

# Market System Approaches to Food Security and Nutrition Programming

## Module 4

MARKETS IN CRISIS:  
FSN CASE STUDIES



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FROM THE AMERICAN PEOPLE



# Learning Objectives

At the end of this module, you should be able to:

- **Identify the rationale between different types of market interventions to address different market constraints in a crisis** – you will become more familiar with applying market systems principles and programming types in real-life crisis contexts
- **Understand the key things to consider when applying market-based programming to different market contexts** – you will gather a mental ‘checklist’ of things to consider when attempting to deliver market systems approaches in different types of crisis contexts to achieve different outcomes across the crisis lifecycle
- **Identify the difference between good and poor market-based programming** – you will become more familiar with examples of good and poor market-based programming in order to understand what to look out for in your programming
- **Begin to appreciate the organizational and field opportunities and constraints with adopting market systems approaches in crisis contexts**

## Module 3 Recap

Market systems existed before a crisis, during a crisis and after a crisis. A crisis event may cause a shock or stress to the system which might have a high impact or low impact dependent on the crisis context, however markets can still function.

The impact of crises on a market system will be in a form of a constraint that affect the market exchange by impacting the:

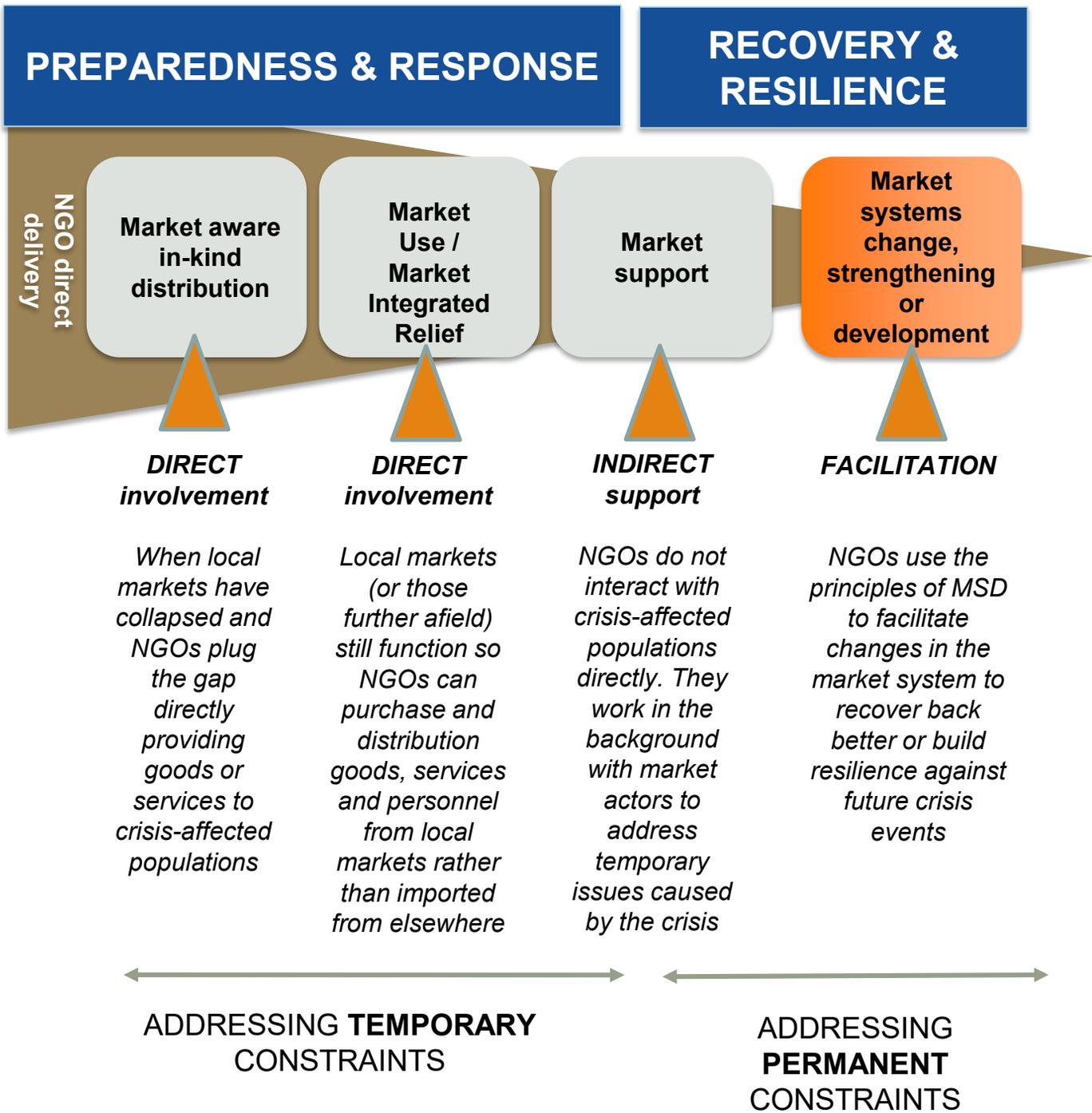
- **Quality**
- **Availability**
- **Affordability**
- **Accessibility**

**Aid agencies can accidentally shift the behaviour of a market system** in a way that can either temporarily or permanently do harm to the way the market exchanges goods and services.

**Market distortion cannot be entirely avoided** but can be mitigated against. As such we need to be at a minimum, market-aware in our decision-making

There are 4 different types (3 in other references) of programming that 'fit' under market based programming

# Module 3 Recap





# Section 1

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**MARKET SUPPORT-CVA**

# Module Structure

The module will cover the full breadth of market-based programming presented in Module 3 against addressing differentiated programming and outcome needs in the crisis lifecycle.

The module will also present cases in different types of crisis contexts which fundamentally affect market system intervention choices from acute crisis to predictable, cyclic crisis to protracted crisis (in both a conflict or displacement situation).

1

## **Market Support – Cash for Nutrition**

The narrative for market-based programming is often dominated by Cash and Voucher Assistance (CVA) as discussed in Module 3. Organisations and donors are more familiar with this modality and during humanitarian response the question is ‘why not cash’ before in-kind distribution is considered. This section will provide a snapshot of CVA for Nutrition programs and how to strengthen these programs to be able to go beyond using the markets to supporting them.

2

## **Market Recovery – Beyond Cash**

Referred in by cash specialists as ‘cash plus’, integrated market-based programming that integrates a combination of direct and indirect interventions acknowledges that CVA will be unlikely to support and recover markets in crisis in isolation. These case studies will showcase multi-faceted programming to address market systems constraints in a crisis and lead us into a discussion about how we might find ourselves set up in a way to use market-driven approaches to help build resilience in certain contexts.

# Module Structure



## **Market System Change/Strengthening for Resilience**

These case studies will explore how understanding market systems pre-crisis could help us mitigate against the impact of crisis and strengthen fragile market systems in anticipation of recurrent / cyclic / slow-onset events. They will acknowledge the structural challenges in this in terms who's mandate it is for resilience building between humanitarian and development agencies.



## **Market System Change/Strengthening for Protracted Crisis**

**With 68 million displaced people in the world and counting (UNHCR 2018), the aid sector has finally accepted that displacement is rarely a short-term problem and that long-term ways of supporting displaced people need to be found. ([Mercy Corps, 2019](#))**

We will discover how programs are exploring how to understand how to best work within and strengthen existing and nascent market systems to support crisis-affected populations (both host and displaced) in protracted crisis situations.

