

# Market-Based Programming Framework



*Photo Credit: Allison Joyce / Save the Children*

Understanding market systems in humanitarian contexts

July 2022

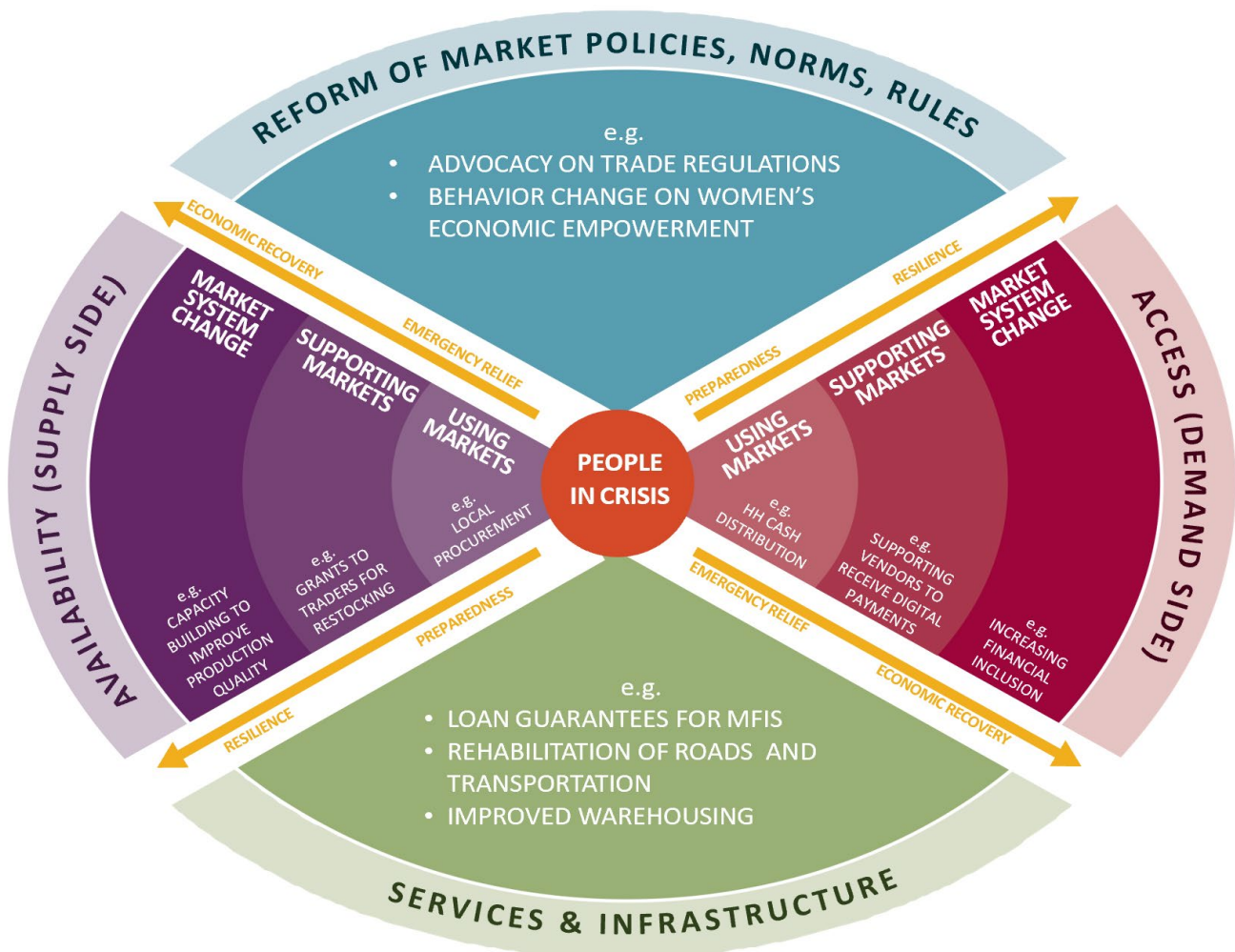




## Introduction

The Market-Based Programming framework was designed to help humanitarian actors understand market approaches in fragile contexts. It was developed by the Markets in Crisis (MiC) Community of Practice in 2015 and updated in 2017 and 2022.<sup>1</sup>

In the graphic below, market-based programming or market-based interventions are understood to be projects that work through or support local markets and contribute to positive market systems change. The terms cover all types of engagement with market systems, ranging from actions that deliver immediate relief to those that proactively strengthen and catalyze local market systems or market hubs. Some degree of market analysis is a critical part of all situation and response analyses. At a minimum, all humanitarian programming should be “market aware.” The better humanitarian and development actors understand markets, the deeper they can engage with markets.



