

Comparative Review of Market Assessments Methods, Tools, Approaches and Findings

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World Food Programme

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ACRONYMS

ACF	Action Against Hunger (Action Contre la Faim)
ALNAP	Learning, Accountability Performance in Humanitarian Action
AP3A	Early Warning and Agricultural Production Forecast (Alerte Précoce et Prévision des Productions Agricoles)
CaLP	Cash Learning Partnership
CAP	Consolidated Appeal Process
CBI	Cash-Based Intervention
CFSS	Comprehensive Food Security Survey
CFSAM	Crop and Food Security Assessment Missions
CFSVA	Comprehensive Food Security and Vulnerability Analysis
CILSS	Comité Inter permanent de Lutte contre la Sécheresse au Sahel
CPI	Consumer Price Index
CRS	Catholic Relief Services
DFID	UK aid from the Department of International Development
DMC	Drought Monitoring Centres in East Central Africa
EARS	Environmental Analysis and Remote Sensing
ECHO	European Commission – European Community Humanitarian Office
EFSA	Emergency Food Security Assessment
EMMA	Emergency Market Mapping Analysis
ERS	Economic Research Service
EU	European Union
FAO	Food and Agriculture Organization
FAS	Foreign Agricultural Service
FEWS-NET	USAID Famine Early Warning System
FGD	Focus Group Discussion
FSA	Food Security Analysis
FSMS	Food Security Monitoring Systems
GDP	Gross Domestic Product
GIEWS	FAO Global Information and Early Warning System
GMFS	Global Monitoring for Food security
HEA	Household Economy Approach
IFPRI	International Food Policy Research Institute
IGAD	Intergovernmental Authority on Development
IGC	International Grain Council
ILO	International Labour Organization

INGO	International Non-Governmental Organization
IPC	Index Food Security Phase Classification
M4P	Making the Market Work for the Poor
MAF	Market Analysis Framework
MARS FOOD	Monitoring Agriculture with Remote Sensing (EC/JRC)
MEDA	Mennonite Economic Development Associates
MIFIRA	Market Information and Food Insecurity Response Analysis
MPC	Marginal Propensity to Consume
NGO	Non-Governmental Organization
OFDA	Office of Foreign Disaster Assistance
Oxfam GB	Oxfam Great Britain
PCM	Project Cycle Management
PDPE	World Food Programme Economic Analysis and Development Service
RAP	Response Analysis Project
RATIN	Regional Agricultural Trade Intelligence Network
SADC	Regional South African Early Warning System for Food Security
SAFEX	South African Futures Exchange
SCP	Structure–Conduct–Performance
SEEP	Small Enterprise Education and Promotion
SENAC	Strengthening Emergency Needs Assessment Capacity
SWOT	Strengths, Weakness, Opportunities and Threats
ToT	Terms of Trade
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
VAM	World Food Programme Vulnerability Analysis and Mapping
VC	Value Chain
VCA	Value Chain Analysis
WFP	World Food Programme
WFP TS	World Food Programme Trader Survey
WTO	World Trade Organization

EXECUTIVE SUMMARY

Background

Against a backdrop of climate change, global economic crises and commodity market volatility, food security experts are increasingly interested in deepening their understanding of how markets work. In 2011, the Cash Learning Partnership (CaLP) commissioned this study, which aimed to assess how we are currently analysing markets and where we could improve. The study's specific aims were twofold:

1. To examine the capacity and current thinking on market analysis, with a view to improving quality and optimizing the impact of market analysis on humanitarian programmes; and
2. To explore how humanitarian institutions should resource themselves in order to carry out comprehensive market analysis.

This report presents the findings of the study, which examined three different approaches: Emergency Market Mapping Analysis (EMMA), Market Information and Food Insecurity Response Analysis (MIFIRA), and WFP Trader Surveys (WFP TS). We describe the strengths and limitations of all three methods, comparing how each determines the best transfer modality — whether food, cash or vouchers. We then identify opportunities to enhance the use of the tools. However, because all three tools are relatively recent, the study is not comprehensive. Further monitoring and evaluation is needed in order to strengthen the findings presented here.

Methods reviewed

There are a multitude of market analysis tools available, designed to assess markets at micro, meso or macro levels. These tools usually require a certain degree of expertise and they are chosen according to the specific objectives and resources of each programme. However, there are very few response analysis tools suitable for emergency situations — EMMA and MIFIRA are two of the main ones. They use similar indicators but differ in approach: EMMA is qualitative and employs a “good enough” strategy, while MIFIRA is quantitative and uses economic indicators that focus on food markets. The third approach assessed here is the WFP TS, which is not a response analysis tool as such. However, these surveys have evolved from being a descriptive and informative baseline tool to being more operational, thanks to the incorporation of new elements such as the cash-based intervention feasibility study.

Strengths and limitations

EMMA

This operational tool aims to provide enough data to directly inform decision-making. It adopts a visual mapping approach, which facilitates analysis and helps to identify gaps in the market as well as indirect forms of market support. This means EMMA has a broader scope of analysis than MIFIRA, plus its “good enough” strategy makes it suited to rapid-onset emergencies. EMMA can be adapted to different markets (both food and non-food) and it can provide practical programmatic recommendations, which reduces the need for additional feasibility studies. However, some EMMA studies have been discarded due to lack of analysis, since the approach does not analyse demand systematically. Moreover, investigation has shown that the successful implementation of EMMA depends on many factors such as coordination with other emergency efforts and the capacity of staff to grasp the key concepts behind the approach. Ultimately, the method needs strong leaders who are well versed in market analysis.

MIFIRA

Quantitative and evidence-based, MIFIRA is another operational tool with a narrow focus defined by guidelines. This method hinges on a set of predetermined questions and response options (cash, food and local procurement). Analysis is guided by a “decision tree”, focusing on supply and demand in food markets. However, the approach can be time-consuming and it requires a level of expertise. It is not suitable for rapid-onset crises nor can its results be extrapolated to macro level. Its success depends on access to good quality secondary data.

Further to these findings, it can be added that MIFIRA is a relatively new tool that is still being field-tested. Until it has been used more often, it is difficult to provide a full picture of its potential.

WFP TS

With a strong focus on supply conditions at macro and local levels, the WFP Trader Survey (TS) tool has a broader scope than the others. The TS is a package of questionnaires, one at individual trader level which is completed by a market questionnaire applicable to key informants. The TS offers more response options (including market support activities) and it includes a scenario component that takes non-market factors into account. Drawbacks include the large amount of resources they require and the complexity of the response analysis plan which goes beyond the supply conditions to include demand side information such as household market participation behaviours.

Opportunities

Further study and monitoring is needed for all three tools before we can have a comprehensive review of their strengths and limitations. However, this study has identified several opportunities for enhancing the current use of both EMMA and MIFIRA. EMMA could be adapted to slow-onset crises and it could be used as a baseline and preparedness tool. We could develop concise guidelines to assist practitioners. Moreover, the flexibility of this tool means we could incorporate elements of feasibility studies or programme design into it.

MIFIRA also has potential as a baseline and preparedness tool. Its strong demand analysis component could be employed by other response analysis tools.

In both cases, there is scope for further training and study.

Recommendations

On the basis of the review, this study makes 9 specific recommendations to improve the use of WFP TS, which can be summarized as follows:

1. Integrate WFP TS with the Emergency Food Security Assessment (EFSA) and other food security assessments to strengthen the link between market and demand analysis. Focus on the following indicators: livelihoods linked to HEA baseline information; household profiles; preferred forms of aid; and the household net seller/net buyer.
2. Use WFP TS together with other food security assessment tools to create baselines in highly food-insecure countries.
3. Include more quantitative data, especially regarding volumes flowing through the markets, in order to complete the market responsiveness analysis.
4. Revise guidelines and adapt questionnaires to reflect WFP TS's more operational purpose.
5. Adopt the decision-tree approach to facilitate analysis, and include the market support response utilized by EMMA.
6. Carry out more baselines to ensure the availability of good secondary data.
7. Monitor key indicators to gauge the impact of programme intervention choices.
8. Increase staff expertise in market analysis.
9. Strengthen partnerships opportunities to further integrate WFP TS, EMMA and MIFIRA.

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1. Background

Food security stakeholders are increasingly interested in deepening their understanding of how market systems work, because of the rising popularity of market-oriented transfer modalities, as well as new global challenges such as climate change, the global financial and economic crises, and commodity market volatility.

WFP began strengthening its market and food security analysis in 2006 under the Strengthening Emergency Needs Assessment Capacity (SENAC) project. Since then, the organisation has continuously refined its approach, adapting it to an evolving world and changing programme requirements. In recent years, food security analyses (emergency assessments, baseline studies and monitoring) have begun to include a market component, and several technical guidance sheets on specific market issues have been developed.

WFP's 2008–2013 Strategic Plan calls for an increased use of local procurement and the introduction of cash and voucher-based transfers. Thus, market analysis has become an organisational priority, with WFP Trader Surveys (WFP TS) as a central tool in cases where secondary information is lacking.

In 2011, the Cash Learning Programme (CaLP) commissioned a study to identify obstacles to a more comprehensive, consistent and detailed market analysis (Sivakumaran 2012). The study aimed to achieve the following:

- Examine the capacity of and current thinking on market analysis, focusing on how to improve quality, and on the impact of market analysis on humanitarian programmes;
- Explore how humanitarian institutions can resource themselves to carry out comprehensive market analysis.

This study reviewed market analysis tools — specifically Emergency Market Mapping Analysis (EMMA) and Market Information and Food Insecurity Response Analysis (MIFIRA). Yet the study is not exhaustive: there is still scope for improving our understanding of the comparative advantages of different methods, tools and actual outputs used by WFP and other humanitarian agencies. We need to monitor findings and recommendations, and study how results are used for decision-making, in order to complete the overview provided here.

2. Method

2.1 Objective of the study

See Terms of Reference in Annex 1

The study aimed to review and compare different market analysis tools, including EMMA, MIFIRA and WFP's market analysis reports. It sought to identify the strengths, limitations and opportunities of these different approaches in determining the best transfer modality — be it food, cash or vouchers — as well as alternative or complementary response options to support markets.

Besides market analysis, there are other non-market factors that should inform the choice of transfer modality (Ryckembusch et al. 2012). Clearly, the objective of the programme has an impact. Other factors include security issues, household food security status, household dependency on markets (physical and economic access), specific nutritional objectives, population gender dynamics, cost, implementing agency capacity and timeliness. The ability of various transfers to meet institutional objectives is highly context-dependent. Aside from analysis, the effectiveness of transfers may be determined by donor resources, organisational capacity, compliance requirements, and in some cases, the sheer circumstances of the food security problem. This review also examines the extent to which such information is (or can be) covered by market assessments. However, our ultimate aim is to provide a basis for refining WFP's approach to market analysis, with a view to improving transfer modality choices.

2.2 Data Collection

This study is based on a literature review (see bibliography) and key informant interviews (see Annex 2). It took place between 14 August and 15 October 2012, over a period of 21 days.

In first part of the report, we review the methods, approaches and tools available in market analysis. We then present a comparison of selected WFP, EMMA and MIFIRA approaches, including their comparative advantages in terms of humanitarian context, speed, complexity, the content (situational analysis, findings,

recommendations) of the analyses, and use of analysis findings for interventions.¹ This section concludes with the strengths and limitations of each approach according to context, and an evaluation of how well each method meets programming needs. Finally, we end by exploring opportunities to improve WFP's market analysis tools.

3. Rapid Review of Methods, Approaches and Tools Available in Market Analysis

3.1 Existing market analysis tools and approaches

A variety of market analysis tools, approaches and conceptual frameworks have been developed in recent years. They are often used to meet very different objectives — for early warning systems, business development, or food security analysis — but they all share the same micro, meso, and macro indicators. The variety of information available to answer key market questions is illustrated in Annex 3. This information is broken down by scale (micro, meso and macro) and by key areas. These include supply-side analysis, such as market (and price) surveys and assessment, and demand-side analysis, linked to agricultural production and household demand.

Market analysis tools become increasingly complex as the level of analysis deepens, because in-depth market analysis requires more data-intensive tools and market expertise, which in turn are more time-consuming and complex. No single tool is sufficient to cover all three levels of market analysis (micro, meso and macro). Instead, tools need to be combined to take into account the interactions between food access and market analysis, thereby providing a comprehensive picture of the market's role in determining food security.

Even if each approach has slightly different objectives, methods, assessment length, users, and (sometimes) audiences, there is substantial overlap and there are parallels between them. There are shared micro-level indicators, which are described and analysed in WFP and FEWS-NET guidelines (among others). For example, all market analysis tools use indicators such as purchasing power and terms of trade, price analysis, and price and income elasticities. At meso and macro levels, there are several approaches that can be classified as follows.

Value chain and pro-poor approach

This is used in a development context:² the objective is to change key market systems to work more effectively and sustainably for the poor, thereby improving their livelihoods and reducing poverty.³

Structure–Conduct–Performance (SCP)

This framework or approach to market analysis is based on the premise that the structure of a market influences the conduct of its participants (buyers, sellers and others), which, in turn, affects market performance. While the SCP framework was originally an outgrowth of Industrial Organization, a branch of economics, the approach presented here has been adapted to food security analysis.

Food security and livelihoods analysis

In this approach, market tools and analysis are used to acknowledge the crucial role of markets in people's livelihoods. We therefore need to understand the supply and demand sides and link the market to livelihoods, food access and availability. There are two main categories here:

- *Food security and vulnerability assessment and analysis tools and frameworks.* WFP has developed guidelines and technical sheets specific to market analysis, and/or part of a broader assessment in food security and livelihoods analysis (EFSA, CFSVA, Market Analysis Framework, etc.). Many agencies (such as ACF, Oxfam GB and the International Committee of the Red Cross) have developed their own guidelines that include market analysis as part of food security and livelihoods analysis. Save the Children's Household Economy Approach (HEA) is a very good example of this, as market analysis is used to give an overview of response options and of when these should be used. The method also sets out typologies for disasters and other shocks, and it describes how markets are usually affected.
- *Other assessments that generate market information,* including the market assessment guidelines of the International Committee of the Red Cross, the Sphere Project on Minimum Standards for Economic Recovery, the FAO Integrated Phase Classification System, and the USAID Bellmon analysis. Donors such as the EU and the UK's Department for International Development (DFID) also use market analysis tools with a similar theoretical background.

¹ Examples of EMMAs include Liberia, Chad, Haiti, Pakistan and Libya. Examples of WFP comprehensive market assessments include Yemen, West Africa and rapid market assessments include Somalia, South Sudan, Mauritania and Côte d'Ivoire. Examples of MIFIRA reports include Kenya, Uganda and Southern Somalia.

² In this study, we will not examine business development models and value chain analysis as such, but rather models that bridge the gap between the value chain and market for pro-poor development.

³ Note that amongst businesses, there is a growing interest in social investment, sustainable business practices, ethics, fair trade and engaging with the base of the (Economic) Pyramid. Although terminology and emphasis may differ, all of these approaches see a market-based economic engagement with the poor as essential for sustainable development.

Macro-level systems

These include market information systems, food security information systems and early warning systems. All rely on secondary data or collect their own data such as prices and terms of trade. They are more or less efficient depending on the availability and quality of data and the resources allocated. The availability of time series data for a variety of goods changes from country to country. One global standard is the Consumer Price Index (CPI), which is an index of retail prices measuring changes in the weighted average of prices of a basket of goods or services. Where this information is not available, various market information systems may exist to track the prices of agricultural commodities, livestock, etc. in local markets throughout the country. Some good examples of this include FoodNet in Uganda and Rwanda (www.foodnet.cgiar.org), or RATIN in East Africa (www.ratin.net).

Complex analysis tools

Finally, there are more complex market analysis tools designed to capture the most important effects of policy changes and/or external shocks on a given economy and households. These include the IFPRI multi-market model or the FAO Primer on Multi-Market Models (Agricultural Policy Impact).

3.2 Market analysis and response analysis

Response analysis has emerged only quite recently as a distinct step linking information — early warning and needs assessment — and response. By response analysis, we mean processes that anticipate changes in the market situation and identify the types of actions and range of options that are appropriate to addressing the specific food security problems.

Response analysis is based on a situation analysis that includes a) the nature/magnitude of the crisis, and b) the effects of the crisis in terms of food availability deficit, market failure, or policy/political failure. Response analysis requires an understanding of how people's access to food has been affected by changes in market function or conditions, either directly through prices and/or lack of availability, or indirectly through effects on livelihood activities and thereby on purchasing power.⁴ The European Community Humanitarian Office (ECHO) considers response analysis as "a crucial but commonly neglected step between assessing needs and planning an emergency response. Response analysis involves analysing the likely impact of alternative responses, such as in-kind aid, cash and vouchers, and deciding on the type of intervention to be pursued in a given context" (McHattie 2012).