**As you work through these case studies, continue to think back to your learning from Module 1 and 2 to understand the opportunities and challenges of doing so.**

# Module Structure

This module has four sections as explained in the below figure

1

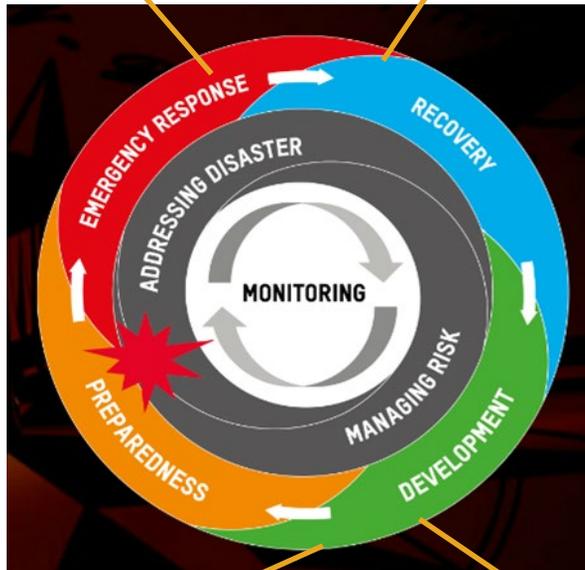
## Market Support - CVA

An explanation of how CVA (when used with other interventions) has improved nutrition outcomes in crisis contexts and support markets

2

## Market Recovery – Beyond Cash

Country: Nepal  
Crisis: Earthquake  
Sectors: Goat (CRS) & Dairy (Mercy Corps (MC))



4

## Market System Change / Strengthening for Protracted Crisis

Country: Yemen  
Crisis: Conflict & Economic  
Sectors: Nutrition (World Bank)

3

## Market System Change / Strengthening for Resilience

Country: East Timor  
Crisis: Flood  
Sectors: Agriculture (MC)

Country: Ethiopia  
Crisis: Drought  
Sectors: Agriculture (MC)

# Module Structure

1

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# Cash for Nutrition - Introduction

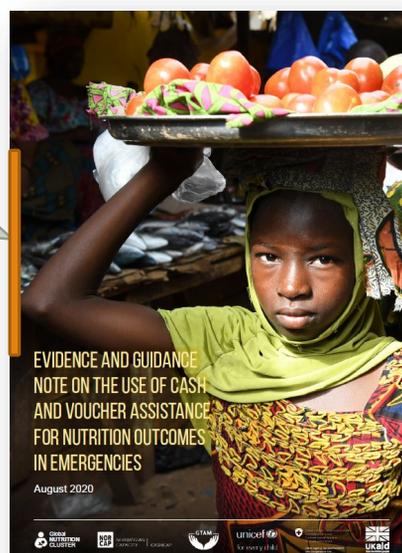
Cash and Voucher Assistance (CVA) can contribute to improving maternal and child nutrition, but CVA alone is not sufficient to achieve nutrition outcomes and is most effective when complemented with other nutrition-specific interventions.

There are many ‘cash plus\*’ interventions achieving nutrition outcomes by:

1. **Addressing economic barriers to accessing goods or services to support improved nutrition by targeting households and individuals.** These include nutritious foods, items to prepare food, hygiene items, safe water, health services and medication, transportation, and productive inputs.
1. **Incentivizing Social Behavior Change (SBC) to improve participation in nutrition activities** and attendance priority preventive health services through conditionality of CVA. This needs to be informed by good behavior analysis.
1. **Increasing household income and thus reducing economic pressures** and household tensions, in turn increasing the time available for caregiving, enhancing women’s decision-making power, and improving psychological wellbeing of caregivers.

**\*Cash plus – this is simply a combination of CVA and other Market Support interventions in market-based programming terms.**

*The latest CVA for nutrition guidance referenced in this section of the module can be found in this 2021 paper commissioned by UNICEF: [Evidence and Guidance Note on the Use of Cash and Voucher Assistance for Nutrition Outcomes in Emergencies](#)*



# Designing CVA for Nutrition Outcomes

Cash transfers and multi-purpose cash (MPC) are used to increase access to nutritious foods.

CVA for household assistance and/or individual feeding assistance



Combining household **cash transfers** with specialized nutritious foods is a promising approach to prevent malnutrition. Various humanitarian organizations have had positive operational experiences with the provision of fresh food **vouchers** to diversify diets.

**Remember:** CVA is such a **modality** that can be used to achieve one or more of the MBP types or can even be used in a way that undermine and distort markets. So please be **MARKET AWARE** before using CVA.

In this example (CVA for Nutrition Outcomes), in crisis contexts this is a **MARKET SUPPORT** intervention using local markets to increase access certain nutritious foods to the target group through linking the CVA with other elements (such as adding conditionality for specialized nutritious foods).

However, it is well proven that CVA interventions to simple increase access to food will contribute to nutrition outcomes of individual household members alone to meet either immediate or ongoing nutrition needs.

Complementary interventions and key designs in the modality are needed to **address systemic constraints inhibiting access to nutrition** will be required. These constraints could be defined from analysing the system and defining the roots causes that affected the nutrition status (using the why techniques-mentioned in Module 1).

Addressing these constraints will provide **durable solutions**, contributing to better nutrition outcomes in a wider scale and more sustainably

# Complementary CVA use in addressing systemic constraints

<p><b>Combining CVA programs with interventions to address social norm constraints (known as Social Behavior Change in Nutrition Sector)</b></p>	<p>Combining CVA with complementary SBC interventions reinforce each other and acknowledge that there is a ‘system’ that influences an exchange (not just an economic ability to purchase a nutritious diet).</p> <p>SBC activities can promote child/women-centred spending decisions, whilst cash transfers allow caregivers to attend clinics or access information to learn and put new skills to practice. They can also look to integrate gender equality and GBV interventions to address discriminatory social norms.</p>
<p><b>Using CVA to address economic constraints in supporting functions</b></p>	<p>The cost of purchasing foods or accessing services extend to indirect costs of transportation, childcare, medical bills, loss of livelihood income etc. CVA can support in addressing these costs to lower the cost of access. However, there is a risk of dependence on long-term subsidies if they are not designed to be temporary due to the crisis OR the root cause of the constraint is not addressed.</p>
<p><b>Using CVA to incentivise use of treatment for Severe Acute Malnutrition</b></p>	<p>The provision of CVA to caregivers who bring their child for treatment of SAM have demonstrated potential to improve recovery and reduce defaulting and non-responsiveness to treatment.</p> <p>However, as will all market interventions, understanding the motivation or incentive for actors doing something is important. There is anecdotal evidence that some caregivers sometimes keep or make their child malnourished in order to access assistance. Monitoring this and providing co-investment incentives may avoid this behaviour.</p>
<p><b>Adding conditionality to CVA to incentivize uptake of goods or services.</b></p>	<p>Relatively strong evidence exists that cash transfers conditional on the attendance to, for example, preventative health clinics or cooking lessons can improve uptake of these services <u>and</u> behavior changes. We know that being able to purchase/access something does not necessarily mean it is used appropriately. Note that ‘soft’ conditionality measures are considered in conflict settings.</p>



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# Section 2

**MARKET SUPPORT – BEYOND CASH**

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# Module Structure

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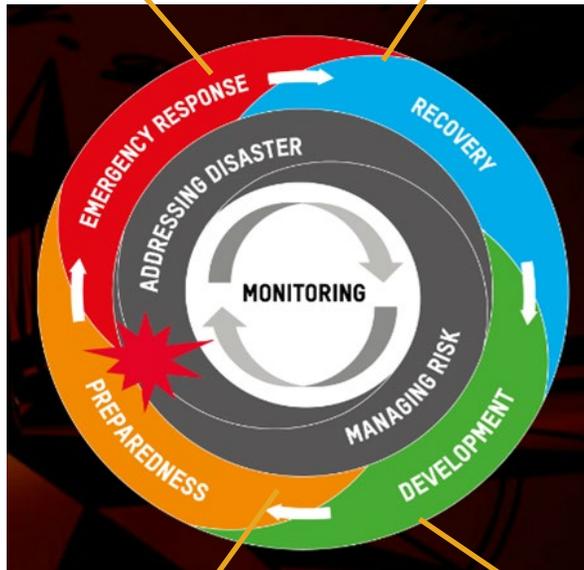
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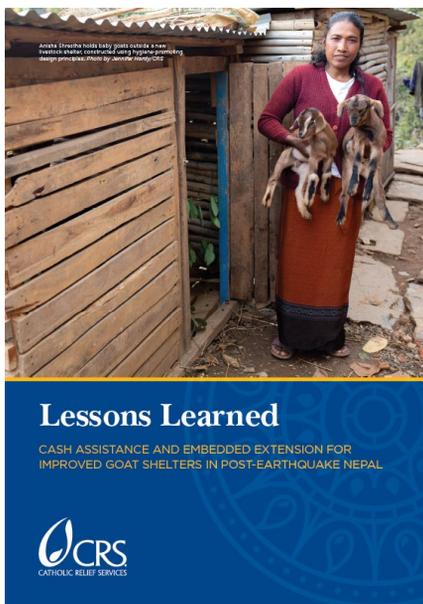
Country: Ethiopia  
Crisis: Drought  
Sectors: Agriculture (MC)

# Case Studies Introduction

This section will present two case studies: 1) Goat (CRS) 2); Dairy (Mercy Corps)

These case studies will showcase multi-faceted programming to address market systems constraints in a crisis and lead us into a discussion about how we might find ourselves set up in a way to use market-driven approaches to help build resilience in certain contexts.

