women.

<sup>v</sup> UNHCR (2015) Guide for Protection in Cash based Interventions, p.12

## Part 5. Guide to undertaking focus group discussions and key informant/stakeholder interviews

Box 7 includes some recommendations users without previous experience in conducting interviews may want to consult before undertaking FGD and semi-structured interviews.

### **Box 7: Recommendations to improve chances of obtaining good information<sup>vi</sup>**

#### **Prepare for your interviews**

Make sure you are familiar with the interview forms and understand its purpose. You should understand all the questions and know where and how to fill in the answers.

#### **Introduce yourself and the purpose of the interview**

Introduce yourself, who you work for, what you would like to talk about and why. This will allow your interlocutor(s) to mentally prepare themselves for what is coming. State clearly that you are here to learn about the impact of the recent shock on specific commodity markets to see whether or not the local population is able to buy these key commodities in sufficient quantity.

#### **Address your interviewees in an appropriate manner**

Adapt your interview style to your interviewee (e.g. someone you know or a stranger). Be polite and friendly. Be prepared to explain questions in more detail if your interviewee does not understand them right away and use local language and examples to explain.

#### **Adapt your questions and interview style to your interviewee**

Try to get an idea of who your interview partner is and what type of information you can expect from him. If you want to interview a trader and see that he is very busy, it may be better to ask him for an interview at a time that is convenient for him else you may have to limit your interview to a few precise questions.

#### **Make sure you ask for descriptions and explanations**

If the interview form asks you to ask for descriptions, explanations, or justifications do so. Simple Yes- and No-answers are often only of limited use during the following analysis. The explanations of your interviewee(s) allow you to understand the context and give you the possibility to cross-check and verify consistency.

#### **Crosscheck your information**

If you want reliable information you must interview several people on the same subjects. This gives you the possibility to compare their answers and increases the chances that you get a good picture of the 'real' situation.

You must also verify information during an interview. If you ask complex questions you should reformulate the answer of your interlocutor and ask him whether you understood him correctly (e.g. So you say that...).

#### **Be aware of the interview environment**

Make sure you interview people in an environment in which they feel at ease to talk. Traders may not want to talk in front of their customers and you may want to ask them if they prefer a more private environment than for example their shop.

#### **Be alert, flexible, and spontaneous**

Do not be too constrained by the interview form. If you hear something of interest that is not asked for

**Box 7: Recommendations to improve chances of obtaining good information<sup>vi</sup> (cont.)**

in the interview form note it and make sure to discuss it during the later RAM-team discussions.

However, as you do have to collect the information requested by the interview form you should nonetheless make sure that the discussion stays on track – it can be difficult to find the balance. If the discussion drifts away, be alert and try to bring your interlocutor back to the topic your interested in. If you do not obtain the information by directly asking for it, ask from another angel. Always make sure your interlocutor(s) understood the question.

**Observe**

Questions are not the only way to obtain information. Observation can bring you a long way and it can be a very good way to verify oral information.

vi UNHCR (2015) Guide for Protection in Cash based Interventions, p.12

# Multi-sector Market Assessment: Companion Guide and Toolkit

January 2017