There are three general frameworks or approaches to food security response analysis⁵ that include market analysis: the WFP Response Analysis Project (RAP), the FAO Response Analysis Framework (RAF), and Oxfam GB's Response Analysis for Emergency Food Security and Livelihoods Programmes (see Annex 4). They all are based on a decision-tree approach, answering key questions and guiding the analysis towards the best intervention decisions.

However, there are very few response analysis frameworks for emergencies — whether general or sector- or context-specific — that are based on market analysis. The main ones are EMMA, MIFIRA, and the Bellmon analysis. In the next section, we will analyse these three approaches, examining their characteristics and comparative advantages.

4. Comparison of Three Approaches: EMMA, MIFIRA and WFP TS

4.1 Global presentation

4.1.1 Emergency Market Mapping and Assessment (EMMA)

The EMMA toolkit is a set of tools and guidance notes. It is intended to help emergency response agencies understand and use market systems to improve their response. By better understanding the effects of an emergency on the most critical market systems, agencies can direct humanitarian resources more efficiently, decrease dependency on outside resources, and help pave the way towards economic recovery. The overall objectives of EMMA are to improve the effectiveness of humanitarian responses to emergencies and reduce the risk of these responses causing additional damage to market systems and livelihoods. The approach is implemented in ten steps.

⁴ Source: WFP, EFSA guidelines.

⁵ See FAO: Mapping Response Analysis Process. Some frameworks in emergencies involving multilateral actors and processes such as multi-agency post-disaster assessment processes (CAP, inter-agencies etc.) include some elements of response options but the extent of their use remains unclear.

Table 1: EMMA's Ten-Step Implementation

1	Essential preparation	Including background research, consultation with colleagues, establishing a working base for the EMMA team, and identifying target populations
2	Market selection	Selecting the most important market systems to study, and identifying analytical questions to guide the investigation
3	Preliminary analysis	Drafting initial household profiles, seasonal calendars, maps of the market system, and identifying key informants
4	Fieldwork preparation	Establishing the fieldwork agenda, developing questionnaires and interviews formats
5	Fieldwork activities	Interviewing and gathering information
6	Mapping the market	Producing final versions of baseline and emergency market system maps, seasonal calendars, and household profiles
7	Gap analysis	Estimating the total gap of needs
8	Market analysis	Using market maps to analyse the capability of the market system to meet the gap
9	Response analysis	Making recommendations of different response options based on the gap analysis and market analysis
10	Communicate results	Communicating EMMA's response recommendations to stakeholders

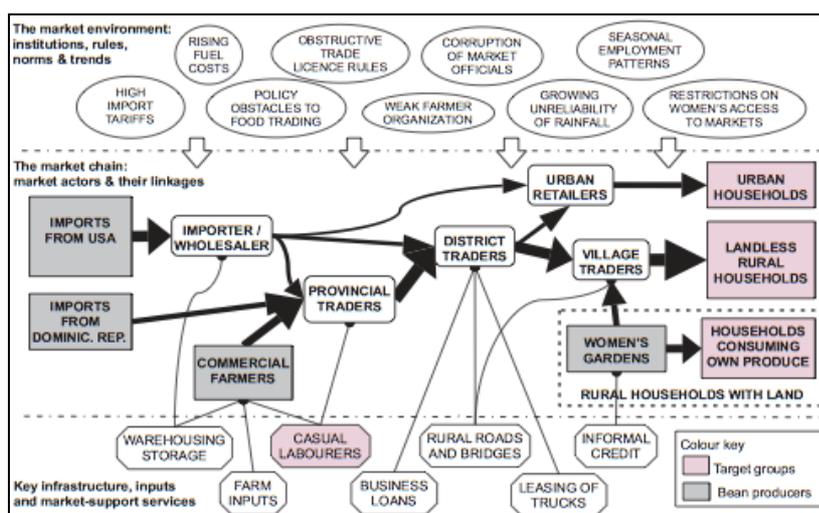


Figure 1: Market System Map (Albu 2010)

The EMMA process consists of three interconnected analytical stages: gap analysis, market analysis and response analysis. The response analysis section contains steps to evaluate the feasibility, possible outcomes, benefits and risks of different response options. The goal of these three 'strands' is to provide a thorough, coherent and integrated analysis to support EMMA's final response option recommendations.

Figure 1 shows EMMA's market system map. This informs the response analysis framework (Figure 2) by identifying whether the market system worked well before the emergency and whether the constraints it now faces can be resolved.

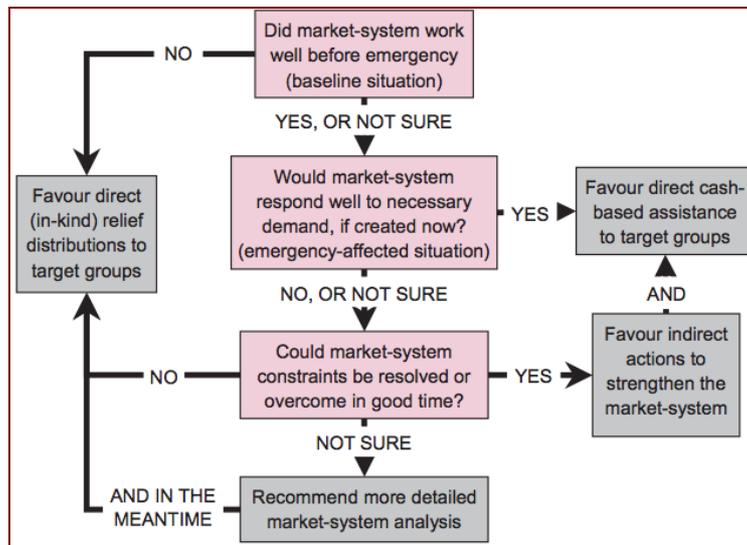


Figure 2: Response Analysis Logic in a Supply System (Albu 2010)

The toolkit was published at the beginning of 2010 as a result of a consultative process combined with four pilot sessions in the field (in Haiti, Pakistan, Myanmar and Kenya). So far, more than 20 EMMA field assessments have taken place in different parts of the world and in different emergency contexts; over 350 practitioners and decision-makers have been trained in the approach. EMMA’s recent developments focus on strengthening the link between HEA and EMMA, defining the minimum indicators necessary to conduct a market analysis (CaLP).

4.1.2. Market Information and Food Insecurity Response Analysis (MIFIRA)

MIFIRA is a specific tool intended to help programme designers think through the relative merits of response options for addressing an acute food access crisis. Its starting point is the assessed need for direct food assistance to improve household consumption. It can guide the choice between in-kind food aid (sourced in various places), cash transfers (or some equivalent, such as food stamps or vouchers), or a combination of both.

The MIFIRA tool is based on the “food aid decision tree” (Barrett and Maxwell 2005). It addresses the two of the tree’s core questions, breaking them into subsidiary questions that analysts can feasibly answer using the data and analytical tools commonly available to them. Figure 3 shows how the first question — Are local markets functioning well? — is broken down.

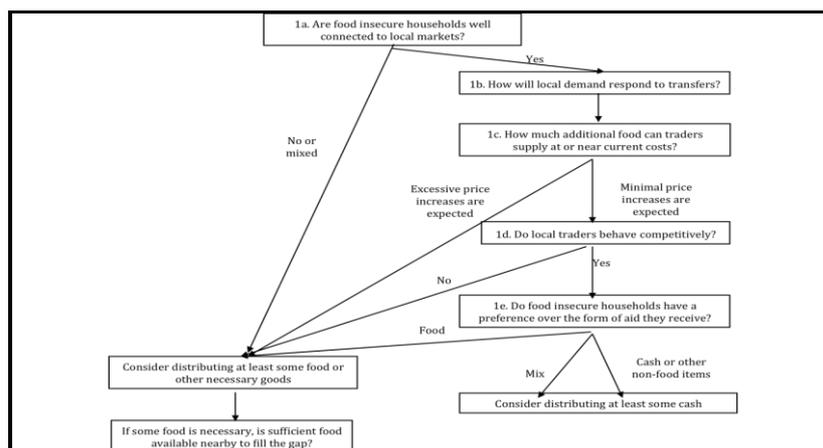


Figure 3: MIFIRA Decision Tree: Question 1 (Barrett et al. 2009)

While Figure 4 illustrates the second question: Is there sufficient food available nearby to fill the gap?

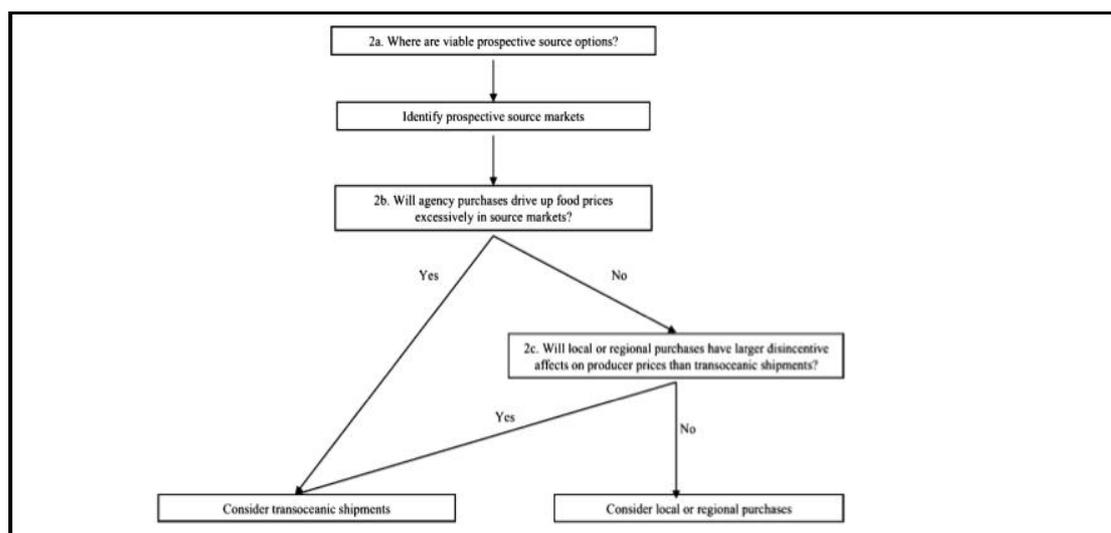


Figure 4: MIFIRA Decision Tree: Question 2 (Barrett et al. 2009)

In 2007, CARE USA approached Cornell University to request more in-depth information on how to choose cash versus in-kind assistance. The result was MIFIRA, first proposed in 2009 in the journal *Food Security*. It has since been tested in Bangladesh, Malawi, Ethiopia, Kenya, Afghanistan, Somalia and Uganda by agencies such as the United Nations Food and Agriculture Organization and USAID FEWS-NET.

Indeed, MIFIRA is still being field tested (in Afghanistan for example), but its development is on hold pending the results of a study launched by Cornell University on agency needs in market and response analysis and their capacity to use this particular tool.

4.1.3 WFP – Market Analysis tools and Trader Surveys (WFP TS)

WFP designed and issued a Market Analysis Framework (MAF) very recently, in December 2011. The MAF presents an overall conceptual framework to help WFP staff understand how market analysis is connected to food security analysis and decision-making, and what purpose the various market analysis tools serve. The MAF builds mainly on the tools available within WFP,⁶ although it also covers other tools developed by partner organizations. It does not provide technical details on how to apply these analytical tools,⁷ but instead offers web links to help readers access this information. However, there is no single guidance document that brings together all available market tools and explains how they fit into the overall food security analysis framework, and their links with decision-making.⁸

WFP TS is the main WFP tool that aims to improve our understanding of market functioning, using the results to inform the response options analysis. This tool focuses on the actual markets delivering services to the population of interest, instead of a stand-alone overview of the structure, conduct and performance of markets in general. A trader survey consists of collecting data from traders, analysing the data, and using the results to inform the response options analysis. Figure 5 details the topics and survey questions.

⁶ See the Emergency Food Security Assessment (EFSA) Handbook, the Comprehensive Food Security and Vulnerability Analysis (CFSVA) guidelines, the upcoming (2012) Food Security Monitoring Systems (FSMS) Guidance Sheets and the thematic technical guidance sheets on specific market issues. www.wfp.org/food-security/guidelines

⁷ According to MAF guidelines, “market analysis is entirely dependent on the context and objectives of each situation, and information requirements for programme and decision-making vary greatly. Thus, step-by-step instructions on how to conduct a market analysis would be extremely impractical. For this reason, a more flexible and adaptable approach where staff select the most relevant analytical tool is preferable”. MAF, p.5.

⁸ Source: WFP, Trader Survey Guidelines

Food security dimension	Survey topics <i>Topics in italics: information will come from secondary or community/household data</i>	Survey questions
Food availability	Availability on local markets Food flows ----- <i>Macro food availability</i>	<ul style="list-style-type: none"> Is sufficient food available on local markets? Will sufficient food be available on a macro-level and on the local markets in the coming 6 months? Will the sources of supply alter in the coming 6 months, with impact on price levels?
Purchase and sales conditions	Prices of food items and cash crops/products on markets Access to credit Opportunities for households to sell their products <i>Access to markets</i> <i>Identification of key products sold and purchased by households & degree of market dependence</i> <i>Retail and wholesale price series (including labour prices as appropriate)</i>	<ul style="list-style-type: none"> Do households have access to operational markets? Are the purchase prices of essential food items, and the sales prices of key cash crops & products, at normal levels? Did household access to trade credit change? What is the outlook for selected purchase and sale prices in the coming 6 months? Did households change their market behavior, and to what extent?
Market response	Competition <i>Price integration</i> Constraints to trade Traders' capacity to respond to a demand increase	<ul style="list-style-type: none"> Are markets competitive? Are markets integrated? What are the constraints to market functioning? How would traders respond to a demand increase through cash/vouchers or increased local purchases?

Figure 5: Generic objectives, topics and crucial questions of a trader survey
Source: WFP Trader Survey guidelines

The results of a trader survey can be interpreted in relation to secondary data such as prices, key-informant interviews, and household and community surveys. These feed the response option decision tree detailed in the EFSA guidelines and presented below.

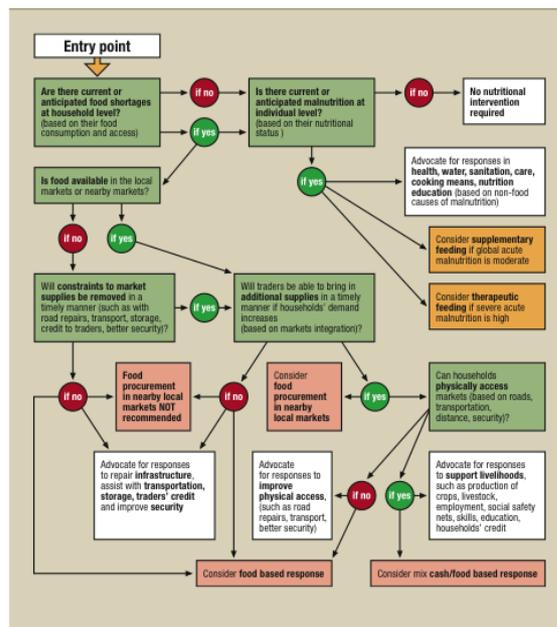


Figure 6: Decision Tree for Response Options
Source: World Food Programme 2009, EFSA

4.2 A Comparison of the different tools: EMMA, MIFIRA and WFP TS

This part is based on the review of studies, case studies and tools. Our selected studies focus on food markets and we have used the following context classifications:

- Complex emergency: meaning a conflict-based crisis;
- Slow-onset emergency: indicating drought, environmental degradation, economic decline, or long term conflict; and
- Rapid-onset emergency: which would be natural disasters (floods, earthquakes, tsunamis, the outbreak of conflict, or sudden escalations).

As shown in Table 2, the three methodologies are very recent (dating back to 2009 or 2010). They are still being tested today and being adapted to various contexts and programme objectives.