Lets start with the first case study...



## Case Study 1: Nepal Earthquake

### [CRS: Goat Shelters for Livestock Recovery](#)



## Case Study 2: Nepal Earthquake

### [Mercy Corps: Dairy Industry Recovery](#)

## Case Study 1: The Crisis Event

In 2015, a large-scale earthquake killed tens of thousands of people across Nepal and devastated livelihoods in rural farming communities.

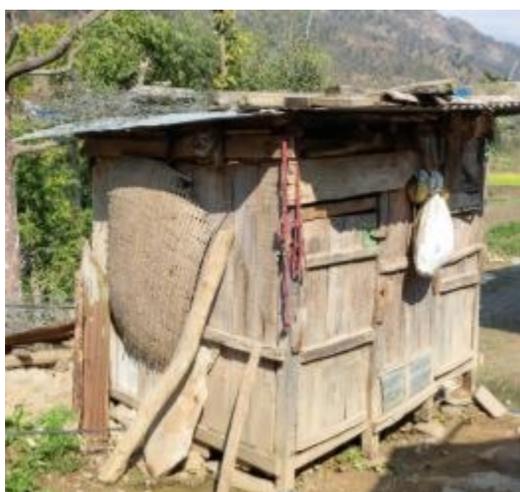
The country's physical infrastructure also suffered damage—over half a million homes were destroyed—and reconstruction would take years.

Livestock shelters were destroyed and led to herd size depletion and reduction in sales especially amongst low-income households dependent on livestock sales for income.

These households could not afford to rebuild their livestock shelters due to lack of funds and other competing priorities, such as rebuilding their homes and restarting their agricultural activities. Assessments calculated it would take 2 to 3 years to save enough funds to build shelters.

Crisis-affected households had limited to no access to credit from formal financial services so could not access loans. Informal savings groups had too high interest rates or not enough allowances to support rebuilding.

Crisis-affected livelihoods and nutrition would take years to recovery initially from the earthquake and the years of lost income to save to rebuild their livestock assets.



Most of the existing goat shelters had poor design (lack of adequate ventilation and poor drainage due to flooring too close to the ground) and management (lack of regular cleaning). This led to cold and unhygienic conditions, respiratory disease among goats, low herd productivity and, ultimately, reduced income for poor households.

**Emergency/Relief interventions could be considered as an opportunity for building more resilient and better recovery for the overall system through building back better strategies**

# Case Study 1: The Interventions

## Program Objectives:

- To recover livelihoods of crisis-affected livestock farmers; and
- To increase income through increased productivity of livestock farmers (via improved shelter design – *recovering back better*)

## Two sets of interventions were implemented:

### Market Use / Integrated Relief

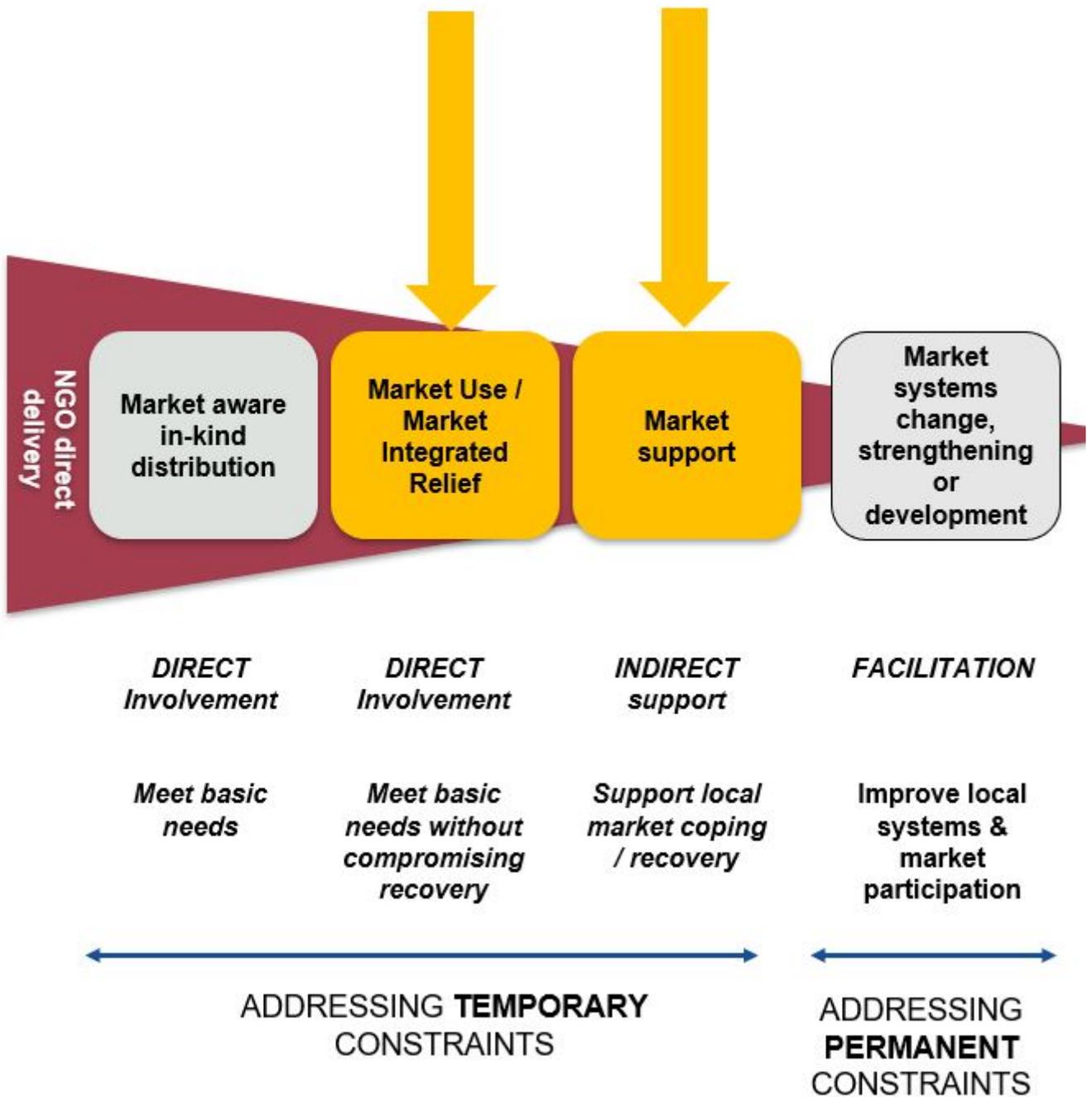
- Educational materials and promotional campaigns to encourage building new design of shelters using local materials in the right way and embed learning in local farmers (not NGO practitioners)
- \$100 cash transfer to support access to materials in two modality types for different groups due to difference in access issues
  - *Modality 1 – two tranches of \$50 each; the second paid out conditionally on completion of shelter build in the improved shelter design*
  - *Modality 2 – one-off payment of \$100 upon completion of the shelter. Used in very remote locations operationally challenging to reach multiple times.*

### Market Support

- Demonstration goat shelters provided - proof of concept of new shelter design created using locally available materials. New design addressed health and cleanliness improvements for livestock. Supporting demand and supply creation of new design of local shelter in local markets.