<sup>1</sup> MiC Community of Practice (2022) Market-based programming framework; Contact: [marketsincrisis-admin@dgroups.org](mailto:marketsincrisis-admin@dgroups.org)

## Understanding the Framework

1. People in crisis should be the focus of all market-based programming, so they are central to the framework.
2. The framework brings together the key elements of a market system:
  - supply and demand functions are shown in the middle of the graphic (purple and red), where market actors exchange goods and services;
  - policies, norms, and supporting environment for market activities are shown across the top (blue);
  - and infrastructure and services are shown (green) along the bottom.

All elements together make up a market systems map, similar to those found in [EMMA market mapping](#).

3. The yellow arrows show the progressive depth of humanitarian program engagement with the market, from activities that are limited to using markets (towards the middle) to those that aim for market system change. Programs that use markets often are part of emergency relief efforts, while programs aiming for market system change are more relevant for economic recovery. An example of each type of program is provided.
4. Humanitarian and development actors should consider activities that promote “preparedness,” as well as those that lead to greater resilience. For illustrative purposes – so that we do not forget them – these terms are included along the yellow arrows, but it is recognized that these do not necessarily fall along a linear spectrum.

## Types of Market-Based Programs

### Focus on Supply or Availability in the Market

A focus on supply or availability means ensuring there is sufficient supply ('enough') of critical goods and services available in markets to meet the needs of people affected by the crisis. For example:

#### Using Markets:

Using existing markets to provide emergency goods, with limited capacity building of the actors themselves. Sample activities: procurement of food or shelter items through local markets; contracting the local production of sanitary products.

#### Supporting Markets:

Providing direct support to market actors or other entities for the purpose of providing emergency goods, while at the same time strengthening the business overall or strengthening the system (making it better able to respond to the crisis or more resilient in the long run). Sample activities: Grants to traders for restocking; transportation subsidies; participatory market assessments that help market actors better understand barriers.

#### Market System Change:

Projects aimed at sustainable changes in the market environment to ensure the availability of goods and services. These activities will be likely to support the longer-term viability and resilience within existing and new market systems. Sample activities: advocacy or facilitation of transport permits; improving agro-dealer access to veterinary medicines or seeds; streamlining work permits for refugees wishing to enter the labor market.





Photo Credit: Mohamed Osman / Save the Children

## Focus on Demand or Access to Goods and Services

A focus on demand means ensuring targeted groups (e.g. ultra-poor households, youth, women, refugees) have access to (can afford and can physically reach) markets. For example:

### Using Markets:

Working through local markets to provide access to locally available goods and services for people in need. Sample activities: Cash transfers to help affected households meet self-identified needs; cash or vouchers for specific goods or services (shelter materials, water and sanitation supplies, access to education, etc.)

### Supporting Markets:

Providing direct support to market actors or other entities for the purpose of increasing market access for targeted groups (temporarily or longer term). Sample activities: repackaging of seeds to smaller, affordable packs; helping vendors to receive digital payments; opening sales kiosks in refugee areas.

### Market System Change:

Projects aimed at sustainable changes in market environment to ensure increased access to essential goods and services or increasing customer knowledge about goods and services to drive behavior change. Sample activities: Financial inclusion activities; hygiene promotion campaigns to create demand for improved WASH products and services; nutrition programs working with milk processors on maintaining the cold chain in rural areas.



Photo Credit: Seyba Keita / Save the Children

## Focus on Reform of Market Policies, Norms, and Rules

A focus on changing policies, norms, and rules recognizes that the environment in which market activities take place also impact the functioning of the market system. Government policy, individual behaviors and beliefs, habits of businesses can support or undermine target group access to essential goods and services.

### Sample activities:

Community approaches to ensuring equitable gender roles in production, marketing and decision-making; reducing administrative costs for registering a business; helping refugees meet ID requirements of financial institutions.

## Focus on Services and Infrastructure

A focus on improving market services and infrastructures recognizes that markets also have physical needs such as electricity, water, and appropriate roads. The quality and availability of these impacts access (especially price) and availability of essential goods and services.

### Sample activities:

Rehabilitation of roads and mobile networks; improved warehousing; digital access to market price information.

*This brief is made possible by the generous support of the American people through the United States Agency for International Development (USAID). The contents are the responsibility of the SCALE Award and do not necessarily reflect the views of USAID or the United States Government.*