Table 2: Main characteristics of EMMA, MIFIRA and WFP

	Emergency Market Mapping Analysis – EMMA	Market Information for Food Insecurity Analysis - MIFIRA	WFP Trader Survey
Author/ Organisation	M. Albu (2010). Developed by Practical Action and commissioned by Oxfam, IRC and InterAction USAID Funding	Barrett, Bell, Lentz and Maxwell (2009), CARE USA and USAID	September 2009, guidelines published by WFP
Objective	To help emergency response agencies to better understand and utilize market systems to improve their response	To help programme designers think through the relative merits of response options for addressing an acute food access crisis	To improve the understanding of market functioning, using the results to inform the response option analysis Studies can have various objectives: (a) assessing the impact of a sudden or slow-onset shock on food security, and possible responses including cash/voucher interventions; (b) assessing food-insecure areas through regular surveys, crop and food supply assessment missions or when establishing a food security baseline; (c) assessing the future transmission effects of an external shock on the market system; (d) assessing local food procurement opportunities; and (e) monitoring food markets
Approach	Market mapping approach inspired from the value chain approach. Linking gap (demand), market (supply) and response analysis by mapping pre- and post-crisis conditions in a ten-step approach	Decision-tree approach to response analysis Linking market and demand analyses	SCP approach following four steps: formulating assumptions; establishing a field survey programme; drawing up a survey plan, questionnaires and training; and data collection, analysis and reporting
Context	Rapid-onset crisis (once the situation has begun to stabilize) It has been adapted and used in slow-onset and complex emergencies	Can be tailored for use in both chronic and acute food insecurity crises	Can be used in both chronic and acute food insecurity crises
Use in the Project Cycle Management	Needs assessment (but not rapid assessment in the first phase of a rapid-onset emergency), following a needs assessment, or as a component in an emergency preparedness plan (tested in some countries)	Needs assessment, following a needs assessment or as a component in an emergency preparedness plan, monitoring	Needs assessment, monitoring, or as a component in an emergency preparedness plan (baseline), implementation (logistics procurement)

(PCM)	like Philippines), monitoring		
Scale	Data collection and analysis at micro, meso, and macro (national) scale. Response options at micro/meso scale	Data collection and analysis at micro, meso, and macro (national) scale. Response options at micro/meso scale	Data collection and analysis at meso and macro (national) scale. Response options at meso and macro scale
Approach: principles	Qualitative and good-enough approach, iterative process. One-time rapid assessment (usually lasting less than 3 weeks). Considers any market system deemed critical (including food markets, non-food markets, and services markets). Uses key analytical questions to guide the process	Quantitative and qualitative approach, iterative process. Sample: 5 traders per market, for a minimum of 3 weeks. Only considers food market systems. Uses 2 defined questions and 8 sub questions to guide the process	Quantitative approach. Sample: 5 to 6 traders per market, for an average of 1 month. Considers any market system deemed critical, delivering services to the population food security Uses 12 guiding questions in the guidelines and survey
Approach: tools	Toolkit and guidance notes: http://emma-toolkit.org/get/download/ Shorter and more practical guidance is currently being drawn up. Household questionnaires Trader questionnaires (retailer and wholesaler) Guideline/questionnaires for other key-informants Tools (based on secondary and primary data): Seasonal calendars, household income and expenditures profiles, market maps Response options and recommendations framework	Toolkit and guidance note: http://dyson.cornell.edu/faculty_sites/cbb2/MI_FIRA/course/ Micro-scale: Household questionnaires Guidelines for community FGD Meso-scale: Trader questionnaires Macro-scale: Secondary data, key-informant interviews	Guideline and tools: http://www.wfp.org/content/market-analysis-tool-how-conduct-trader-survey A trader questionnaire A market questionnaire for group of traders A transporter questionnaire (developed for some countries) A community or household questionnaire (in the guidelines)
Number of markets considered	Recommended for low number of markets	Not specified — depends on the objectives of the study	Recommended for low number of markets (2 or 3, according to the guidelines)
Internal Resources	Designed for non-market specialists Teams of local NGO staff knowledgeable about local environment Interagency team	Requires market specialists to carry out the analysis (at meso and macro scale)	WFP staff and partner staff Requires 1 market specialist to lead the survey Interagency team
Audience	Decision-makers responsible for planning emergency and recovery programming Institutions (national, international) and organisations through advocacy		

Cost	Between 3,000 USD ⁹ and 18,000 USD (10,000 USD in average)	Data not available	Between 12,000 USD and 60,000 USD (31,000 USD in average) ¹⁰
Analysis	Template forms for analysis and reporting Guidance notes	Analytical tools to answer each (sub) question	Generic analysis plan for market analysis including trader surveys (trader and market questionnaire) to answer key questions
Response options	Response option analysis and response recommendations framework Proposes a wide range of response options, food and non food, direct and indirect market support, and targeting It is not a Cash-Based Intervention (CBI) feasibility study	The response analysis identifies appropriate transfers for food (cash, in kind, mix or other procurement source) and targeting	Cost efficiency of response options: cash versus in kind Some elements of response analysis (market conditions, capacity and constraints, use of voucher). Also depends on other factors (available implementation capacity, mandate, security situation, socio-cultural characteristics and available resources)
Link with household food access	One component of the methodology – Gap analysis	One component of the methodology – Gap analysis (question 1, sub-questions a and b)	No or few household questionnaires It needs to be combined with existing food security assessment (EFSA for example)
Complementary tools	Value Chain analysis Food security analysis (EFSA, CFSVA, HEA) SCP Baseline: Monitoring, information and early warning systems (knowledge about how markets work and of reliable data sources, market indicators)	SCP analysis Food security analysis (EFSA, CFSVA, HEA) Baseline: Monitoring, information and early warning systems (knowledge about how markets work and of reliable data sources, market indicators)	WFP value chain guidelines (to draw the map) Food security analysis (EFSA, CFSVA, HEA) SCP Baseline: Monitoring, information and early warning systems (knowledge about how markets work and of reliable data sources, market indicators)

⁹ Calculation of costs may differ from one case study to another, depending on whether resource costs are already covered by another budget.

¹⁰ Source: West Africa Trader Surveys (Bauer 2011).

4.2.1 Approaches and context

EMMA was initially designed for rapid-onset crises and its tools are suited to this objective. The method is based on a qualitative, “good enough” approach with a small and non-representative sample of interviews and minimum data to assess the market system. EMMA is also designed for rapid reporting (3 to 4 days), communicating findings promptly and effectively into programme decision-making processes. However, EMMA has also been adapted and used in slow-onset emergencies — in Chad or in Liberia — and it has also been used for value chain development in recovery contexts (Palestine and Sri Lanka). Given that these developments are very recent, it is too early to assess them fully. However, we will need to take the lessons learnt from them to be able to compare the advantages of EMMA with those of other tools used in slow-onset and chronic emergencies, such as MIFIRA, or in development contexts where value chain analysis or market development approaches prevail.

MIFIRA and WFP TS are mostly applied in chronic food insecurity contexts and for recurring or complex emergencies, or in the case of WFP TS, in transition between relief and recovery (in South Sudan). Both are more evidence-based tools that use a quantitative approach with a big sample of market trader interviews and econometric indicators, which are more adapted to slow-onset or chronic emergencies.

All three methods have been used in urban and rural areas, providing valuable analysis to inform decision-making in both contexts.

The three methods can be used at different stages of the Project Cycle Management (PCM) depending on the objective of the study and its resources. They can be carried out following an initial needs assessment that provides sufficient information about food security needs. They can also be used during programme implementation to assess the possibility of shifting from one response to a better one, or they can be used to create a baseline. The EMMA approach currently tends to be developed as part of the baseline and preparedness tools because its effectiveness depends on the availability of secondary data on markets and household food security. Initially, WFP TS were mainly used as a baseline but now they tend to be used in emergency contexts as a response analysis tool.

Several interviews and our case studies review show that the use of all three approaches is still weak at monitoring stage. This is mainly because of a lack of capacity in the field and the lack of clearly defined indicators to monitor and analyse. Note that some WFP TS identify key indicators to monitor the market situation that are based on scenario development. For example, the WFP TS carried out in Mauritania identified specific indicators to monitor such as the inflation rate, import parity price, imported food supplies, purchasing power (especially for herders) and the government’s aid plan.

4.2.2 Approaches and tools

See Annex 3 for a detailed presentation of the tools, their strengths and weaknesses.

Response analysis assesses a range of information, some of which is readily available through secondary sources, and some must be collected to evaluate what resource(s) transfers will most effectively address a particular food insecurity situation.

In terms of market analysis scope, the EMMA and MIFIRA response analysis components are based on the same approach: they combine demand analytics with supply responsiveness and competition to analyse response options. As shown in Table 2, both methods analyse a more limited range of data than the WFP TS, which essentially focus on the supply side with a broader scope of analysis. WFP TS’s approach includes more market indicators, especially at macro level (e.g. cross-border trade) and the surveys describe the selected market comprehensively. WFP TS’s tools evolved from a descriptive to a more “operational” approach, using new tools developed by analysts that were not initially included in the guidelines (e.g. the CBI feasibility module). Note that Table 3 details all the indicators used in the studies, but they are not all systematically used in the surveys.

Table 3: Analysis tools used in EMMA, MIFIRA and WFP TS

	EMMA	MIFIRA	WFP Trader Survey
Methodology tools and indicators (based on surveys' review)	<ul style="list-style-type: none"> -Target Population -Market selection and key analytical questions -Gap analysis (calculation of food needs) -Market flows and market chain map -Seasonal calendar -Market concentration -Market environment (policies and regulations) -Description of actors, volumes, strategies, constraints, margin costs -Market integration -Prices and seasonality -Household profile: income and (food) expenditures -Impact of the shock on the market -Aid from different organisations/government -Calculation of market capacity -Response options and recommendations 	<p>Question 1:</p> <ul style="list-style-type: none"> -Food security situation (economic activities, food expenditures) -Target Population -Market access -Calculation of additional demand (MPC) -Market capacity: restocking frequency, credit access, credit supply, mean margins -Weekly volumes and market capacity to cope with increased demand, constraints -Market Competition -Aid preferences -Response recommendations <p>Question 2 (local procurement):</p> <ul style="list-style-type: none"> -Market actors identification along the chain and flows/ supply chain overview -Marginal costs -Capacity to increase supply -Prices analysis -Aid from different organisations/government 	<ul style="list-style-type: none"> -Market environment – macro scale (inflation rate, GDP growth, change reserve, policies and regulations) -Consumer Price Index -Cereal production and availability -Cross-border trade: volumes, prices, constraints, volumes (but no quantities), -Transport, storage services and constraints -Market chain map -Market actors and strategies -Market flows -Prices and seasonality -Market integration (domestic and cross-border) -Access to credit -Transaction volumes -Market access and food sources -Purchasing power and Terms of Trade -Alpha Value -Trader capacity to increase supplies -Local and Regional procurement -Intervention Scenario -Short- and long-term responses -Risks and threats analysis -Response analysis with risks and opportunities <p>CBI feasibility (South Sudan):</p> <ul style="list-style-type: none"> -Government and Donor position, partner capacity, financial services, trader capacity

More specifically on the demand side, EMMA and MIFIRA collect common indicators such as household characteristics and livelihoods, income and expenditures using secondary data (HEA, food security assessments, etc.) and household questionnaires. EMMA is based on a small sample of household interviews that complement secondary data, while MIFIRA tends to select a large sample of households to interview. MIFIRA also includes a community focus group discussion (FGD).

EMMA and MIFIRA use the same approach to assess target population needs, but they differ slightly in method:

- EMMA calculates the “gap”: the amount of food or other commodity needed and not covered by population’s own means. To do this, it uses the household profile, income and expenditures, plus secondary data (the number of people affected).
- MIFIRA calculates the additional demand for food generated by a certain amount of cash preliminary, calculated on the basis of an average food basket. This additional demand is calculated through household questionnaires that estimate the proportion of money spent on food or the Marginal Propensity to Consume (MPC), and the number of people targeted. A key component of MIFIRA demand analysis is the preference for different forms of food aid. People are asked what is the best form of aid, including the percentage of mixed forms of aid. This preference component includes key programming parameters that vary according to transfer type, such as gender, livelihoods, age and physical access to markets.

Demand analysis is done systematically in MIFIRA studies, but not in EMMA studies. For the latter, this could lead to a lack of evidence to support the link between response recommendations and demand and market analyses. In addition, the EMMA qualitative approach can sometimes generate approximate analyses.

WFP TS has a lighter demand analysis compared to the other approaches. It mainly uses prices and terms of trade or purchasing power based on secondary data. In some cases, such as in Yemen, WFP TS includes secondary data to describe the food security context; this data is sourced from EFSA or CFSS, e.g. household food expenditures, percentage of food-insecure households and market access.

On the supply side, all three approaches analyse the same package of market indicators, including market environment and characteristics, market competitiveness and market responsiveness. This analysis is based on secondary data (prices series, market flows, inflation rate, etc.) and interviews with key informants and traders. The main tools used for the market analysis are as follows: MIFIRA uses one trader questionnaire; EMMA uses two trader questionnaires (one for wholesaler and one for retailer); and the WFP TS use one trader questionnaire, one market questionnaire (FGD with groups of trader) and one transporter questionnaire, which was added recently. EMMA interviews a small sample of traders, whereas MIFIRA and WFP TS employ a quantitative approach, interviewing at least five traders per market and covering a large number of markets. This is especially true for WFP TS, which cover a wide geographical area.

The WFP TS approach is based on SCP and integrates some "operational" modules. For example, the alpha value indicator is generally used to compare the efficiency of specific responses: food versus cash. This indicator, while it analyses the efficiency of those specific response options, cannot determine the best response option when it is used as a stand-alone tool. It needs to be complemented with other indicators such as household preferences and market access to assess the effectiveness of the response. For example, the WFP TS conducted in Côte d'Ivoire estimated that food aid was cheaper than cash transfer in Abidjan, but cash transfers were recommended as the preferred response option.¹¹ In the case of South Sudan or Tajikistan, the WFP TS incorporated an important CBI feasibility study component assessing the capacity of financial structures, and voucher acceptance by trader.

EMMA and MIFIRA studies provide a snapshot of the humanitarian situation and the response options, which need to be monitored to ensure the intervention is effective in time and space and does not cause harm. EMMA is based on comparing the same period or season before (baseline) and after the shock. It is adapted to rapid-onset emergencies and includes questions on the evolution of price and demand. Yet the information is not sufficient to develop scenarios and related response options. The EMMA approach was adapted to slow-onset emergencies based on scenario development, taking into account the time and space factors that influence market systems. MIFIRA does not include a scenario component, nor does it assess whether traders can supply quantities at current or near current prices at the time of assessment. Conversely, WFP TS implements a strong scenario component to predict how prices and demand will evolve in the future. It analyses response options and related risks, including non-market factors (security, gender, capacity, etc.). These scenario-based response options make monitoring easier, because they give a clear definition of which indicators to follow.

¹¹ WFP TS report in Côte d'Ivoire highlights that despite food aid being more cost-efficient, cash transfers seem the most appropriate as the markets are functional.

Table 4: Components and Gaps in Response Analysis: EMMA, MIFIRA and WFP TS

	EMMA	MIFIRA	WFP TS
Main components used for response analysis	<p>Key analytical questions</p> <p>Supply side: -Market responsiveness and competition -Preference -Forecast: the evolution of the situation</p> <p>Demand side (Gap analysis): -Household preference for different forms of aid -Calculation of gap analysis</p>	<p>Set of guiding questions</p> <p>Supply side: -Market responsiveness and competition</p> <p>Demand side (Gap analysis): -Household preference for different forms of aid (big component) -Household market access -Calculation of gap analysis (MPC)</p>	<p>Supply side: -Market responsiveness and competition -Cost efficiency: alpha value -Preference -Scenario component -CBI feasibility study (in some reports)</p> <p>Demand side -Purchasing power</p>
Gaps	<p>-No Scenario component -Market access</p>	<p>-No Scenario component -Focuses on specific response options, no other response options –market support</p>	<p>-No or little household/ demand-side analysis so needs to be combined with other food security tools</p> <p>-No alignment between additional demand (needs) and market capacity -Response efficiency (alpha value= efficiency)</p>

4.2.3 Approaches and scale of analysis

Based on MAF, a complete and holistic market analysis for food security analysis includes the following:

- a micro-level perspective, focusing on individuals or single actors in the market, such as a household or trader;
- a meso-level perspective, focusing on groups of actors and how they interact; and
- a macro-level perspective, focusing on the broader context and factors that affect all market aspects indiscriminately.

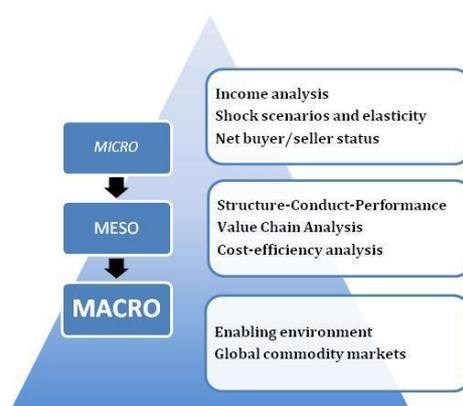


Figure 7: Level of Analysis of Various Market Analysis Tools

Source: WFP Market Analysis Framework

The analytical market tools underpinning each approach appear quite similar: they are all frameworks that require a preliminary analysis of available secondary data, and most use key informants for contextualizing information as well. Unlike MIFIRA, EMMA is designed to be used in areas without baselines, but it requires sufficient secondary data on markets and households needs to allow useful market analyses.