# Case Study 1: The Interventions

## What program type?



# Case Study 1: Outcomes

- 100% of 3,304 households that received the cash transfer reconstructed goat shelters adopting the hygienic shelter principles
- Participating households **co-invested** an average of \$80 to \$100 in addition to the \$100 received from the project **ensuring co-ownership of investment risk**
- Strong ownership of goat shelters was evident in the regular maintenance observed over the subsequent 18 months
- Community members not involved in the project began adopting the improved shelter design principles after witnessing a reduction in respiratory disease due to the improved design
- Herd sizes increased by 20-30% in 8-12 months after the improved design was introduced.

## **What are your thoughts?**

*Interesting, although this was designated as a cash transfer program designed to stimulate recovery with direct cash support, the program shows elements of market systems development - (i) co-investment requirements in shelter build; (ii) training of local material suppliers on the new design and (iii) adoption of a design by households not involved in the project.*

*It could easily have been a pilot program for an MSD program looking to improve livestock farmer incomes by improving productivity.*

*The program saw an opportunity to leverage recovery opportunities to improve livelihoods whilst incentivizing ownership of that recovery in local communities and markets.*

# Case Study 1: Lessons / Key Design Factors

Local assessments and **participatory engagement in intervention design** was critical to grounding the design in context – e.g. identifying who could access which transfers; knowing what local markets could be used to support rebuild; growing support from local leadership.

The assessment identified the preference for cash instead of in-kind support as it provided **flexibility of choice for quantity and quality** of materials as well as payment for skilled labour.

The promise of a cash transfer ‘nudged’ participants to prioritize reconstruction of goat shelters with many building bigger shelters to accommodate **future growth**.

Two tranche transfers was preferred to enable participants to buy the materials with the first tranche. The one-tranche post-construction payment was difficult for some families finding it difficult to invest upfront.

The shelter design focused on ‘**design principles**’ not specific materials or sizes which empowered participants to use locally available products and design for their needs.

Ultra-poor households struggled to participate due to lack of space to build or inability to invest.

## What are your thoughts?

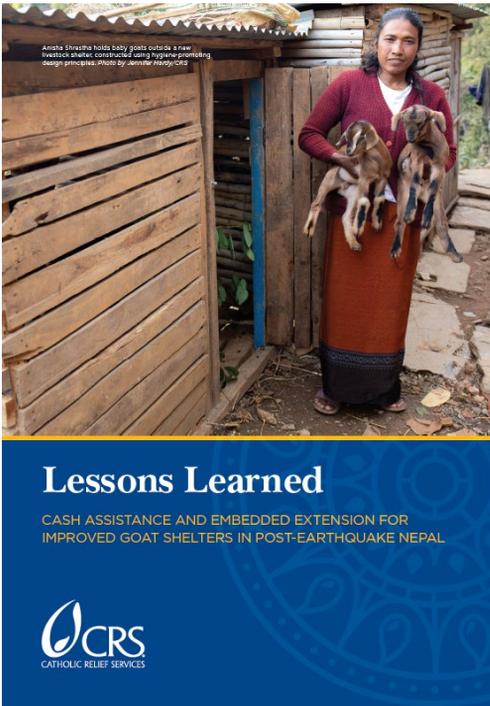
*It is the ultra poor households who could miss out from intervention benefits that Protection colleagues are concerned about when using MBP.*

*Could the fact that MBP reached the vast majority of the crisis-affected population mean that more NGO resources / capacity could be left to support interventions for ultra poor households rather?*

*Does designing every intervention to reach all vulnerable households the right interventions to different groups?*

# Case Studies Introduction

We have finished the first case study... It is the time to start with the second case study....



## Case Study 1: Nepal Earthquake

[CRS: Goat Shelters for Livestock Recovery](#)



## Case Study 2: Nepal Earthquake

[Mercy Corps: Dairy Industry Recovery](#)

## Case Study 2: The Situation

The Nepal earthquake stalled the dairy industry – a critical livelihood and nutrition source for the Nepalese.

Given the size of the dairy market in Nepal – roughly 500,000 households as producers and sellers of milk – market system development programs were **already existing** in the country before the earthquake hit. This provided an opportunity...

### **The Opportunity to Recover Back Better**

The Government of Nepal began coordinating the humanitarian response with support from national and international partners, the Samarth-Nepal Market Development Program (NMDP) – the MSD program that had been working with the industry prior to the earthquake.

Samarth-NMDP worked with the association of dairy cooperatives to execute a **rapid market analysis in under 10 days, starting two weeks after the earthquake.**

The assessment identified:

- road closures
- stranded and dead herds
- closed collection and chilling facilities
- post-earthquake staffing levels at the cooperatives
- post-earthquake availability of financial services in 11 of the 14 earthquake-affected districts.

The level and speed of detail gained would not have been possible without working with the pre-existing knowledge of the sector – **connecting with the development sector was critical for designing and executing crisis interventions in collaboration with humanitarian actors and the Nepalese government.**

## Case Study 2: The Interventions

### Program Objectives:

To recover livelihoods of crisis-affected dairy farmers; and to increase income through increased productivity of dairy farmers (*recovering back better*)

**The assessment acknowledged issues in the supporting systems facilitating the dairy market.** Intervention activities were designed to support and co-invest with the government in:

### Market Use / Integrated Relief Interventions

- Cash transfers to dairy producer households through the dairy cooperatives to increase access to finance (as many of the farmers had previously been unbanked and lived very remotely away from easy access to financial service providers)

### Market Support Interventions

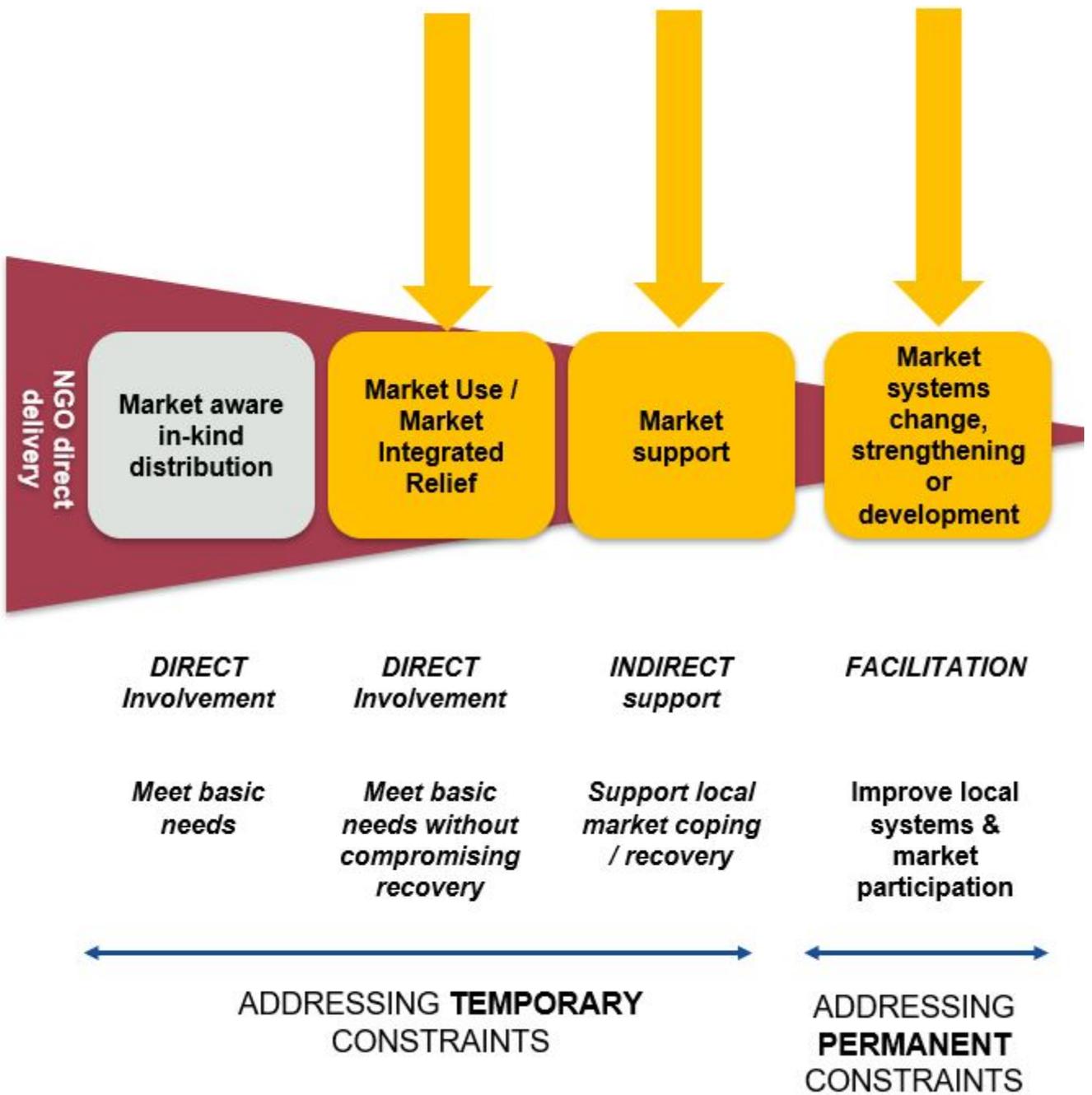
- Temporary government subsidies to the Nepalese veterinarian association to rescue and treat cattle
- Temporary government subsidies for transport of new cattle and cattle insurance
- New recovery financial products issued via already established dairy cooperatives
- Information activities to dairy producers about new subsidies and financial products
- Reconstruction of improved cattle sheds

### Market System Strengthening

- Establishing new market-chain relationships between builders, dairy collectors and chilling centres

# Case Study 2: The Interventions

## What program type?



## Case Study 2: Outcomes

Rebuilding and supporting the dairy sector took over 9 months; and new market-chain relationships over 18 months.

As much as possible **market facilitation** methods were used to recover and strengthen the market after critical survival needs were met.

- Reduced dependency on external aid after initial relief efforts
- Increase in farmers' financial inclusion, helping them access new types of loans through the same cooperative (including financial literacy support) they received their temporary relief cash transfer through
- As a result of increased financial inclusion, farmers were able to access credit to invest in more productive breeds, improve feeding practices, and increase production – these investment opportunities were previously out of reach of farmers
- Some farmers were able to level up from subsistence to commercial production. The increased finance plus new market chain linkages with fodder farmers, veterinary services, collection and chilling centers, made it possible to produce to a commercial standard for the first time.
- Diary farmer income actually increased by 44% per month

### What are your thoughts?

*When delivering humanitarian interventions, should we perhaps be asking ourselves, can we do this through market facilitation first before indirect or directly supporting activities?*

*In crisis contexts, how often have development actors been included in needs assessments and response analysis?*



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# Section 3

**MARKET SYSTEM CHANGE / STRENGTHENING  
FOR RESILIENCE**

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# Module Structure

1

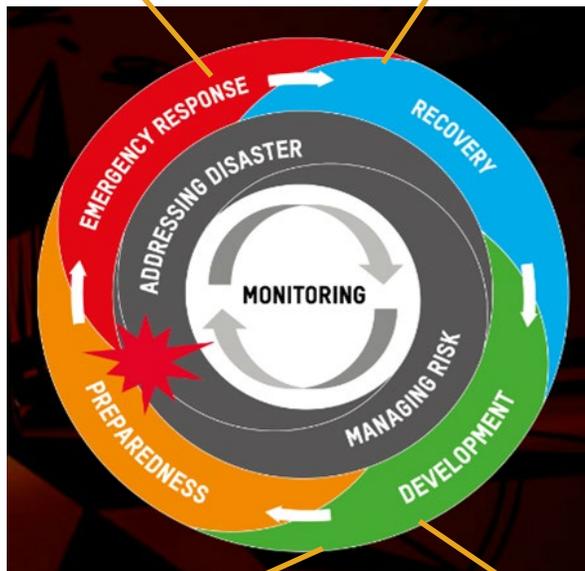
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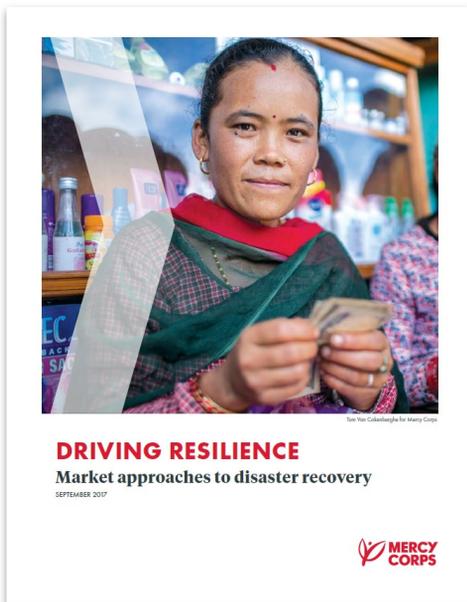
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Crisis: Flood  
Sectors: Agriculture (MC)

Country: Ethiopia  
Crisis: Drought  
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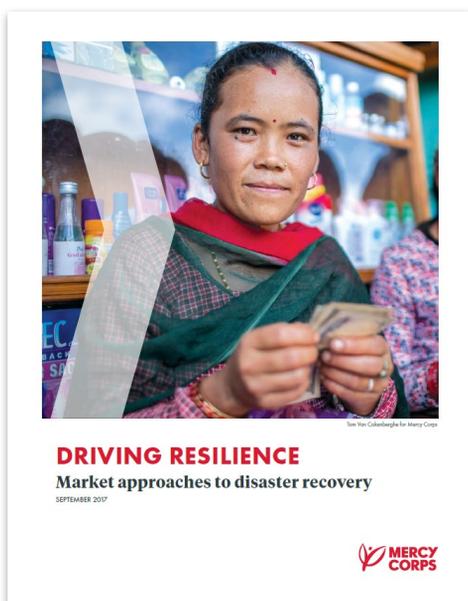
# Case Studies Introduction

This section shows two case studies, one from Ethiopia and the other one from East Timor. These case studies will explore how understanding market systems pre-crisis could help us mitigate against the impact of crisis and strengthen fragile market systems in anticipation of recurrent / cyclic / slow-onset events.

Lets start with Ethiopia...



**Case Study 1: Ethiopia  
Drought**  
[Mercy Corps: PRIME](#)



**Case Study 2: East Timor  
Flooding**  
[Effective Seed Storage  
Program \(ESS\)](#)

# Case Study 1: The Situation

Ethiopia experiences seasonally droughts annually. Mercy Corps were able to secure five-year, multi-sectoral funding for a program called PRIME (Pastoralist Areas Resilience Improvement through Market Experiences) to test combining market-systems approach to support recovery from slow-onset disasters and build resilience to future crises.

In 2016, facing one of the worst droughts in 50 years, PRIME's crisis response leveraged **crisis-modifiers** – flexible funding set aside during program design to adapt to local needs during expected disasters.