The three approaches use the same strategy, analysing the market at three distinct scales of analysis: national and regional (macro) levels, local market shed (meso) level, and household (micro) level.

However, their analysis is organised differently. EMMA is based on a market mapping technique, interviewing traders and other key actors along the value chain to map the market system and its characteristics before and after the shock. MIFIRA has a variety of approaches to answering key market analysis questions: analysts can choose the most appropriate approach according to local contexts, data availability, technical capacity, and resources. As illustrated in Figure 7, some of these questions are relevant at national, regional and local market shed levels, while others pertain to households. Like EMMA, MIFIRA employs a value-chain approach, interviewing traders and other key actors along the market chain.

As mentioned above, WFP TS focus more on meso and macro analysis, which Figure 8 represents according to SCP. At macro level, WFP TS can be applied nationally and regionally, enabling the analysis of cross-border trade and dynamics between several countries. For instance, the WFP TS carried out the western and central basins in West Africa interviewed over 500 traders in the region to assess cross-border trade and regional flows. The SCP approach includes a market chain map that describes the market-chain actors and also provides a good picture of the way the market chain functions.

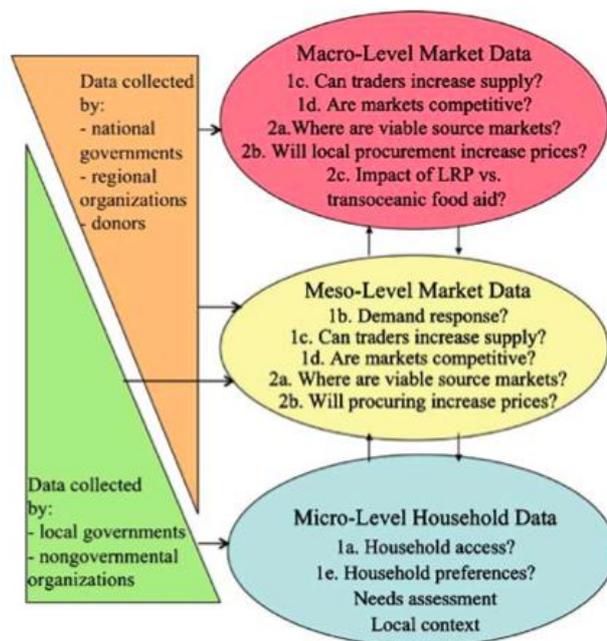


Figure 8: Scales of Analysis and Complementary Agency Analysis Capacities

Source: Barrett and Lentz

4.2.4 Approaches: How do they inform decision-making?

- **EMMA**

EMMA is flexible about the programme objectives and the type of market (food and non-food markets, labour markets, etc.). It allows for an understanding of the market and provides response options to meet different needs — not necessarily food insecurity needs¹² — because analysts can adapt the key analytical questions accordingly. EMMA’s visual market mapping displays all the information collected, facilitating analysis and helping to identify gaps in the market system and indirect forms of market support.

EMMA studies reveal its ability to provide practical local (micro) programmatic recommendations, which can be translated directly into final decision-making on response options and used to guide operational output, thereby reducing the need for an additional feasibility study to implement an emergency response. EMMA offers a broad range of short- and long-term response recommendations through direct and indirect market support in various contexts, rapid-onset, slow-onset or complex emergencies.

Examples of direct market support include the distribution of a mix of cash grant and food to refugees and vulnerable host communities in Liberia; in-kind assistance to the food-insecure population in Northern Chad; and cash grants or vouchers in Côte d’Ivoire or in Pakistan. Indirect market support aims to restore or strengthen market system capabilities. Examples include grants to local traders in Liberia to reinforce their capacity to supply rice to host communities and refugees in Grand Gedeh county; grants

¹² Two EMMA studies focusing on water and sanitation needs were conducted in 2012 in Ethiopia and in the Congo.

combined with loans to grocery stores in Port-au-Prince, Haiti to restore the capacity of small local retailers; cash for work activities also in Haiti; and loans to local traders in South Sudan.

EMMA assessment results have also been used for advocacy purposes, for example, for the increased use of cash programming wherever feasible and relevant (as in Liberia and Haiti, where the results were directly used to influence WFP strategy); for preparedness; or for national staff capacity-building.

However, several EMMA studies were not successful and failed to directly inform decision-making. As the EMMA review study highlighted, “the usefulness of the results is highly dependent on a number of factors, such as staff capacity, timeliness and coordination with other emergency assessments, the ability to digest and use some of the main EMMA concepts, the different expectations that agencies may hold regarding the role and potential of the EMMA and the time and resources used”. The study highlights the importance of strong leaders who have a good understanding of markets and excellent analytical skills in order to carry out a proper EMMA. It is vital to be able to define the appropriate key analytical questions that will guide the study and response options analysis, and to establish a clear link between gap and market analysis, and response analysis. The majority of EMMA studies did not manage to establish a link between market and demand analysis in order to inform response analysis and justify response recommendations. This seems mainly due to erroneous application or a misunderstanding of the approach.

Moreover, EMMA can define the amount of cash transfer, but as it is currently used, it usually needs to be complemented with a feasibility study to determine more precisely the payment modalities and to include non-market factors (security, capacity, etc.) that influence programme design. For example, the response recommendations in Liberia for a combination of cash grant and food — and the proposed response of fish vouchers in Côte d’Ivoire — required a complementary CBI feasibility study, because insecurity was an important factor.

EMMA focuses its analysis on selected market systems. It does not take into account other markets that could be complementary or even substitutes; this can prevent the response analysis from being comprehensive and effective. In some cases, the approach can limit direct decision-making and require complementary studies (or another EMMA). For example, the EMMA carried out in Chad studied cereal markets and concluded that the market did not have the capacity to increase its supply; in-kind aid was the recommended response option. However, a combined response with small cash grants covering expenses for other commodities that would support small traders and complete the in-kind food ration could have been a more effective response option. Because of the limitations of EMMA, those markets were not studied.

- **MIFIRA**

MIFIRA focuses on staple food markets — even if it could be adapted to other food markets. It offers a narrow range of response options: in-kind food aid (potentially sourced in different places), cash transfers (or some equivalent, such as food stamps or vouchers), or a combination of both. In and of itself, it does not directly address supporting consumption through livelihood programming options or market-support responses.

MIFIRA studies show that the response options are well defined and evidence-based, with a solid quantitative approach and clear guidance given through the decision tree. MIFIRA provides straightforward guidance on what type of data to collect and how to analyse them, using pre-determined questions to direct the analysis all the way to the final stage of response analysis discussed in the conclusion. The few studies conducted so far — carried out in Kenya and Uganda — have provided clear recommendations that informed direct decision-making, for example, cash transfers in urban areas of Kenya, or the possibility of local maize procurement in Uganda. Nonetheless, the number of MIFIRA reports is limited: there are just four studies that treat the first or the second question, and these are all considered field tests. It will be interesting to track the development of MIFIRA in the future to draw on lessons learnt regarding response analysis and how it informs decision-making.

- **WFP TS**

WFP TS focus on markets that play a key role in food security and, like EMMA, they include a market support component that can be translated into response recommendations. WFP TS are carried out with two main objectives. Firstly, they are used for baseline purposes, with an in-depth analysis of several markets through SCP together with risks and opportunities analysis, and global recommendations. WFP TS conducted with this objective are more informative and they do not directly inform decision-making. Instead, they can be used as a baseline to identify the issues that market-monitoring systems should track — identifying key markets, critical value chains or other factors relevant to the role of market in food security. For instance, in Liberia, the baseline was incorporated in the set-up of the Liberia Market Information System. The western basin WFP TS in West Africa recommended including results in market monitoring systems, integrating key markets and monitoring prices, and it also identified response opportunities (such as institutional purchases) that merited further study. WFP TS results can also be used by market studies with more operational objectives, as occurred in Chad in 2012 where the EMMA

study used WFP TS results to confirm its analysis and response options.

Alternatively, WFP TS can have an “operational” objective, with surveys providing information on the impact on aggregate food assistance needs, as well as on the market’s ability to support responses. This approach can provide a good understanding of market systems and a broad range of response recommendation such as cash transfers in Côte d’Ivoire, Yemen or South Sudan; local procurement in Chad; or indirect market support with support to local traders and income-generating activities for the targeted population in southern Somalia. The most recent WFP TS are more operational; they include a cost-efficiency indicator and CBI feasibility studies. In some cases, they have directly informed decision-making, especially regarding local or regional procurement. For example, WFP TS in Mauritania recommended food international procurement because food availability was limited in the country, whilst a study in Côte d’Ivoire recommended local procurement at harvest time.

While EMMA and MIFIRA are used at local level and results cannot be extrapolated to other areas without further analysis, WFP TS generally provide macro or global recommendations and scenarios that need to be complemented with more micro analysis and feasibility studies to adapt response recommendations to local context and to directly inform decision-making. A WFP TS is not a response analysis tool as such, as its own guidelines point out: “a trader survey, on its own, cannot tell you what the status of household food insecurity is or the types of responses to propose, but it is an important component informing decision-making. Trader surveys should be an integral part of food security analysis, contributing to answering basic questions about food security and response strategies”. Other key issues that may prevent WFP TS from informing decision-making directly are the lack of demand analysis and estimation of food needs, as well as a lack of data to measure the capacity of the market to meet the demand using volumes data.¹³

As seen above, the WFP TS analysis framework is articulated to answer questions for each food security dimension (food availability, purchase and sales, and market response). The broader scale of WFP TS and its SCP approach mean there are more data and indicators to collect, and the response analysis plan provides less intuitive guidance, which may make it difficult to feed the results into the WFP decision tree that combines market and food security analyses.

WFP TS can support advocacy, providing evidence to support food policies. The 2010 Chad survey brought to light the distortive effects of government price ceilings, and it provoked considerable debate in the country over the governance of the food sector.

Beyond the differences between the various approaches, one key characteristic of a successful response analysis appears to be a sufficient capacity to select and wrap up relevant data, and the exercise of careful judgment regarding data analysis (about data quality, the most important considerations in that specific response context, etc.). Any problems in the response analysis stage seem to be more a question of process than due to any gaps in the method in itself.

Considering the recent development and application of all three approaches, we urgently need to improve programme monitoring and evaluation in relation to EMMA, MIFIRA and WFP TS results. This way, we can complete the analysis of tools and draw conclusions as to their effectiveness in directly informing decision-making.

4.2.5 Approaches and efficiency

All approaches are flexible and need to be adapted to context, to the objectives of the study and to the flexibility of factors such as resources, capacity, data availability and the existing baseline, timeframe, type of emergency and size of intervention. This is why all their respective guidelines are fairly broad on market analysis and can lead analysts to collect more data than needed. The capacity requirement for each approach differs, but all methods require both contextual expertise (or contextual knowledge) and complementary technical or analytical expertise. MIFIRA and WFP TS use economic indicators that require a market specialist, which can be costly. Even though EMMA was designed for non-market specialists, case studies and surveys of lessons learnt show that the approach requires a strong leader who is capable of analysing markets that may be very complex. This flexibility calls for a leader (with or without an economic background) who has a very strong capacity to define and collect the minimum indicators necessary to the market analysis. The duration of assessment will also depend on all these different factors.

In February 2012, the EMMA group developed abbreviated EMMA guidelines for practitioners, which summarize the steps and the essential information to collect. We will need to evaluate the usefulness of these guidelines (compared to the original guidelines) in the future.

The amount of resources needed for market analysis depends on various factors: the context, the scope of the studies and the number of partners involved in the exercise. A lack of systematic cost calculations for the different studies (there is no data available for MIFIRA) and the difference in cost calculations¹⁴

¹³ These data are collected, but they are not included in the report.

¹⁴ Cost calculations may differ between EMMA case studies and need to be analysed with caution.

make an accurate cost-efficiency comparison difficult. In the light of the data available, EMMA appears less costly as it is used locally and its qualitative approach requires limited resources to meet rapid emergency needs. However, in slow-onset emergencies with complex markets, or when a single agency conducts the exercise, EMMA costs rise and can be higher than some WFP TS conducted more broadly but with several partners. In addition, EMMA is a rapid-assessment tool that allows rough and quick response guidelines. It needs to be used in tandem with more rigorous market analyses that will take more time and resources to complete but have more robust results, which can be fed into later programme adjustments.

Current market analysis tools do not provide substantial guidance on determining rapid cost-efficiency/effectiveness analyses. However, if analysts have a good understanding of key market analysis concepts (prices, quantities available, trader capacity, and commodity market chains), they will have a good picture of the relative cost efficiency/effectiveness between options.

4.2.6 Approaches, programming and non-market factors

Market analysis is a necessary — but not sufficient — component of response analysis. A “do no harm” or “benefits/harms” analysis explicitly analyses possible market problems that could result from the inappropriate application of food or cash interventions. Moreover, many organisations have programming objectives that guide how response analysis findings are transformed into programmes. These programming choices (e.g. security, the form of targeting, and frequency, size, type and location of transfers) will affect the suitability of different forms of responses.

EMMA, MIFIRA and WFP TS, while they may recommend particular programming options, are not programme design tools as such. However, EMMA and WFP TS usually bundle response analysis and programme design or needs assessment. For example, both define targeting types, and WFP TP analyse the feasibility of cash transfers or vouchers. They both appear flexible enough to include some elements of programme design in the response analysis, such as transfer modalities. In these two approaches, response options and recommendations weigh the risks and opportunities/effectiveness of each response option: EMMA uses a table of response options and a table of response recommendations: the most appropriate interventions are ranked according to overall needs, the environment, the potential impacts and agency capacity. WFP TS uses a scenario development approach, taking into account non-market factors: security, gender, nutrition, capacity, mandate, etc.

Conversely, MIFIRA treats these elements as a programme design choice and it does not consider issues related to the mechanism by which transfers could be provided. Neither does it explore other aspects of the local context, including security and conflict, which would affect the overall feasibility of a cash-based response programme.

In terms of gender, MIFIRA tools integrate gender systematically, especially during household analysis. They study women’s decision-making power, market access, and preference for different forms of aid. EMMA integrates gender at household level in terms of market access (purchasing power) and preferences for different forms of aid. However, the low number of household interviews limits the weight of the preference indicator and gender impact. WFP TS does not integrate gender systematically in the method and surveys, focusing more on the supply side at meso and macro level. However, during the programme design step (recommendations of the market study), gender is taken into consideration for the most adapted type of transfer and the targeting (cash or in-kind given to women) even though these are not always evidence-based (there is no assessment to gauge the effect of gender on preference of different forms of aid).

Security is always a concern, but there is no clear rule of thumb on how to assess security or on which conditions favour which type of response. WFP TS and EMMA studies do not systematically assess the feasibility of cash or other forms of transfers, even if there are some examples of studies that took this factor into account to inform decision-making. For example, WFP TS in southern Somalia recommended that food aid, the preferred option, was replaced by a market support and cash-based intervention for the population because of the limited access to the area and population caused by security issues. More generally, the security factor is analysed during the last stage of the response analysis as part of the risks and assumptions for each response option.

Nutrition is incorporated into market analysis through a food safety perspective (the quality of food); as a programme objective, by selecting specific markets that play a key role in nutrition (e.g. dry fish in Côte d’Ivoire); or through specific targeting (e.g. children under 5, and lactating and pregnant women). EMMA studies, if they focus on food markets, study the quality of food in the market but not necessarily the nutritional value of different food commodities. MIFIRA’s second question — “Is there sufficient food available nearby to fill the gap?” — establishes where the organization should procure food from in order to distribute into the target delivery market and to provide the most effective response, taking into consideration cultural and nutritional appropriateness, cost, food safety, timeliness and generalized market effects. MIFIRA mainly assesses staple or main foods and in principle, it does not consider in more “minor” foods that contribute to diet diversification and bring micronutrients. However, the method

could be adapted to study non-staple food markets.¹⁵ WFP TS does not integrate nutrition into its method and survey reports; it does not even look at food quality or the nutritional value of specific foods.

MIFIRA and EMMA closely connect the demand analysis component with food security analysis and the interactions between households and market. EMMA uses HEA and other food security assessment indicators to complete the demand analysis and food access, since the household interview sample is very small. Specifically, it uses zone, population and livelihood profiles together with wealth groups to define the targeting and estimate the proportion of the population in need (this can also come from EFSA results, depending on the country). Income and expenditures are used to calculate the gap or needs.

MIFIRA aims at targeting food-insecure households using socio-economic criteria (access to roads, women heads of household) but the sample selection method is not as straightforward as HEA or other food security assessments, and it depends on the context and resources.