# Case Study 1: The Interventions

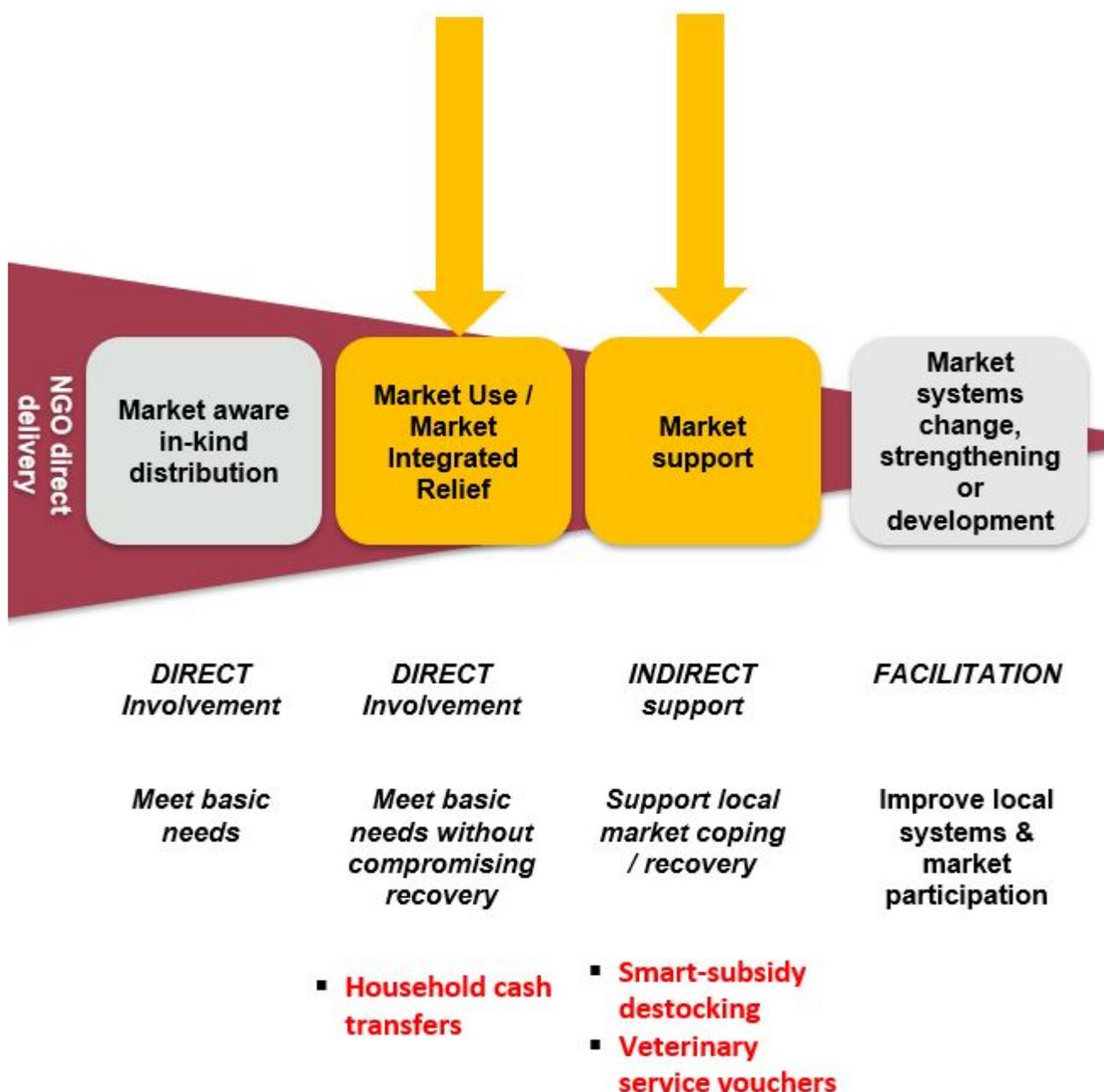
PRIME’s planned crisis response included three major interventions:

## Market Support Interventions

- Smart-subsidy destocking
- Veterinary service vouchers

## Market Use / Integrated Relief (of target market)

- Household cash transfers



All of these interventions were able to be designed **in anticipation** of crisis, using historic knowledge of how droughts affected local households and livestock in order to adapt systems to cope and thrive through crisis periods.

# Case Study 1: The Intervention & Outcomes - 1

## Smart-subsidy destocking

- **Issue:** pastoralists lost livestock during the drought and could not sell on livestock during and after the drought due to poor health. This resulted in loss of income and negative coping mechanisms to cope with the other effects of the droughts requiring greater household expenditure (e.g. inflation of basic goods).
- **Constraint:** Inability for pastoralists to safeguard livestock assets during the drought.
- **Intervention Objective:** to incentivize pastoralists to sell livestock to traders, reducing potential livestock losses during drought and increasing household income to cope with the economic effects of the drought.
- **Avoiding market distortion:** PRIME reviewed previous destocking approaches by NGOs. These included direct loans to marketing companies, traders or financial institutions but these approaches resulted in loan defaults and distortion.
- **Smart-subsidy approach:** the subsidy was provided to traders to facilitate increased purchases of livestock at a specific time ahead of potential drought so livestock was sold when they were still healthy. The subsidy was calculated based on: *cost of animal feed to fatten livestock before slaughter, transportation, vet and drug costs, water, broker commission, loading charges etc.*

# Case Study 1: The Intervention & Outcomes - 1

## Smart-subsidy destocking

- **Outcomes:** the subsidy met its goal of destocking livestock in a timely manner. In addition:
  - *Fortified new linkages between pastoralists and traders to capitalize on new business opportunities.*
  - *Encouraged adoption of new business processes for stock verification and identification (e.g. ear notching) and benefits of traceability.*
  - *Improved profitability and productivity of the market with future adoption and expansion of destocking strategy being incentivized through co-investment in a new slaughterhouse to serve 250,000 households.*

### TRADER PERSPECTIVE

*"I was contracted to destock 900 shoats [sheep and goats] and was able to do so within the agreed period. Without the subsidy, I would not have been able to buy 100!"*

— Mohamed Usman, one of the partner traders in Shinile market

### PASTORALIST PERSPECTIVE

*"I visited the market three times to sell one goat, but there were no buyers. Today, I sold one goat for 600 birr [-US\$30], which will help me buy food to last two weeks for my family of six."*

— Hasna Mahmoud, after selling one goat to a contracted trader at Dambel market

# Case Study 1: The Intervention &

## Outcomes - 2

### Veterinary Service Vouchers

- **Issue:** pastoralists move massive numbers of livestock in search of food and water during drought periods. The movement increases risk of disease and stress on livestock.
- **Constraint:** Households could not afford animal health services during drought periods
- **Intervention Objective:** to increase the number of pastoralists using animal health services to increase livestock quality and reduce livestock losses
- **Avoiding market distortion:** to increase access to veterinary products in the past, NGOs had provided them freely which had undermined existing market-based relationships between vets and their clients
- **Service vouchers approach:** the voucher system protected and supported the trade expectation between the vet and the household whilst ensuring, during periods of drought, households had access to drugs and vet services to maintain their livestock herds. Because vouchers cannot be distributed and expected to work in isolation, information activities were delivered to provide a list of commercially approved vets and drugs to each household. Drug wholesalers were willing to supply pharmacies on credit during these drought periods as they knew the vouchers were underwritten by PRIME.
- **Outcomes:** the temporary voucher intervention reached 5,200 households in 53 communities covering over 168,000 livestock. Government officers monitoring the pharmacies gained new understandings of leveraging the capacity of the private sector in emergency response.

# Case Study 1: The Intervention & Outcomes - 3

## Cash Transfers For Food Security And Basic Needs

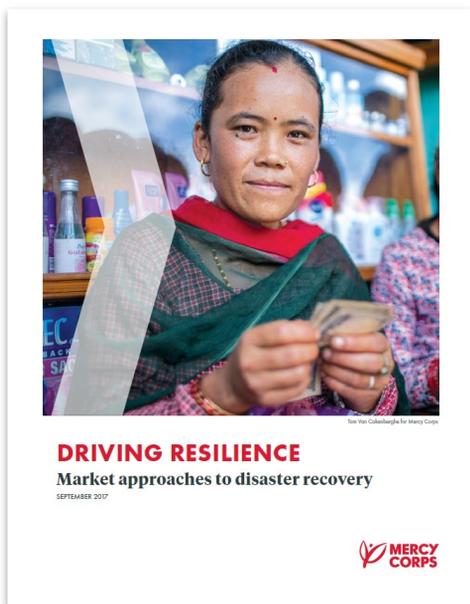
- **Issue:** the severity of the 50-year drought was more severe than planned for and households found it difficult, even with the previous two interventions, to meet their food and other basic needs
- **Constraint:** Households could not afford food and basic needs due to length and severity of the drought
- **Intervention Objective:** to temporary increase affordability of inflated prices of goods and services to crisis-affected households
- **Avoiding market distortion:** avoiding direct cash transfers to see if money could be released from other activities first to act as household coping mechanisms. Cash transfers were used to *top-up* other interventions that were not sufficient given the scale of the drought. Cash transfers were designed through market actors and timebound.
- **Cash transfers approach:** direct cash support was provided to 5,000 households (approx. 30,000 individuals). The pastoralists opened accounts with local MFIs to receive cash deposits during and beyond the initial crisis to facilitate relief and ongoing recovery. The intervention included complimentary activities to increase information disseminated about the products and access to MFIs to households – increasing overall financial inclusion.
- **Outcomes:** one year after the last cash transfer, 43% of recipients were still saving significant balances in their accounts

# Case Studies Introduction

Now let's start with the second case study...

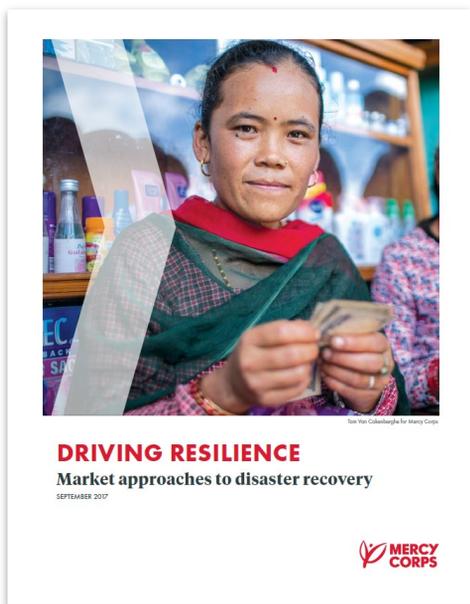
This is a short case study from a Mercy Corps' Effective Seed Storage (ESS) program in East Timor. The program focused on reducing risks of food insecurity in areas highly prone to natural disasters through Establishing New Linkages for Seed Storage.

This section provides a summary for the major components of the program.



## Case Study 1: Ethiopia Drought

[Mercy Corps: PRIME](#)



## Case Study 2: East Timor Flooding

[Effective Seed Storage Program \(ESS\)](#)

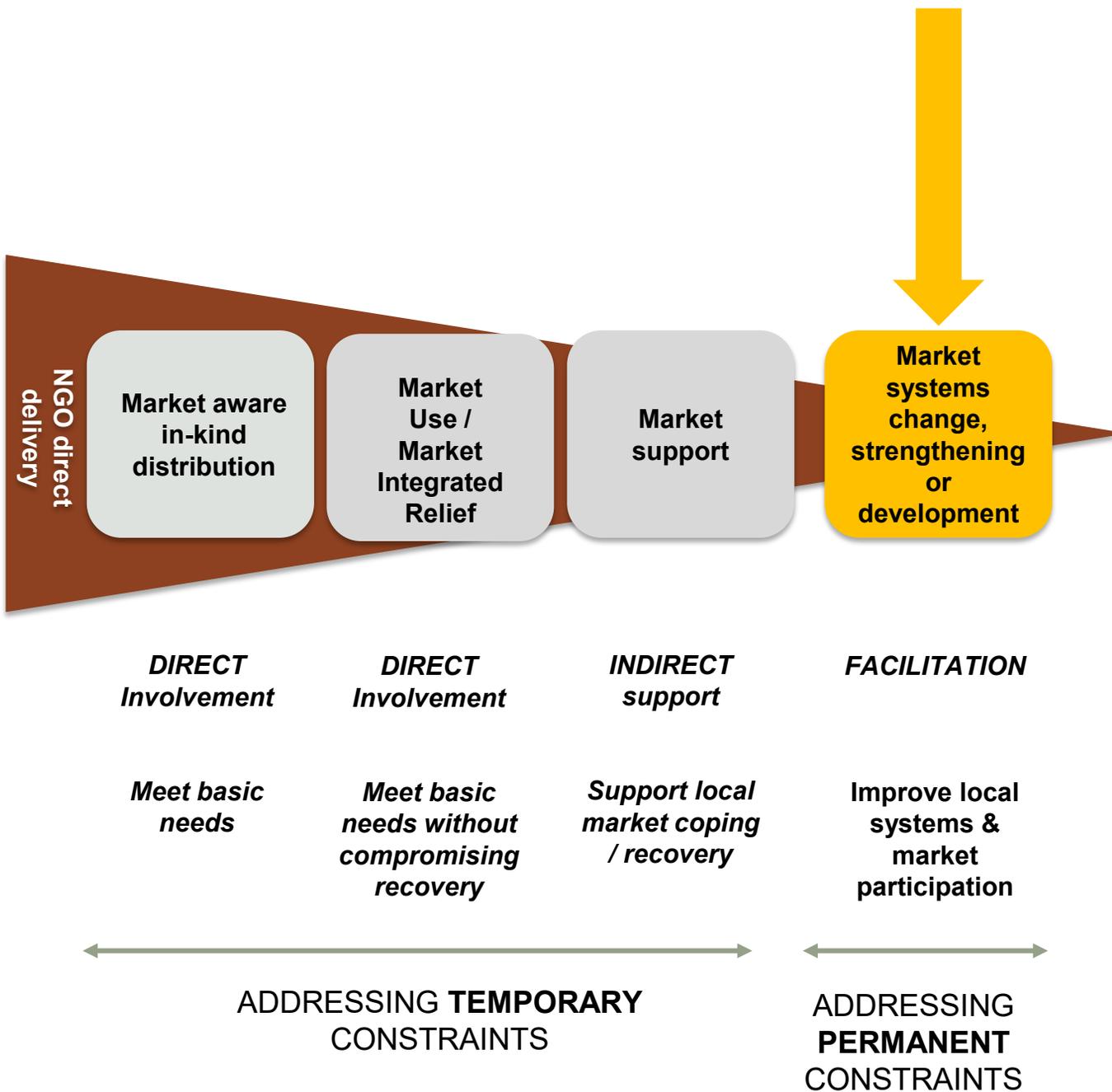
## Case Study 2: Summary

### Establishing New Linkages for Seed Storage

- **Issue:** Certain areas of East Timor are highly prone to natural disasters which is a significant risk to food security in the area. Chronic issues in the subsistence farming market system identified seed and post-harvest losses which left farmers less resilient to droughts, rainfall variability, pest and disease outbreaks.
- **Constraint:** Farmers have limited access to the information, equipment and finance to reduce seed losses
- **Intervention Objective:** to increase adoption of technologies to improve seed storage amongst at-risk farmers
- **Intervention:** after assessing farmers' risk profiles and seed storage preferences, ESS partnered with local blacksmiths, input suppliers and agro-input networks to produce and supply and sell a new seed-storage technology. To increase demand for the new technology, ESS offered farmers vouchers, discounting the initial cost of the product, to new customers.
- **Avoiding market distortion:** discount vouchers were time-bound to reduce external aid financing distorting the market relationship
- **Outcomes:** after three years, 71,613 households had bought the technology, moving from vouchers to encourage initial adoption / new market entry and then to farmers purchasing it on their own at full price. The technology reduced risk of seed loss during disasters. It also build market linkages between farmers and blacksmiths which spread to the exchange of other goods and services. After the most recent El Nino, blacksmiths saw a market need – farmers needed to destock livestock to reduce feed costs. Blacksmiths added livestock trading to their business models to facilitate this, which previously, they would not have been aware was a market need. This, like in the Ethiopia case study, helped households cope during crisis.

# Case Study 2: Summary

## What program type?





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# Section 4

**MARKET SYSTEM CHANGE / STRENGTHENING  
FOR PROTRACTED CRISIS**

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# Module Structure

1

## Market Support - CVA

An explanation of how CVA (when used with other interventions) has improved nutrition outcomes in crisis contexts and support markets

2

## Market Recovery – Beyond Cash

Country: Nepal  
Crisis: Earthquake  
Sectors: Goat (CRS) & Dairy (Mercy Corps (MC))



4

## Market System Change / Strengthening for Protracted Crisis

Country: Yemen  
Crisis: Conflict & Economic  
Sectors: Nutrition (World Bank)

3

## Market System Change / Strengthening for Resilience

Country: East Timor  
Crisis: Flood  
Sectors: Agriculture (MC)

Country: Ethiopia  
Crisis: Drought  
Sectors: Agriculture (MC)

# Case Study Introduction

This section will present one case study explaining how to use the cash for nutrition in protracted conflict context.