WFP TS does not systematically include an analysis of household food insecurity. Some surveys integrate certain indicators from EFSA or other food security assessments such as food expenditures, sources of income, market access or livelihood zone. Setting the market sample to livelihood zones is helpful in interpreting data and linking it to HEA baseline information and risk analysis ("outcome analysis"). The December 2011 Mauritania survey did this successfully, and it revealed clear differences in the market response in the three livelihood zones that the market survey covered. Although zoning was not available in Côte d'Ivoire, the survey was able to illustrate trends by comparing urban, western and northern markets. The WFP TS offers the possibility of twinning market analysis and household welfare/consumption/coping analysis.

Finally, other non-market factors can influence the response analysis to inform decision-making, particularly agency mandate and position of the donor: this was the case of the Kenyan MIFIRA study carried out in the Nairobi area, which recommended using cash transfers. However, this response option was not funded because it was not a priority area for the donor.

5. Conclusion: Strengths and limitations of specific approaches

Table 5 presents the main strengths and limitations of each approach, using a SWOT analysis.

¹⁵ According to an interview with Erin Lentz.

Table 5: SWOT of EMMA, MIFIRA and WFP TS

	EMMA	MIFIRA	WFP TS
Strengths	<p>Operational tool: directly informs response options</p> <p>Market mapping approach facilitates data analysis for response analysis</p> <p>Analyses supply and demand sides</p> <p>Flexible tool, adaptable to contexts and markets</p> <p>Offers a broad range of response options both in-kind and cash, as well as market support activities</p> <p>Risk analysis including non-market factors for response analysis</p> <p>Cost efficient?</p>	<p>Operational tool: directly informs response options</p> <p>Decision-tree approach facilitates data analysis for response analysis</p> <p>Analyses supply and demand sides</p> <p>Adapted to slow-onset/chronic food insecurity crises</p> <p>Evidence-based tool with a quantitative approach</p> <p>Narrows the response options (this can be a weakness too)</p> <p>Key component on population preference for different forms of food aid and market access</p> <p>Strong gender component</p>	<p>Adapted to slow-onset/chronic food insecurity crises</p> <p>Provides good understanding of critical market systems/chains at macro (regional, national) and meso levels</p> <p>Offers a broad range of response options both in-kind and cash, as well as market support activities</p> <p>Provides recommendations on monitoring systems, advocacy on food policy, improvements for market information systems</p> <p>Scenario-development component informs response options, taking into account non-market factors</p> <p>Evidence-based tool with a quantitative approach</p>
Weaknesses	<p>Requires strong leader and staff</p> <p>Can involve a large amount of resources in terms of staff, funding and time</p> <p>Depends on availability and quality of secondary data</p> <p>Local/micro analysis — cannot be generalised</p> <p>Identifying the most relevant market systems can be difficult</p> <p>Lack of monitoring of EMMA results and programme achievements</p> <p>No scenario-development component</p>	<p>Difficult to implement for non-market specialists</p> <p>Depends on availability and quality of secondary data</p> <p>Few studies conducted</p> <p>Quantitative methodology: time- and resource-consuming</p> <p>Not adapted to rapid-onset crises</p> <p>Focuses only on food market</p> <p>Local/micro analysis — cannot be generalised</p> <p>Long and technical guidance</p> <p>Narrows the response options (this can be a strength too) and no market support option</p>	<p>Requires strong leader and staff</p> <p>Can involve a large amount of resources in terms of staff, funding and time</p> <p>Depends on availability and quality of secondary data</p> <p>Not a response analysis tool as stand-alone tool</p> <p>Focuses on the supply side</p> <p>Not adapted to rapid-onset crises</p> <p>Quantitative methodology: time- and resource-consuming</p> <p>Some non-market factors are not taken into account (nutrition)</p> <p>Complex and non-intuitive response analysis plan</p> <p>Macro results can not be used to local contexts — local feasibility study is needed</p>

		<p>Lack of monitoring of MIFIRA results and programme achievements</p> <p>No scenario-development component</p> <p>Doesn't study non-market factors</p> <p>Depends on availability and quality of secondary data</p>	<p>Lack of monitoring of WFP TS results and programme achievements</p>
Opportunities	<p>Adapted to slow onset and part of preparedness (Philippines and Cambodia)</p> <p>Many EMMA studies done (more than 20) and lots of staff trained</p> <p>Case studies and studies drawing on lessons learnt</p> <p>Complements existing information/monitoring systems</p> <p>Can be used as baseline and as preparedness tool</p> <p>Short guidance developed for practitioners</p> <p>Flexible enough to include elements of feasibility study or programme design elements</p>	<p>Some agencies invested for developing requisite skills</p> <p>Strong demand analysis component that could be used by other response analysis tools</p> <p>Can be used as baseline and as preparedness tool</p>	<p>Can be complemented with other WFP tools in food security and market analysis (EFSA, HEA)</p> <p>Can be combined with emergency response analysis tools</p> <p>Different objectives: baseline or source of secondary information, monitoring systems, preparedness, advocacy to inform food policies</p> <p>Flexible enough to include elements of cash-transfer feasibility study or programme design elements</p> <p>Identifies key indicators and key markets to monitor</p>
Threats	<p>Usefulness of the results is highly dependent on many factors, such as staff capacity, timeliness and coordination with other emergency assessments</p> <p>"Good enough" approach can lead to market analysis errors</p> <p>Interrelated markets not studied</p> <p>Even in a rapid-onset crisis, it requires a minimum amount of secondary data</p> <p>Use for other contexts (value chain): comparative advantage with common tools (value chain approach)?</p>	<p>Too technical — some agencies want a more simplified approach: Development of MIFIRA currently on hold</p>	<p>Macro results can not be used to local contexts — it requires a local/response option study</p> <p>Guidelines (2009 version) do not take into account response analysis</p>

In part 3, we explored how there are many varied tools for market analysis at micro, meso and macro level that usually require expertise, especially for very complex tools combining several levels of analysis. There is also a wide range of actors in market analysis with different mandates, objectives and means: some generate information, while others use this information for policy-making, or to inform humanitarian and development interventions. Yet there are still very few response analysis tools, especially for emergencies, that can directly inform decision-making. The exceptions to this are MIFIRA and EMMA.

Response analysis has emerged only quite recently as a distinct step linking information — early warning and needs assessment — to response. Our comparison shows MIFIRA and EMMA to be quite similar in terms of indicators and the logic they use to analyse both demand and supply side, combining data collected at different levels. However, their approaches are different: EMMA is qualitative and “good enough”: it appears most adapted to rapid-onset emergencies. By contrast, MIFIRA is quantitative and evidence-based, with economic indicators and a focus on food markets. It is more adapted to complex or chronic food insecurity contexts. WFP TS are not a response analysis tool as such, and they focus on the supply-side analysis. They evolved from a descriptive and informative tool that was used as a baseline at macro and meso level. They now have a more “operational” objective, adapting and developing new tools such as the cash-based intervention feasibility study component.

EMMA and MIFIRA are two operational tools that aim to provide enough data for direct decision-making based on market analysis. Their scope of analysis is narrow, framed by their guidance that organises the data collection and analysis. EMMA’s visual market mapping displays all the information collected, facilitating analysis and helping to identify gaps in the market system and indirect forms of market support. In a different way, MIFIRA gives straightforward guidance on the types of data to collect and how to analyse them, using pre-determined questions that guide the analysis all the way to the last stage of response analysis. The broader scale of WFP TS and its SCP approach means it collects more data and indicators, but its response analysis plan is less intuitive, which complicates the response analysis process.

As response analysis tools, MIFIRA and EMMA directly inform local decision-making, but EMMA has a much broader scope of response analysis that includes direct and indirect response options. By contrast, MIFIRA focuses on pre-determined response options (cash, food and local procurement). Moreover, the success of the tools depends on existing conditions, most notably staff capacity, the availability of secondary data and the programme objectives. Some EMMA study results have not been used, because there was a lack of or too low a level of analysis to directly inform decision-making. MIFIRA is still too recent: it remains at a research stage and needs to be better evaluated in the future. In its current form, a WFP TS is not always sufficient to directly inform decision-making, especially for cash-based interventions, even if it does provide valuable global recommendations on response options and it has been adapted to operational objectives through the development of additional modules.

The three approaches are not stand-alone tools: to be effective, they must be combined with other tools and approaches such as food security assessments, technical feasibility studies of cash-based interventions, or implementation capacity studies that take non-market factors into account.

We could strengthen this comparison of the advantages between the different tools’ effectiveness to directly inform decision-making by examining more systematic case studies, as well as monitoring and evaluating of programmes in the light of the study results.

6. Recommendations

Following our review of these different approaches, we propose the following recommendations to improve the WFP TS and market analysis.

Approach and tools

1. We should strengthen the link between market and demand analysis by improving the integration of WFP TS with EFSA and other food security assessments, particularly regarding the indicators described below:
 - HEA and livelihood zones: the market sample used in WFP TS should sometimes be organised according to livelihood zones. This will make it easier to interpret the data and to link it to HEA baseline information, especially to income profiles, (food) expenditure and coping strategies. As a consequence, it will be simpler to calculate the gap and to connect the WFP TS to the risk analysis component ("outcome analysis").
 - Food security assessments could also strengthen market analysis if we incorporated targeting via household profiles, taking into account the proportion of the (severely) food-insecure in the population (taken from HEA and EFSA).
 - Moreover, EFSA could provide data to help response analysis and decision-making, looking at household preference for different forms of aid (this indicator is included in the questionnaires template in the EFSA guidelines). The food gap analysis described in the same guidelines could also be useful, even if it focuses on cereal needs and not on other markets.
 - Finally, the household net seller/buyer or net producer/consumer indicator could play a role in estimating the gap for particular foods if it is followed during that year, or before and after a shock.
2. WFP TS focus their analysis on the supply side and they could include more systematically quantitative data that would help better inform (and justify) decision-making for specific response options. This is especially true if we look at the volumes flowing through the market system, which would complete the market responsiveness analysis.
3. Recent studies have shown that analysts are creating new tools to adapt WFP TS for "operational" purposes, which includes devising a response analysis module. The guidelines then could be revised to integrate the new developments and adapt the questionnaires. A more consistent response analysis module could be developed, in collaboration with the different WFP departments (programme, procurement).
4. To improve the WFP TS response analysis module, we could modify the response analysis process following the MIFIRA model, by adopting the decision-tree approach and adding specific questions¹⁶ to guide practitioners in collecting and analysing the relevant data (especially because WFP focuses on cash-based interventions, in-kind distribution and local procurement). The market-support response (which is not integrated in MIFIRA) should also be included in the response analysis framework, following the EMMA model.
5. In order to facilitate rapid humanitarian action, response analysis is informed by good baseline analysis and the availability of secondary data — in particular, by knowledge of how markets work and by reliable data sources. It also uses early warning (market indicators), and must to some extent gauge the need for a response before emergency needs assessments are completed. In addition, response analysis is an iterative process, not a once-and-for-all decision. WFP TS have already carried out broad baselines (e.g. the regional basin) that identify key indicators to monitor and analyse. This approach could be extended to other regions or to specific countries, to facilitate the market analysis process when a shock occurs or in the context of a chronic crisis.
6. Rapidly changing crises will likely result in less-predictable changes in local marketing. The resulting response analysis will require frequent updating and monitoring to understand how markets and market actors will respond to this lack of predictability. More predictable crises will probably cause less dramatic changes to infrastructure, to household, supplier, and trader behaviour, and to marketing costs, etc. But beyond market information and the context of the crisis, there are other considerations influencing the choice of cash, locally procured food, or imported food aid. We should continue to monitor the key indicators identified through risk/assumptions analysis, tracking market indicators and the other information sources described below in order to gauge the on-going impact of programme intervention choices.

¹⁶ In the WFP TS guidelines, the first step before carrying out a survey is to define the guiding questions or formulate working assumptions.

Capacity and resources

7. We have identified staff capacity as key to ensuring a good market and response analysis. Whilst acknowledging that market analysis can be complex and requires expertise, national WFP offices (in countries prone to disasters or with large-scale interventions) and regional offices could increase their market analysis and response analysis capacity through dedicated resources or a capacity development plan.

Coordination and partnerships

8. Another way to improve would be to combine macro- and meso-level WFP TS with micro-level response analysis tools such as EMMA or MIFIRA, which could be done by WFP or with local partners who have a comparative advantage for micro analysis as they work in the area. Strengthening partnerships with agencies specialised in response analysis studies would be cost effective if they are present on the ground and have the sufficient resources. The example of EMMA study and WFP TS carried out simultaneously in Chad in January 2012 showed that the two studies confirmed the results regarding a low market capacity and responsiveness. The EMMA study used WFP TS results, which had a broader scope, to complete its market analysis in a specific and localised area, and to strengthen its justification for its response recommendations.
9. Response analysis depends on a good baseline and it would be effective as part of an emergency preparedness plan. WFP TS, in combination with food security assessment tools (EFSA, CFSVA), could be used as a baseline in countries with high food insecurity, using a specific set of indicators to monitor meso- and macro-levels (prices, volumes, regulation, regional trade, etc.). This work could be done more effectively with regional, national and local partners (if necessary) including some elements of local response options for food-insecure or at-risk areas.

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Annex 1: TERMS OF REFERENCE

Comparative Review of Market Assessments Methods, Tools, Approaches and Findings

1. Background

In 2011, CaLP commissioned a study to better understand obstacles to more comprehensive and consistent detailed market analysis (Sivakumaran 2012). More specifically, the study:

- Examined the capacity and current thinking on market analysis and discussed how to improve the quality of market analysis, and to enhance its impact on humanitarian programmes; and
- Explored how institutions within the humanitarian sector can appropriately resource themselves to complete comprehensive market analysis well.

This study reviewed market analysis tools including EMMA and MIFIRA. However, the study is not exhaustive and there is still a lack of understanding of the comparative advantages of different methods, tools and actual outputs (findings, recommendations and use of results for decision making) in use by WFP and other humanitarian agencies.

This comparative review of WFP market assessment tools, findings and implications for decision making with other sources of market information (EMMA and MIFIRA) will provide a basis for refining WFP market analysis approach and ultimately contribute to better informing transfer modality choices.

2. Objective and scope of the study

The aim is to conduct a review/comparison of different market analysis tools, including EMMA, MIFIRA and WFP's Market Analysis reports. More specifically, the review study will identify the strengths, limitations and opportunities of different approaches in determining the most appropriate transfer modality, be it food, cash or vouchers and alternative or complementary response options to support markets.

Besides market analysis, there are other non-market factors that should inform transfer modality selection (Ryckembusch et al 2012). Clearly the objective of the transfer programme is a key one. Additionally, security issues, household-level food insecurity status, household dependency on markets (physical and economic access), specific nutritional objectives, gender dynamics in the recipient population, cost, implementing agency capacity and timeliness are also critical in evaluating the feasibility of a food, cash, or voucher intervention. The ability of various transfers to meet institutional objectives is highly context dependent. Besides analysis, donor resources, organizational capacity, compliance requirements, and in some cases, the sheer circumstances of the food security problem also matter.

To the extent possible, this review will examine to what extent such information is (or can be) covered by market assessments.

3. Expected outputs

Building on existing work on EMMA, MIFIRA (including work by CaLP), and in WFP or through interviewees with actors (as necessary), this review will consist of a report containing:

- A review of methods, approaches and tools available, including their comparative advantages with respect to an agreed set of factors;
- A review of selected WFP, EMMA and MIFIRA assessments reports, including the comparative advantages in terms of humanitarian context, speed, complexity, content (situational analysis, findings, recommendations) of the analyses, and use of analysis findings for interventions;¹⁷
- Strengths and limitations of specific approaches according to the context in which they are implemented and how well they meet programming needs; which tool is most useful in which situations and why, e.g. what information it does/does not provide; and
- Opportunities for improvement.

¹⁷ Examples of EMMAs include Liberia, Chad, Haiti, Pakistan and Libya. Examples of WFP comprehensive market assessments include Yemen, Egypt, West Africa, and rapid market assessments include Somalia, South Sudan, Mauritania and Côte d'Ivoire. Examples of MIFIRA reports include Kenya.

The findings of this study will ultimately contribute to the refinement of WFP market assessment tools and approach.

4. Duration and Location

The study will be carried out over 3 weeks (21 days), starting as soon as possible with final outputs expected by mid-October. The consultancy will be carried out from home on the basis of an author's contract.

A draft final report will be expected from the consultant by September 30 for comments and final review. The final report is expected to be submitted by mid-October.