**HPN** Humanitarian  
Practice Network

**Yemen Protracted  
Conflict**

[Cash For Nutrition Using  
Existing Social Protection  
Systems](#)



## Case Study 1: The Situation

Yemen is the world's largest humanitarian crisis, with 24 million out of 30 million Yemenis needing assistance and 1.8 million children acutely malnourished. The civil war has led to price increases, lost income and reduced public health provision, exacerbating already high levels of poverty and child malnutrition.

### **The Opportunity to Respond Better to Protracted Crisis**

At the World Humanitarian Summit in 2016 the long-standing divide between humanitarian and development interventions was challenged, with a call for new collective responses that both meet humanitarian needs and protect human and social capital.

As the Yemen response shifted towards more protracted crisis programming, the need for a social protection system that provides a reliable, predictable, effective response to the country's poorest and most vulnerable people became increasingly urgent.

Approved in 2016, the Yemen Emergency Crisis Response Project (ECRP) was the first World Bank project to test this approach.

ECRP works through social protection institutions, the private sector and local communities to address nexus programming and build local governance (rather than externally driven aid) for social assistance.

# Case Study 1: The Interventions

## Leveraging the Social Fund for Development for a ‘Cash for Nutrition’ Intervention

Prior to the conflict, in 1997, the Social Fund for Development (SFD)- a quasi-governmental organization - was created to improve basic services, enhance economic opportunity and reduce the vulnerability of the poorest Yemenis.

SFD was originally designed to address high levels of child stunting and poverty, but it needed to expand once the conflict broke out.

The ‘cash for nutrition’ intervention worked through this existing market actor and their capacity and linkages to the populations requiring the most need during the crisis.

### Market Use Interventions

The program provides women with children under 5 with one year of monthly cash transfers and nutritional training sessions led by locally recruited community health volunteers trained and employed by SFD. Participants can also access malnutrition treatment centers if needed.

As of mid 2019:

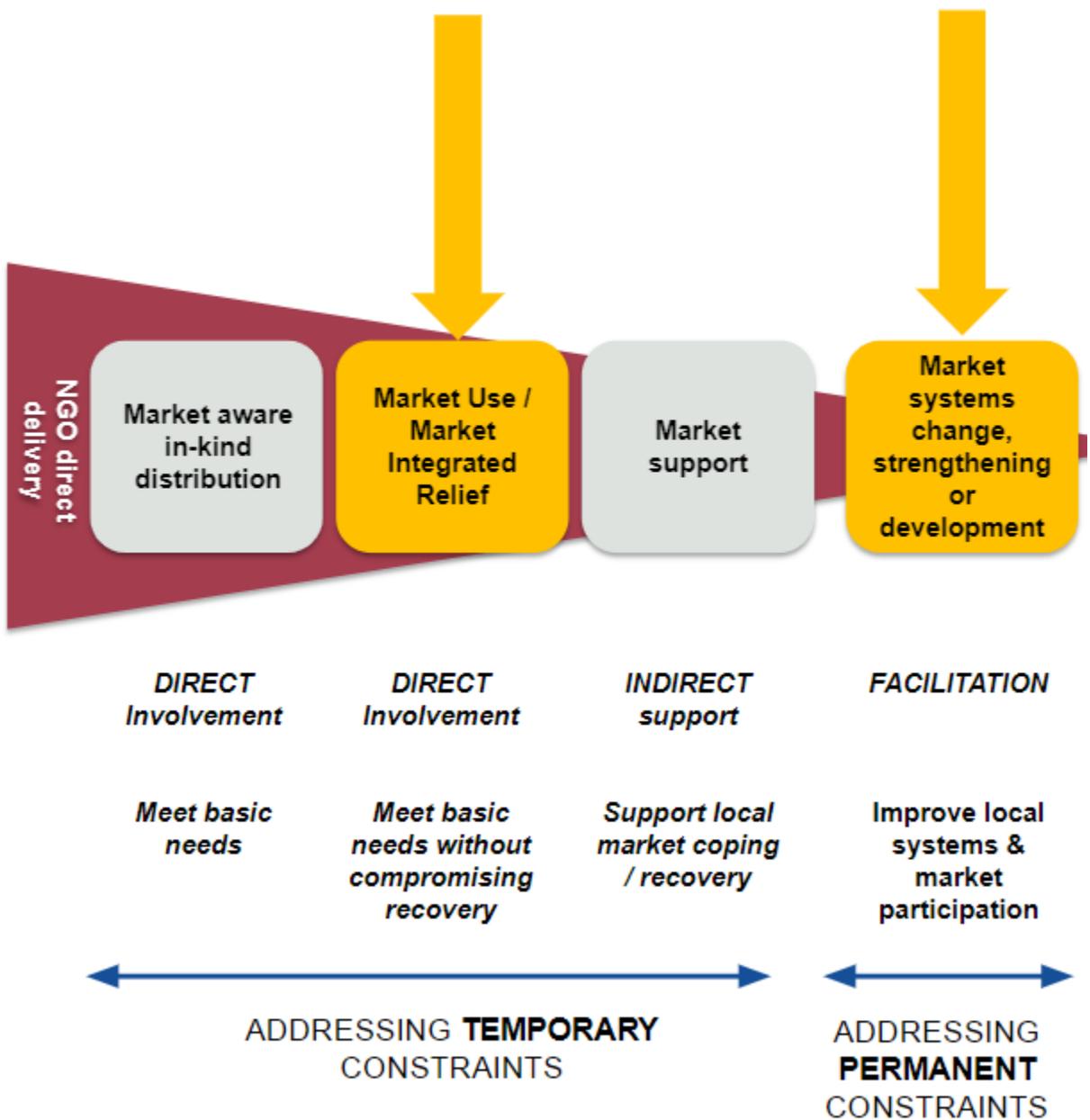
- 88,000 mothers in 21 districts had access to cash transfers and nutritional training through the program.
- 115,000 malnourished women and children received treatment

### Market Strengthening/Change Interventions

- The program has implemented the intervention through SFD as a trusted national institution and supported it to expand the work and improve its capacities. This contributed to the strengthening of the national institutions.
- The programme has also trained and recruited highly motivated local women as community health educators. They have worked on convincing the beneficiaries of the value of the information shared at nutritional training sessions. They continued to promote the programme’s goals in their community after their contracts ended.

# Case Study 1: The Interventions

## What program type?



SFD's 'Cash for Nutrition' intervention is an example of how local agencies in countries affected by protracted conflict can successfully blend models from the development world with the flexible implementation a crisis context requires.

## Case Study 1: Outcomes

- Rather than increasing consumption of staple foods (typical of food basket distributions), households used the cash to maintain the nutritional quality of their diets

*For example, relative to non-beneficiaries, households receiving the cash transfers bought significantly more milk, fruits, vegetables and eggs and were more likely to consume one portion of meat per week*

- Relative to non-beneficiaries, nutritional training saw beneficiaries report early initiation of breastfeeding and exclusive breastfeeding for infants under six months resulting in lower child mortality rates.
- Beneficiaries were more likely to treat their drinking water and to give infants formula or breastmilk more frequently.
- Beneficiary children scored significantly better height-for-age scores showing continued long-term improvements in child nutrition.

The trained and employed community health educators continued to promote the programme's goals in their community after their contracts ended. This is a proof that investing in local capacities provides more sustainable and wider range outcomes.

## Case Study 1: Outcomes

- Cash for nutrition programs required participation in nutritional training to access the cash transfer. *Soft conditionality* was practiced which recognized non-attendance may occur for safety reasons and did not penalize women.
- Instead SFD adapted its delivery approach to account for safety issues. Training was replaced for home visits and changing frequency of cash transfers when there was risk of air strikes.

Telephone hotlines opened to allow women unable to leave their homes safely to ask questions. This sustained nutritional behaviour change.

- The ability to implement such a large-scale, effective and flexible program that could adjust to changing conditions and access the right target groups (using community-led approaches) is conditional on leveraging existing institutions where they exist

The success of the 'Cash for Nutrition' programme in unstable and constantly changing political conditions (Yemen), highlights the importance of local institutions for sustainability.