5. Qualifications and Experience

- Advanced degree (MSc) in economics or agricultural economics or similar relevant discipline
- Working knowledge of English; and preferably intermediate knowledge of another official UN language
- Good understanding of social and development issues (e.g. food security, safety nets, etc.)
- At least 7 years of professional, progressively responsible experience in the field of macro and micro economics, food security analysis, vulnerability analysis, emergency needs assessment, quantitative analysis, humanitarian operations, or a closely related area
- Experience in designing, planning and implementing market analysis in relation to food security analysis
- Experience in designing and implementing humanitarian and/or development operations, including food and non-food interventions; experience with cash and voucher schemes highly desirable
- Excellent interpersonal and team-working skills and experience in coping with issues in a multi-, inter- and trans-disciplinary manner
- Good resourcefulness, initiative, maturity of judgment, tact and negotiating skills and the ability to cope with situations which may threaten health or safety
- Good presentation skills for different audiences; and writing and editing skills.

Annex 2: List of Key Informants

Organisation	Name	Position	Contact
OXFAM GB	Emily Henderson	Market Specialist	EHenderson@oxfam.org.uk
WFP	Jean-Martin Bauer	Market Specialist	jean-martin.bauer@wfp.org
Cornell University	Erin Lentz	Researcher (MIFIRA)	erinclentz@cornell.edu
FAO	Neil Marsland	Senior Technical Officer	Neil.Marsland@fao.org
	Philippe Chabot	Consultant – Market Expert	philippechabot@earthlink.net

Annex 3: Global Review of Market Analysis Method and Tools

SCALES	Tool	Context	Analysis	Principles and method	Strengths	Weaknesses
MICRO	WFP- PDPE Market Analysis Tool: Shock Scenarios	Slow-onset emergency	Shock scenarios	<p>The data needed are provided by CFSVA, in-depth EFSA and secondary sources.</p> <p>Shocks that can be analysed include a fall in food production as a result of drought, pests or other calamity; a price increase of the major food staple; or a price decline of the main cash crop.</p>	<p>The tool anticipates the effect of a market shock on the food security of different livelihood groups.</p> <p>Should help with targeting and recommendations on response options, including the amount of food aid if a food aid response is appropriate.</p>	<p>Does not incorporate household coping mechanisms (except substitution for a less preferred crop), which may also affect food consumption.</p> <p>The simulation does not give a precise estimate as the precision and reliability of the underlying data (from the CFSVA and the elasticities) is limited.</p> <p>Seasonality is not taken into account.</p> <p>The spread sheet currently does not consider the persistence of the shock. It only gives a point estimate of the anticipated effect.</p> <p>Needs elasticities data that do not exist by livelihood group.</p>
	WFP - PDPE Market Analysis Tool: Price and Income Elasticities	Slow-onset emergency	Shock scenarios	<p>The tool forecasts market and consumer reaction to a change of price or income.</p> <p>Demand analysis takes preferences and commodity substitution into account.</p>	<p>Provides valuable information to support response options/food aid, assessing how the market will respond to food aid influxes.</p> <p>Applicable in urban areas.</p>	<p>Elasticity estimates are national or for broad subgroups (e.g. urban versus rural), but not for household or livelihood groups.</p> <p>The elasticity estimate might not be available for a specific food item, but only for the broad food group.</p> <p>The elasticity estimate is generally obtained for a specific year and is calculated based on a</p>

						<p>specific household survey.</p> <p>The analysis based on elasticities only refers to a first-round effect in the short term and does not address coping mechanisms (except for substitution between foods).</p>
	<p>WFP Market Analysis Tool: How to Estimate Household Net-Seller/Buyer Status and the Welfare Impact of Shocks</p>	<p>Slow- and rapid-onset emergency</p>	<p>Net buyer/seller status</p>	<p>Indicator of household market dependency.</p> <p>The impact of a shock on households can be modelled using the net-seller/net-buyer status as it provides insight into the vulnerability of households to certain types of shocks (mainly those related to sharp and unexpected changes in prices and/or production because it includes the price and the quantity of food bought and sold)</p> <p>To be included with other food security assessment, baseline and monitoring tools.</p>	<p>Can be used effectively to fine-tune targeting criteria. It identifies where the market-dependent populations are, and where the net-buyer population is at greater risk.</p> <p>In some cases, it can assist in targeting rapid emergency assessments.</p> <p>Can help to identify the timing and duration of assistance.</p> <p>Can help defining proper timing for cash and perception of cash.</p> <p>Allows for dynamic monitoring of vulnerable populations.</p> <p>Considers seasonality.</p>	<p>Availability of adequate price data and respondents' recall of buying and selling practices.</p>
	<p>Use of a Consumer Price Index (CPI)</p>	<p>N/A</p>	<p>Purchasing power</p>	<p>CPI is essentially a measure of the inflation of a specific basket of goods.</p> <p>Gives information about food affordability/availability and access.</p>	<p>Helpful in targeting food-insecure regions with high price index.</p>	<p>The commodities in the basket must be well chosen.</p>

MICRO/MESO	<p>WFP: PDPE Market Analysis Tool: Terms of Trade</p> <p>FEWS-NET Market Guidance, No. 5: Terms of Trade and Food Security Analysis</p>	Baseline/ slow-onset emergency	Purchasing power	<p>Ratio of 2 prices followed over time.</p> <p>Helps to understand consumption preferences and elasticity of demand</p>	<p>Useful both for monitoring and alerts on current or forthcoming food access problems.</p> <p>Includes labour market (use of daily wage).</p>	<p>Does not analyse the causes of price changes.</p> <p>Does not consider market volumes flows and product quality.</p> <p>Depends on the data available. This can be problematic when the data for the target groups of concern are not available.</p> <p>The regional ToT can differ from the national average.</p> <p>Bias in the analysis with selection of very few commodities for complex livelihood group (who depend on several income sources and food-group consumption).</p>
	<p>FEWS-NET Market Guidance, No. 3: Adjusting Prices for Inflation and Constructing Price Indices</p>	Baseline / slow-onset emergency	Purchasing power	<p>Purchasing power and inflation.</p> <p>Use of nominal and real prices</p> <p>Use of CPI to calculate inflation.</p> <p>Gives information about food affordability, availability and access.</p>	<p>Help for targeting food-insecure regions with high price index.</p>	<p>The commodities in the basket must be well chosen.</p>

MESO	<p>WFP Market Analysis Tool: How to Conduct a Food Commodity Value Chain Analysis</p>	Baseline/ slow-onset emergency	Farm income Value chain analysis	<p>Specialised in food commodity market systems.</p> <p>Maps supply and demand areas, trade flows, strengths and weaknesses of market and values.</p> <p>Each link in the chain is analysed in terms of the value added and the costs incurred.</p> <p>Pro-poor approach used to select the market system.</p> <p>Guidelines and checklist questionnaires exist but they are adapted to rural areas.</p> <p>Complements or is alternative to SCP.</p> <p>Simplified methodology (compared to a real VCA).</p>	<p>Helps acquire a comprehensive understanding of complex systems with multiple interdependent links.</p> <p>Helps understand the causes of inadequate food consumption (which may be related to purchases and sales on the households' market).</p> <p>Includes gender dimension.</p> <p>Useful as specific studies on the impact of value chains on food security and livelihood analysis for vulnerable populations.</p> <p>May indicate opportunities for implementing food market-based interventions (e.g. P4P or more generally local procurement opportunities, and cash/voucher transfers).</p> <p>Can identify appropriate entry points for transfer mechanisms and engagement with suppliers.</p>	<p>VCA only provides a snapshot that can help identify possible points of intervention. Monitoring of the impacts of interventions is needed to assess changes from a baseline VCA.</p> <p>Focuses on the supply side of the market analysis.</p> <p>VCA tools are not directly applicable to analysing markets in rapid-onset emergencies.</p> <p>Broad range of information to collect, and not all are necessary for emergency response.</p> <p>Requires market expertise.</p>
	<p>Sub Sector and Value Chain Analysis – Action for Enterprise</p>	Development	Value chain analysis	<p>Identifies markets in which there are opportunities to help poor small and micro enterprises grow.</p> <p>Examines prices and profit margins along value chains.</p> <p>Diagnostic, as opposed to merely descriptive.</p>	<p>Can identify bottlenecks in the market chain and provide entry points for a response.</p> <p>Describes practical ways to engage with market-system actors such as traders, suppliers and retailers.</p> <p>Quantitative aspects of these tools are complementary to</p>	<p>VCA only provides a snapshot that can help identify possible points of intervention. Monitoring of the impacts of interventions is needed to assess changes from a baseline VCA.</p> <p>Focuses on the supply side of the market analysis.</p> <p>AFE tools are not directly applicable to analysing markets</p>

					market mapping approach.	in rapid-onset emergencies. Needs market expertise. Time-consuming.
	Practical Action's Market Mapping Tool	Development	Value chain analysis	Market-mapping approach (EMMA is based on this approach). Records and represents qualitative monitoring information on how the structure and performance of market systems are evolving in the aftermath of a disaster.	Links information-gathering to interpretation and decision-making. Practical and participatory tool, which can be used to represent and communicate knowledge about specific market systems. Can identify bottlenecks in the market chain and provide entry points for a response.	Not designed to analyse markets in rapid-onset emergencies.
	Market For the Poor (DFID) Other tools: UNDP's Growing Inclusive Markets, IADB's Opportunities for the Majority IFC's Next Four Billion	Development	Value chain analysis	M4P is an approach to poverty reduction.	Bridges the gap between value chain analysis and pro-poor development for sustainable development. Can identify bottlenecks in the market chain and provide entry points for a response.	Not designed to analyse markets in rapid-onset emergencies.
	MEDA (Mennonite Economic Development Associates) Market Research Toolkit	Development	Value chain analysis	Business Development / pro-poor approach. Specifically conceived to assist practitioners in designing, implementing, and monitoring and evaluating sustainable market development programmes that integrate disadvantaged communities into viable value chains. Qualitative research tools.	Can identify bottlenecks in the market chain and provide entry points for a response. Combines business development and pro-poor approaches.	Not designed to analyse markets in rapid-onset emergencies. Timing and resources depend on the value chain and level of depth analysis.
	"Clients First! A Rapid	Development	Value chain	Quickly assesses the market	Can identify bottlenecks in	Focuses only on agricultural

	Market Appraisal Toolkit”, Helvetas Swiss Association for International Cooperation		analysis	potential of particular agricultural products. Manual targeted to staff of rural business development services.	the market chain and provide entry points for a response.	markets.
	WFP: Technical Guidance Sheet: How to Conduct a Trader Survey	Slow- and rapid-onset emergency	SCP analysis	Structure of the market Link between food security and market. It is not a stand-alone SCP approach. Comparison before and after shock for rapid onset, monitoring/ regular FS assessment for slow onset, used for food procurement. Use of many micro and meso tools.	Can be tailored to context, needs and response (WFP programmes: P4P, procurement, food assistance). Determine current and future food availability conditions on markets; Current and future food access for households (sales and purchase conditions for households). Assesses the capacity of markets to respond to shocks and responses.	Must not/cannot be used as a stand-alone tool. On its own, it cannot determine the status of household food insecurity or the types of responses to propose. Need to be complemented with an assessment of implementation capacity (the available implementation capacity, security situation, socio-cultural characteristics and available resources) for the response options analysis.
	FEWS-NET Market Guidance, No. 2: Structure-Conduct-Performance and Food Security	Baseline and early warning systems	SCP analysis	Structure, conduct and performance of the market. Links food security and markets (not a stand-alone SCP approach).	Improves the anticipation of market response, with more fully defined relevant scenarios. Draws upon additional sources of market information to complete the analysis. More comprehensive analyses and reporting. Gives decision-makers the information they need Helps orient the timing of humanitarian interventions Includes nutrition as indicator of performance	Needs expertise. Consumes resources.

				(quality of food, variety of food available). Includes gender/minority indicators as barriers to entry in market structure.	
PDPE Market Analysis Tool: Market Integration	All	Statistical performance analysis	Calculates degree of market integration. Uses series of prices.	Informs appropriate responses to a crisis, taking into account the extent of possible negative effects of food aid and local procurement possibilities.	Focuses solely on the supply side. Only considers series of prices (and not the volumes). Series of prices (wholesale or retail) must be available.
IFPRI Food Security Portal: Policy Tools	All	Statistical performance analysis	Policy tools: ToT, inflation and price index, supply and demand elasticities, impact of policies (tariff reduction, food stocks).	Information- and decision-support tools to respond quickly to dynamic developments in the world food system.	Needs expertise.
WFP P4P Monitoring and Evaluation	All	Alpha analysis	Cost efficiency analysis: Alpha analysis and price parity analysis (import parity price and local parity price).	Determines the cost efficiency of non-food transfers. Widely used in WFP market analysis as an indicator for response analysis on cost efficiency.	Alpha values must be tracked through time or back-calculated, or else compared for different operational conditions at a single point in time. Availability of data and monitoring systems. Needs complementary studies for response analysis (no demand analysis).

MESO – MACRO	<p>FEWS-NET Markets Guidance, No. 1: Import/Export Parity Price Analysis</p> <p>PDPE Market Analysis Tool: Import Parity Price</p>	All	Import parity price analysis – cost efficiency	Indicates the cost efficiency of importing as opposed to local purchase.	<p>Facilitates forecasts of market behaviour / food availability and prices.</p> <p>Provides information on the incentives or disincentives to move food across borders.</p> <p>Gives good information on food market responsiveness, connected to regional/world markets.</p> <p>Helps build scenarios about regional market supply and market prices in future.</p> <p>Can be followed/integrated as part monitoring/early warning systems.</p> <p>Provides information for local purchase or imported food aid.</p>	<p>Difficult to get all the data.</p> <p>Needs predictable markets, reliability, availability and good quality data.</p> <p>Does not give volumes of imports, or factors to study to explain lack of imports (not only price driven explanations).</p>
	MACRO	<p>World Bank Prospects: Commodity Markets</p> <p>World Bank Indicators Economic Intelligence Unit</p> <p>World Bank Doing Business Reports</p> <p>WTO Tariff Profiles</p> <p>MF Country Reports</p>	All	Enabling environment	<p>Macro indicators / sources of information.</p> <p>Seasonal price analysis and market integration analysis can facilitate this process.</p>	<p>Helps to understand when local prices may change as a result of external factors.</p> <p>Helps to understand the degree to which local markets were affected in the past and how they will probably respond in the future if a shock occurs.</p>
<p>Food monitoring and early warning systems</p> <p>WFP VAM Datastore WFP</p> <p>WFP VAM Market Monitor</p> <p>FAO Global Information and EarlyWarning System Price Tool</p> <p>GIEWS – FAO Global Information and Early Warning System</p>		All	Global commodity markets & prices	<p>Provides a lot of information on food security, agricultural production and markets (cross border trade, elasticities etc.).</p>	<p>Provides global understanding.</p> <p>Provides secondary data for market analysis and response analysis.</p> <p>Especially valuable for</p>	<p>Availability of data.</p> <p>Quality of data, applied to a smaller scale.</p> <p>Not always efficient.</p> <p>Reliability, availability and quality of data.</p> <p>Macro scale, not always</p>

	<p>FEWS-NET – USAID Famine Early Warning System - Market and trades GMFS – Global Monitoring for Food security VAM – World Food Programme Vulnerability Analysis and Mapping MARS FOOD – Monitoring Agriculture with Remote Sensing EARS – Environmental Analysis and Remote Sensing AP3A – Alerte Précoce et Prévision des Productions Agricoles (CILSS/Agrhymet – Sahel, only in some African countries) SADC – Regional South African Early Warning System for Food Security DMC – Drought Monitoring Centres (SADC/IGAD) in East Central Africa Foreign Agricultural Service (FAS) World Markets and Trade Archives Regional Agricultural Trade Intelligence Network - RATIN (EAGC) South African Futures Exchange (SAFEX) Commodity Derivatives Market International Grain Council (IGC) Market Reports USDA Economic Research Service (ERS) IPC</p>			<p>Different levels of data: national, regional and worldwide.</p>	<p>convening a cross-organisational targeting of areas and target groups.</p>	<p>applicable to local context or specific livelihood groups.</p> <p>Overlap of some information systems.</p> <p>No direct contribution to response analysis.</p>
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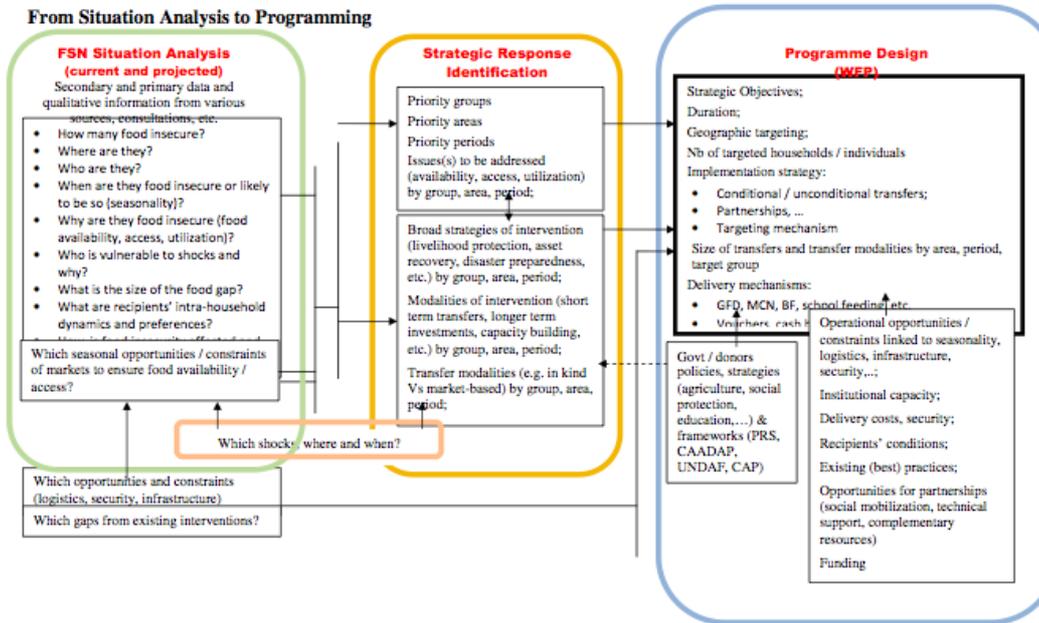
BROADER ANALYSIS AND RESPONSE						
MICRO	Save the Children – Market assessment in HEA	More likely in stable context	Household economy	Three stages: Baseline, hazard and outcome analysis, and response, along with a step-by-step process.	Information on household demand and supply factors. Provides an overview of response options and when these should be used, based on the market analysis. Provides typologies for disaster and other shocks, and how markets are normally affected. Clear guidance on how to determine whether traders will respond to demand changes.	Relatively complex and demanding. Does not translate well to rapid-onset emergency situations. It relies on food balance sheets that are often inaccurate, and may not answer key questions concerning market competitiveness, restrictions to movement of goods, and the risks of inflation.
	Save the Children – Cost of Diet	More likely in stable context	Food consumption, food access	Estimates the cost of a basic nutritious diet and the difference between this cost and the typical household income of different wealth groups. Complements HEA.	Takes seasonal variations into account Provides region-specific data on dietary costs using locally available foods (livelihood zoning). Focuses on access and demand, preferences, nutrition. Local survey on markets.	Requires training to use the software. Does not determine the response option in relation to market analysis. Resource-consuming.
MESO	WFP Market Analysis on Emergency Food Security Assessment (EFSA)	Rapid and slow-onset emergency	Market analysis	Complements EFSA. Compares a market affected by a shock and a normal situation. Trader survey part of this guide (cited as source of information).	Includes demand analysis (household expenditures and income) and response options in the technical guide (including indirect responses — bridge repairs, road construction, etc.).	Absence of clear guide for response analysis. No indicators proposed or linked to market capacity/performance. Must be adjusted to war-economy areas.
	WFP Emergency Food Security Assessment	Rapid and slow-onset	Food security analyses	The EFSA complements CFSVA)	Work through Decision Tree for Response Options	Can be resources consuming

	(EFSA)	emergency		<p>In link with market analysis: main indicator is food access (ToT) and availability (production and flows)</p> <p>Market trader questionnaires on market functioning and household interaction with market.</p> <p>Estimates food access gap using a scenario to forecast how situation may evolve.</p> <p>Three types of EFSA: initial, rapid, and in-depth, with increasing time and methodological demands.</p>	<p>Takes external factors into account, such as nutrition, security, capacity and gaps. etc.</p> <p>Method can be adapted to context</p>	<p>Need an expertise</p> <p>Market analysis is not deep enough to assess local capacity.</p> <p>Includes household and community preferences for The guidelines focus on food aid response.</p>
	Vulnerability and Capacity Assessment, Participatory Vulnerability Assessment and Vulnerability Assessment Methodology (VAM) of the World Food Programme.	Slow-onset and chronic emergency	Vulnerability assessment		<p>Strong focus on high/soaring food prices and associated vulnerabilities.</p> <p>Helps understand and deal with long-term vulnerability strongly connected to disaster risk reduction.</p>	No response option linked to market analysis.
MESO/MACRO	WFP Comprehensive Food Security & Vulnerability Analysis (CFSVA) Guidelines	Baseline, slow-onset or chronic emergency	Food security analyses	<p>Describes the food security status of various populations across a region, analysing the causes of vulnerability and recommending appropriate interventions.</p> <p>Market profiles on aggregate supply, meso-level functions (traders), aggregate demand, and policy.</p> <p>Compiles statistically significant samples so that a variety of indicators can be generated for populations at</p>	<p>Market profiles with accurate picture of the pre-crisis situation.</p> <p>Assesses the potential responsiveness of the private sector to increases in demand following an emergency, and addresses the importance of regional markets and integration between markets.</p> <p>Includes the quality of goods, nutrition and gender.</p>	<p>Requires in-depth data collection and analysis over 4-8 months and with numerous staff</p> <p>Information is normally not available, e.g. to link profiles to emergency needs assessment.</p> <p>Lack of quality or weakness of the data on which market profiles will rely.</p> <p>Needs more specific studies to inform response decision-making.</p> <p>Targeting: Livelihood profiles are different from FEWS-NET profiles</p>

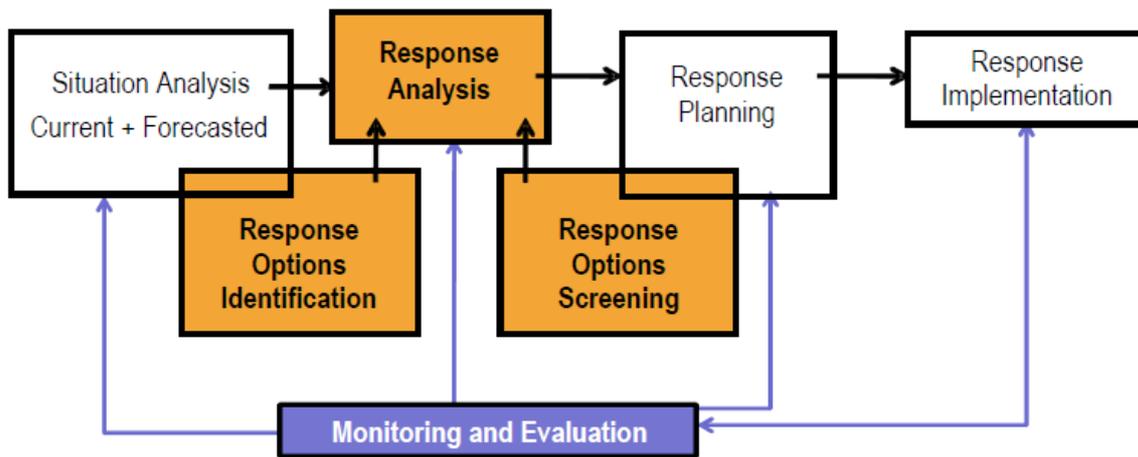
				risk of food insecurity.		(making it difficult to target and compare data).
	FAO / WFP Crop and Food Security Assessment Missions (CFSAM)	Baseline, slow-onset or chronic emergency	Food security analyses	Studies market conditions and prices, food supply and demand, and household food security	Market analysis uses important data on food production and the impact on livelihoods.	The process results in recommending short-term responses mainly based on food supply. Response monitoring (food balance sheet analysis) is narrowly focused on crops (mainly cereals).
BROADER ANALYSES & RESPONSE	WFP Technical Guidance Sheet: The Basics of Market Analysis for Food Security	N/A	Summary tool	Provides basic definition of and indicators for market analysis.		Does not directly inform response analysis.
	IFPRI Social Accounting Matrices and Multiplier Analysis	N/A	Multiplier analysis	Economic tool for economic policy Development practitioners, policy analysts, and students. National scale, national accounts.		Economist. High degree of complexity. Large data requirement.
	FAO Primer on Multi-Market Models (Agricultural Policy Impact)	N/A	Multiple market modelling	This multi-market model is intended to capture the most important effects of policy changes and/or external shock(s) on a given economy and households.		Economist. High degree of complexity. Large data requirement.
	IFPRI General Equilibrium using Algebraic Modelling System for Computable General Equilibrium models	N/A	Computable general equilibrium models	This multi-market model is intended to capture the most important effects of policy changes and/or external shock(s) on a given economy and households.		Economist. High degree of complexity. Large data requirement.
	MIFIRA: Market Information and Food Insecurity Response	Chronic, complex emergency	Response analysis	Tools designed to inform decision-making based on a decision tree approach.	Focuses on response analysis and studies specific response options: cash	Significant human technical and financial resources may be required to carry out the

	Analysis (Barrett et al. 2009)			<p>Designed to assess how markets respond to a crisis.</p> <p>The method balances the supply and demand elements of emergency food needs assessments.</p>	<p>transfers, in-kind assistance, or a combination of both.</p>	<p>assessments.</p> <p>Focuses on food aid as a response, and excludes other markets (labour, materials, etc.).</p> <p>Its technical rigour relies on pre-existing data (household surveys, historical food price series), which will often be weak or unavailable.</p>
	EMMA: Emergency Market Mapping and Analysis Toolkit	Chronic, sudden or complex emergency	Response analysis	<p>Tools designed to inform decision-making based on a market mapping approach.</p> <p>The method balances the supply and demand elements of emergency food needs assessments.</p>	<p>Focuses on response analysis, addressing key analytical questions.</p> <p>Selects critical markets, both food and non-food.</p> <p>Offers a wide range of response options.</p> <p>Designed for non-specialist staff.</p> <p>Adaptable to different contexts.</p>	<p>It relies on data that may often be weak or unavailable.</p> <p>Requires staff with strong analytical skills.</p>
	BELLMON Analysis: Bellmon Profile Format	Chronic emergency	Response analysis	<p>Specific type of market analyses required of US NGOs applying for resources from the monetisation of Title II food aid.</p>	<p>Focuses on response analysis.</p>	<p>Bellmon is predominantly a supply-side analysis.</p> <p>No precedent exists for its use as an emergency market analysis tool.</p> <p>It focuses exclusively on food aid and monetisation and/or distribution opportunities.</p> <p>It relies on data that may often be weak or unavailable.</p>

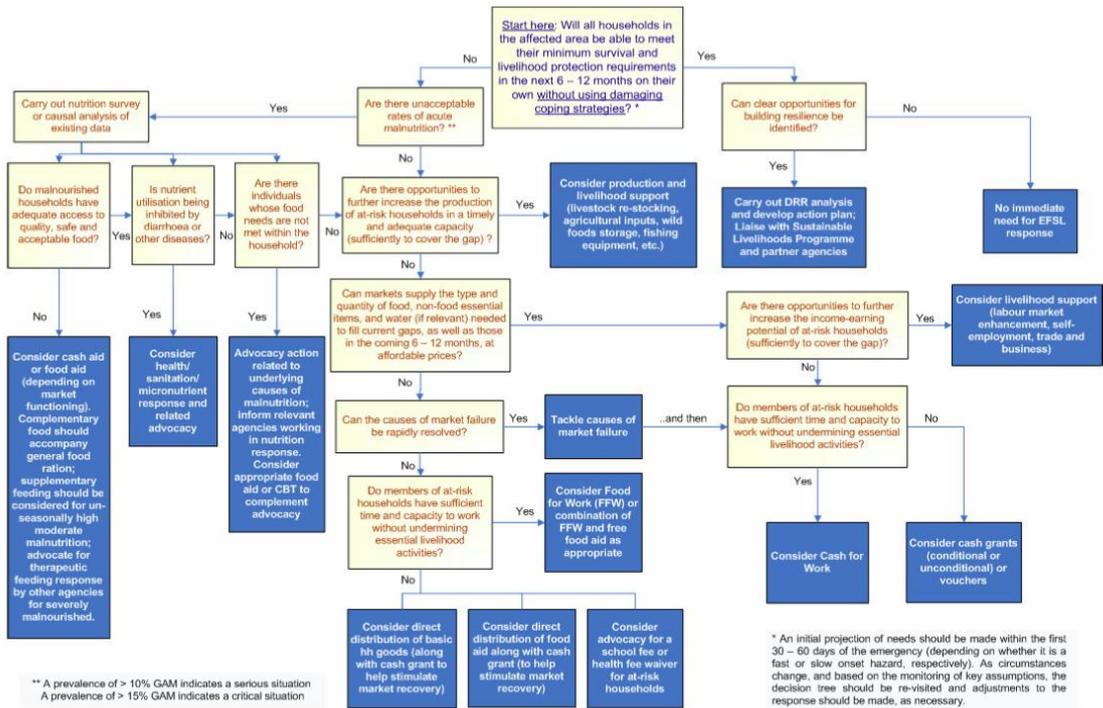
Annex 4: Response Analysis Frameworks



WFP: RAP Analysis Framework
 Source: FAO: mapping response analysis process



RAF conceptual framework
 Source: Derived from the IPC (Version 1.1)



Oxfam GB Response Analysis: Livelihood-Appropriate Decision Tree

Annex 5: Main tools of EMMA, MIFIRA and WFP Trader Survey

	Emergency Market Mapping Analysis – EMMA	Market Information for Food Insecurity Analysis - MIFIRA	WFP Trader Survey
Methodology Tools	<p>Household questionnaire: Definition of target groups, sources of income, main expenditures, food consumption/food sources, seasonal patterns and calendar, preferences for different forms of assistance Comparison before and after the shock (seasonal/ referent year)</p> <p>Trader questionnaires/ retailer: Estimation of volumes, price trends, costs of services and inputs, availability – stock, time to restock, constraints, capacity to increase the supply (quantities, time) and constraints Comparison before and after the shock (seasonal/ referent year)</p> <p>Trader questionnaires/ wholesaler: Sourcing/origin of supply, estimation of volumes, price trends (buy and sell), variation in market structure (season), food flow mapping, changes in sourcing, number of competitors, payment modalities, structural characteristics, trader typology, constraints, services (credit, transport, storage) – inputs and transaction costs, availability: stock and time to restock, environment, capacity to increase the supply (quantities, time, sourcing), preference re. support to market chain and constraints Comparison before and after the shock (seasonal/ referent year)</p> <p>Guidelines/questionnaires for other key informants: Market environment and services, national or macro indicators</p>	<p>Micro-scale Household questionnaires: Household demography and economic activities, local market characteristics and prices, household income and expenditure, how frequently you visit markets and constraints to accessing markets, women status (power decision), preferences for different forms of assistance. Impact of shock on market infrastructures and a</p> <p>Guidelines for community FGD: Local market trends, supply availability, market access, constraints to market development Captures expectations about impacts of various transfers on communities and their engagements markets</p> <p>Meso-scale FGD guideline with community: Basic market characteristics, key commodity prices, impact of shock on market (infrastructure, availability), volumes, flows, seasonality, market constraints</p> <p>Traders surveys Market characteristics, commodities, volumes and sources, flows, prices, catchment area, competition, access to services, transaction costs, capacity to increase supply, impact on price, constraints and opportunities of increasing capacity</p> <p>Macro-scale: Market environment, macro indicators</p>	<p>A community or household questionnaire (in the guidelines): demand behaviour with price increase, food expenditures, sources of income, net buyer/net seller, purchasing power, food expenditures and market access (in some studies)</p> <p>A trader questionnaire targets wholesalers, collectors and retailers, focuses on one product in the guidelines. General characteristics of market, estimation of volumes, prices trends, transaction costs, variation in market structure, stocks, food flows mapping, constraints, prevision/scenario for price trends, capacity to increase supply (quantities, time) Assessment about food vouchers (willingness to participate and concerns), use of credit for consumer transaction costs, comparison before and after the shock (seasonal/ referent year)</p> <p>A market questionnaire for group of traders: Type of commodity, prices, volumes, number of actors / competition, environment (regulation and rules), comparison before and after the shock (seasonal/ referent year), prices and local availability</p> <p>A transporter questionnaire (developed for some countries) Levels of activity, transportation costs and timeline (dry season and rainy seasons), illegal payments and insecurity costs</p>

Annex 6: Strengths and Weaknesses of Tools – EMMA, MIFIRA and WFP Trader Survey

Method	Tool	Strengths	Weaknesses
EMMA	Household questionnaire	<ul style="list-style-type: none"> ○ Easy uptake by non-specialists ○ Short questionnaire ○ Focuses on critical markets ○ Ease of analysis (fewer fields) ○ Not time-consuming ○ Scenario component 	<ul style="list-style-type: none"> ○ Lack of data on market access (and factors of access such as physical access, gender, etc.) ○ Low sample (to be combined with HEA or Food Security tools)
	Trader retailer questionnaire	<ul style="list-style-type: none"> ○ Easy uptake by non-specialists ○ Short questionnaire ○ Focuses on critical market ○ Not time-consuming ○ Scenario component 	<ul style="list-style-type: none"> ○ Does not consider other markets (substitute or complementary markets) – important for cash response ○ Gaps in gender data and product sourcing
	Wholesaler questionnaire	<ul style="list-style-type: none"> ○ Focuses on actors, volumes, prices, capacity and supply increase capacity ○ Qualitative sample ○ Scenario component 	<ul style="list-style-type: none"> ○ Requires a good analyst to drive the interview ○ Can be time-consuming
	Key informant questionnaire/guideline	<ul style="list-style-type: none"> ○ Good guidelines ○ Lots of data to collect if no good analyst available ○ Scenario component 	<ul style="list-style-type: none"> ○ Does not include transporter primarily
MIFIRA	Household questionnaire	<ul style="list-style-type: none"> ○ Focuses on access to market and preferences ○ Focuses on gender and women status ○ No comparison before and after shock, but specific questions on impact of shock 	<ul style="list-style-type: none"> ○ Long and time-consuming ○ No scenario component
	Trader questionnaire	<ul style="list-style-type: none"> ○ Good vision of value chain, capacity of traders to increase their supply, and constraints 	<ul style="list-style-type: none"> ○ Long and time-consuming ○ No questions on aid preference (basic premise: supply is enough = cash or mix) ○ No scenario component
	FGD guideline	<ul style="list-style-type: none"> ○ Gender sensitive ○ Complementary of household survey ○ Focuses on market access and impact of shock 	<ul style="list-style-type: none"> ○ Long and time-consuming ○ No scenario component
WFP Trader Survey	Household questionnaire/ community FGD	<ul style="list-style-type: none"> ○ Guidelines and sample questionnaire provided ○ Minimalistic approach 	<ul style="list-style-type: none"> ○ Not often used in reality for trader survey (cf. reports) ○ Gaps about preferences for different forms of aid (included in EFSA)
	Market questionnaire	<ul style="list-style-type: none"> ○ Easy uptake by non-specialists ○ Data can be entered by the team leader in Excel every day ○ Ease of analysis (fewer fields) ○ Scenario component 	<ul style="list-style-type: none"> ○ Enumerator must be 'senior' and experienced ○ Time-consuming ○ Finding the right interlocutor can take time ○ Tendency for survey partners to ask about 'everything under the sun' and about not the 5-6 key commodities.
	Trader questionnaire	<ul style="list-style-type: none"> ○ Data usually of good quality ○ Data can be entered in the field using PDAs ○ Scenario component 	<ul style="list-style-type: none"> ○ Requires a lot of manpower (to interview 10-12 traders in a day) ○ Requires a few days of training and constant supervision ○ Data entry is resource intensive ○ Analysis takes time, delaying report publication ○ Usually requires external support ○ Gaps: understanding the value chain, gender, volume of cash that can be safely injected into a specific market system, preferences of different forms of aid (except vouchers)
	Transporter questionnaire	<ul style="list-style-type: none"> ○ Short questionnaire, same advantages ○ Intuitive to analyse ○ New tool 	<ul style="list-style-type: none"> ○ Indicators are not yet in the analysis plan

Annex 7: Survey Report Review – EMMA, MIFIRA and WFP TS

Country and Context	Types of markets	Method	Structure of Analysis (parts and indicators in the report)	Response option and key elements for response analysis	Constraints
<p>Kyrgyzstan, July 2010 Complex emergency (civil unrest and political turmoil) Southern Region</p> <p>International Rescue Committee - Interagency</p>	Wheat flour market	5 days	<p>Target population (question on the choice of bakers instead of urban poor)</p> <p>Market actors, prices, key findings</p> <p>Response options</p>	<p>Cash grant to farmers, vouchers to bakers and/or poor households, support to agriculture through CFW, advocacy encouraging government to purchase more local wheat production</p>	<p>Question about the targeting in the study</p> <p>No key analytical questions, difficult to see the objective of the study</p> <p>Difficult to establish a clear link between findings and response options</p> <p>No gap analysis</p> <p>No response recommendations</p>
<p style="text-align: center;">EMMA</p> <p>Côte d'Ivoire, June 2011 Rapid-onset /complex crisis – conflict 2 regions (Moyen Cavally, 18 Montagnes) - Local area</p> <p>IRC (lead), Oxfam GB, SC, CaLP, ACF</p>	Dried fish market	10 days	<p>Household expenditures</p> <p>Market actors, environment and services</p> <p>Impact of shock on market capacity and household purchasing power</p> <p>Response options and recommendations</p>	<p>Cash transfer programmes implemented, and in particular food voucher programmes (including dried fish)</p> <p>Security taken into account for cash distribution modality (banks and MFIs)</p>	<p>Lack of data about market and gap analysis after the shock, so difficult to link the results with the response options</p> <p>Some key analytical questions were very partially answered or too broad</p> <p>Required a feasibility study to set up the voucher programme (or no elements appear in the report)</p>
<p>Sri Lanka, March–April 2011 Rapid-onset crisis – natural disaster and end of conflict/recovery Northern province</p> <p>USAID/ OFDA for USAID</p>	Rice market (as income market)	<p>Number of days not specified</p> <p>EMMA approach</p> <p>Good study as baseline (no comparison with shock but current functioning with constraints)</p>	<p>Target population, including gender and sources of income</p> <p>Market structure, actors, services, environment</p> <p>Gap analysis – focused on income generation</p> <p>Market performance after shock and outlook in the next 6 months</p> <p>Response options</p>	<p>Response analysis focuses on market value chain improvement (support to agriculture, traders – rice market seen as a livelihood)</p> <p>No CBI proposed</p>	<p>General key questions to guide the analysis – too large</p> <p>Did not include target group preferences</p> <p>Confusion between “income” and “consumption” markets</p>

Liberia April 2011 Rapid-onset /complex crisis – conflict Grand Gedeh county Oxfam GB	Imported Rice market	12 days EMMA approach	Target groups Shortfall calculated Market actors and flows, price and integration Gap analysis Response options analysis and recommendations	Response option: combination of cash and food, support to market actors Response implemented in less than 1 month after the EMMA (case study)	Did not include a feasibility study for CBI implementation Required close market monitoring to adapt the response
Chad February 2012 Slow-onset crisis/food crisis Oxfam GB (lead), ACF	Cereal markets (millet, sorghum, maize)	21 days EMMA approach	Target groups Shortfall calculated Market actors and flows, price and integration, services and environment Gap analysis Response options analysis and recommendations	Response option: food aid and market support Adapted to slow-onset crisis with scenario and response analysis	Complexity and high number of markets analysed Numerous factors affecting the markets (price volatility, conflict, political instability, changing rules etc.) Requires close monitoring as outlook for the following months is uncertain Long report
Haiti, February 2010 Rapid-onset crisis – natural disaster (earthquake) Port au Prince IRC (lead), inter-agencies (11 agencies)	Rice market	10 days EMMA approach	Target groups Market chain actors and flows, services, environment Market integration and competitiveness Gender roles in the market Market actors and capacity after shock Gap analysis	One specific part on gender roles analysis in the market chain Continued food aid, implemented FFW/CWF and cash transfers (cash grants or food vouchers), feasibility study for local food purchase, monitoring	Needed feasibility studies for cash-based interventions Timing of EMMA – lack of household secondary data about purchasing power
Pakistan Rapid-onset crisis – natural disaster (floods) Sindh province 7-17 February 2010 Oxfam GB (lead), interagency	Wheat flour market	10 days EMMA methodology	Market actors and flows Response Recommendations	Food aid and cash transfers (CFW and cash grants)	Only 1 key-analytical question which is too broad Very short report, with few information that don't provide enough analysis to establish a link with response recommendations

	Libya June 2011 Rapid/complex onset crisis – conflict Eastern Region	Tomatoes (as income market) and Wheat flour markets	14 days EMMA methodology	Market actors, volumes and prices, inputs and services, environment, HH expenditures (not figures)	Response option: For wheat market, international purchase and delivery through the market system (done after the assessment) Tomatoes: support to tomatoes production increase access to inputs with vouchers, debt relief through cash grants, vouchers to increase access for vulnerable households	No key analytical questions, difficult to capture the objectives of the EMMA Tomatoes market seen as income and consumption market –recommendations focus mainly on a value chain recommendation Response options and recommendations are mixed and not always well defined
WFP Market Analysis Study	Yemen, 2010 Slow-onset emergency – food prices crisis WFP	Food markets (based on a complete ration)	Number of days not specified 474 traders	Food security and livelihoods analysis, environment, market SCP, integration, flows, food access, impact of shock, market capacity (mainly constraints), conclusion with risk analysis and some response options	Recommendation for targeting and cash transfer/voucher system or food aid depending on areas	Used as baseline, complementary of FS assessment Need more local feasibility studies for cash transfers
	Chad, January 2012 Post shock/ Slow-onset crisis Salamat region Inter-agencies	Cereal market Objective: assess the market situation	9 days 1 questionnaire market, trader, transporter (no figures)	Market actors strategies, agro production, actors' capacity, constraints	Scenario of evolution of market functioning – no direct response option Recommendation for more monitoring, information systems	Market situation briefing
	Chad April 2012 Post shock / slow-onset crisis Eastern Chad	Cereal market (more food items for market questionnaire) Objective: to determine market integration, describe actors, their capacity and their business strategies, to analyse transfer costs in kind and in cash	Number of days not specified 20 markets and 193 traders interviewed, 20 transporters	Market integration, prices and flows, market actors, services and environment, actors' capacity, market map, competitiveness Risk analysis of response option Alpha value: Local purchase opportunity Recommendations/response options	Alpha value calculated: cash transfers are cheaper Advised cash transfers and local micro purchases, market support interventions and monitoring/information system	Doesn't provide enough information such as local demand, type of transfer and amount, to design a clear response analysis Needed a feasibility study for cash transfers and local procurement Availability of secondary data

<p>Chad, February 2011 Post shock/ slow-onset crisis National scale Interagency</p>	<p>Food market (staple food)</p>	<p>10 days 119 interviews</p>	<p>Environment, prices, flows, market actors, comparison after shock, market integration, response analysis, local procurement, Analysis of market functioning, link with food security and evaluation of opportunities of cash transfers and local purchase</p> <p>Macro analysis</p>	<p>Response analysis based on community preference Alpha value calculated: cost efficiency of cash transfer – cash transfers are cheaper Local purchase is possible (for ONASA institutions) Improve monitoring, information systems, food security analysis Other response options related to “development” (support to micro storage or IGA) or policies Identified bottlenecks in the market chain Gender taken into account in the food security analysis and response analysis</p>	<p>Availability of secondary data Macro analysis that didn’t give enough precise data to directly inform decision-making Gave general orientation, but more descriptive than analytical, so less able to define precise response options</p>
<p>Somalia, October 2011 Southern Somalia Complex emergency WFP</p>	<p>Baseline done in 2009 Was undertaken to assess the suitability of cash- and voucher-based responses in southern Somalia Cereal markets</p>	<p>Not specified</p>	<p>SCP approach: market actors, capacity – flows, integration, prices, food access and purchasing power, gap analysis response option: cash transfers, local purchase No alpha value calculated Included insecurity and nutrition as main factors for response analysis</p>	<p>Option of food aid preferred but access limited, recommended market support programme with demand side support with cash-based interventions</p>	<p>Little secondary data (prices and baseline in 2009) Macro analysis with few indicators which did not provide clear response analysis Long report</p>

<p>South Sudan, March 2012 Slow-onset emergency- recovery (returnees, price inflation, factors of instability – political) National scale?</p>		<p>11 days</p>	<p>Global environment, SCP, household food access (ToT), CBI feasibility study</p> <p>Checklist for data collection and analysis No alpha value calculated</p>	<p>In the short term, voucher intervention targeted at urban health-based caseloads and a combination of in-kind and cash for food security and livelihood support for returnee populations. Considers beneficiary payments in USD equivalent SSPs to minimize the impact of inflation Response analysis: there is potential for market-based solutions and cash transfers but with limitations Plan to scale up CBI in longer term Difference between urban and rural contexts, but no difference between districts Response analysis based on scenarios, risks and opportunities analysis Lightweight data on nutrition (malnutrition rates) Security taken as risk</p>	<p>Donors do not all agree about the response analysis (evolving context) Global response options logical with market analysis but need further CBI feasibility studies Two scenarios proposed, with response options for each scenario</p>
<p>Mauritania, January 2012 Post shock/ slow-onset emergency Agro-pastoral areas, rain fed areas and valley Interagency</p>	<p>Cereal and small livestock markets</p>	<p>9 days 1 questionnaire (market, trader, transporter) - 249 traders interviewed</p>	<p>Market actors, flows, prices, integration, strategies, capacity to meet demand Alpha value calculated: cost efficiency of food aid/ cash transfer Local procurement Definition of scenario response recommendations</p>	<p>Alpha value calculated: results depend on areas and season International food purchase Response (cash transfers or in-kind) depends on the area/market capacity and season Other long-term response options Can be used as baseline and contribute to design of market monitoring systems and subsequent surveys</p>	<p>Needed more meso assessment to define response option/cash transfer (scale, amount) Availability of secondary data (prices)</p>

	Côte d'Ivoire, June 2011 Rapid-onset /complex emergency Western and northern parts, Abidjan	Rice, maize and cash crops (cocoa, cashew nuts) markets	1 questionnaire (market, trader, transporter) 1 community questionnaire 250 interviews	Description of market, market actors, prices, flows, impact of the shock, purchasing power (ToT), capacity to meet demand, scenario Alpha value calculated: cost efficiency of food aid and cash transfers Recommendations Security taken into account in the access to market Macro scale	Recommended cash transfers for urban areas and in-kind for rural areas Alpha value calculated: in-kind transfers are cheaper	Needed more in-depth analysis for response analysis No community preferences: cash or mixed option (cash and in-kind)
	Somalia Southern Somalia FEWS-NET Baseline on market functioning	Cereal market	Secondary data analysis (based on information and monitoring systems)	Analysis by region Market performance (integration), environment, stocks, scenario, cross-border trade, prices, constraints, response option using MIFIRA	Different response options depending on the region (cash, food or mix)	Information gap (focuses on local market structure, local stock level, cross-border volumes, and population preference for aid) Level of confidence for response options
MIFIRA	Kenya, 2011 Baseline/ chronic food insecurity Cornell University research team and Catholic Relief Services (CRS) of Mathare (urban area), Makueni District (Eastern Province)	Staple food markets: maize flour, locally milled maize meal, and pulses Urban and rural area	83 interviews	Livelihoods, income spent on food, expenditures, access to market, gap analysis (additional demand = MPC), market capacity to respond to higher demand – market actors, flows, volumes and capacity, competitiveness, household preferences Conclusion with response recommendations Gender taken into account/access and preferences	Market accessible and with enough capacity to respond to an increase in demand Response: cash, voucher or a mix – depending on recipient preferences, programme implementer and donor organization	Cash value already predetermined and tested

<p>Kenya, 2009 Semi-arid/rural context Marsabit District in Northern</p> <p>Baseline</p>	<p>Staple food markets</p>	<p>Household survey (40 interviews), a trader survey (33 interviews), and a structured focus group discussion with households</p>	<p>Focus on the first question (second not necessary) Market access and constraints, aid preferences, additional demand - Calculated the MPC to estimate the local demand with a cash transfer, market capacity to increase their supply (wholesaler capacity), calculation between increased demand and supply capacity, market competitiveness Conclusion and response recommendation</p>	<p>Cash amount was determined based on an average food basket Cash was a feasible form of transfer for Marsabit district Gender and security taken into account for market access and choice of response option Modelling drivers of preference: estimation of preferences based on market access, market participation and community, household and respondent characteristics</p>	<p>Some economic indicators, required economic and statistical capacity Needed good analysis skills</p>
<p>Uganda Pilot study of MIFIRA Baseline Eastern region</p> <p>Cornell University, Care Uganda and Makerere University</p>	<p>Maize market – LRP of food aid in Uganda</p>	<p>119 trader surveys along the market chain</p>	<p>Structure of the maize market supply chain and nature of the flow between markets (prices and mark-ups, market actors, volumes), market responsiveness, agricultural benefits, labour market impacts Only analysed local procurement opportunities</p>	<p>Agencies could procure in all of the markets visited and would likely be safe to procure from any of the markets in Eastern Uganda Concerns for procurement are more specific to the level in the market chain at which an agency chooses to procure</p>	<p>Qualitative results, applied for the assessed market/area (scenario for the rest of the area not assessed) Paper more “research oriented” on LRP – pilot study</p>