



MARKETLINKS

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Demystifying Market Systems Resilience

May 20, 2020

Speakers

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Kristin O'Planick

Kristin O'Planick is a Market Systems Specialist in USAID's Bureau for Resilience and Food Security where she seeks to advance market systems facilitation throughout the Feed the Future portfolio.

Previously, in USAID's Bureau for Economic Growth, Education and Environment, she assisted market systems, enterprise development, and youth employment programs. She also managed Marketlinks.org, the Trade and Competitiveness Activity, and the Levering Economic Opportunities (LEO) project. Ms. O'Planick has worked in a variety of technical areas including market systems, enterprise and livelihoods development, workforce, food security, agribusiness, rural finance, and sustainable tourism. She serves as a Peace Corps Volunteer in Guinea. Ms. O'Planick earned an MBA with distinction from the Johnson School at Cornell.



Tatiana Pulido

Tatiana Pulido is a Monitoring, Evaluation, and Learning (MEL) Specialist with USAID's Bureau for Resilience and Food Security with over 10 years of experience leading issues in food security. In her current position, she supports the design and implements innovation approaches to monitoring, evaluation, and learning; particularly leading the development of market systems measurement in resilience and food security. Previously, she served as the unit lead for the Feed the Future MEL Division and field support team. She also designed and executed impact evaluations on water governance in Tajikistan and agriculture input adoption in Uganda. Ms. Pulido served as a Peace Corps Volunteer in Romania and has a B.A. with honors from Brown University. She also has an M.Sc from Georgetown University's School of Foreign Service.





DEMYSTIFYING MARKET SYSTEMS RESILIENCE

Kristin O'Planick, RFS
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What is Market Systems Resilience?

Ability of a market system to respond to a disturbance (shock or stress) in a way that allows consistency and sustainability in the market system's functioning.

IT IS ABOUT MANAGING RISK
AMONG MARKET ACTORS TO
MAINTAIN MARKET
FUNCTIONALITY

Why it Matters

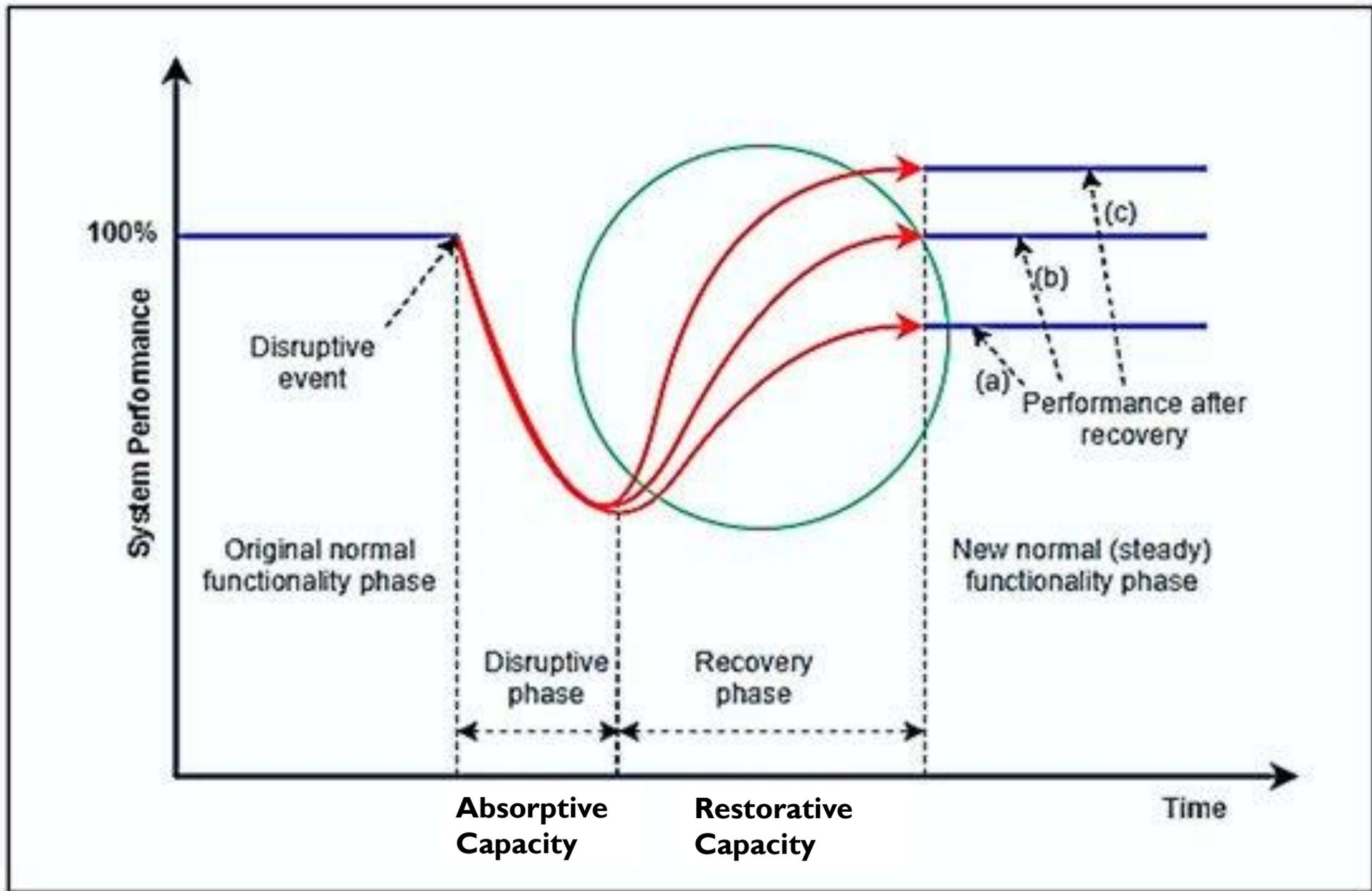
- Risk is typically pushed onto the most vulnerable market actors
- Resilience at system, community, household levels interlinked (market resilience strengthens household resilience)
- How can we shift risk to those who can better manage it?



Source: Gerardo Mejia, CIMMYT

The Inherent Resilience of a Market System

- Markets are inherently resilient and that is why they are so difficult to change
- BUT for USAID resilience is a specific, **positive normative concept**
 - emphasis on post-disturbance status as not dampening progress towards development objectives (i.e. poverty backsliding; protecting development gains)
 - ensuring that post-disturbance status is not more harmful to our populations of interest
- **How recovery happens matters as much as minimizing the impact of the disturbance**



Source: Infrastructures, 2019

Guidance for Assessing Resilience in Market Systems

- USAID/FFP Guidance
- Objective: present an adaptable process for USAID Missions and implementing partners to assess market systems resilience (MSR)
- Best Used For: assessment stage of program/project/activity development



How Do You Achieve Market Systems Resilience?

You can work with market systems to improve capacities to:

- Absorb shocks/stresses
- Adapt to shocks/stresses
- Transform the system to mitigate shocks/stresses

This is done by facilitating market actors to change behaviors that affect any one of these areas.

connectivity

diversity

redundancy

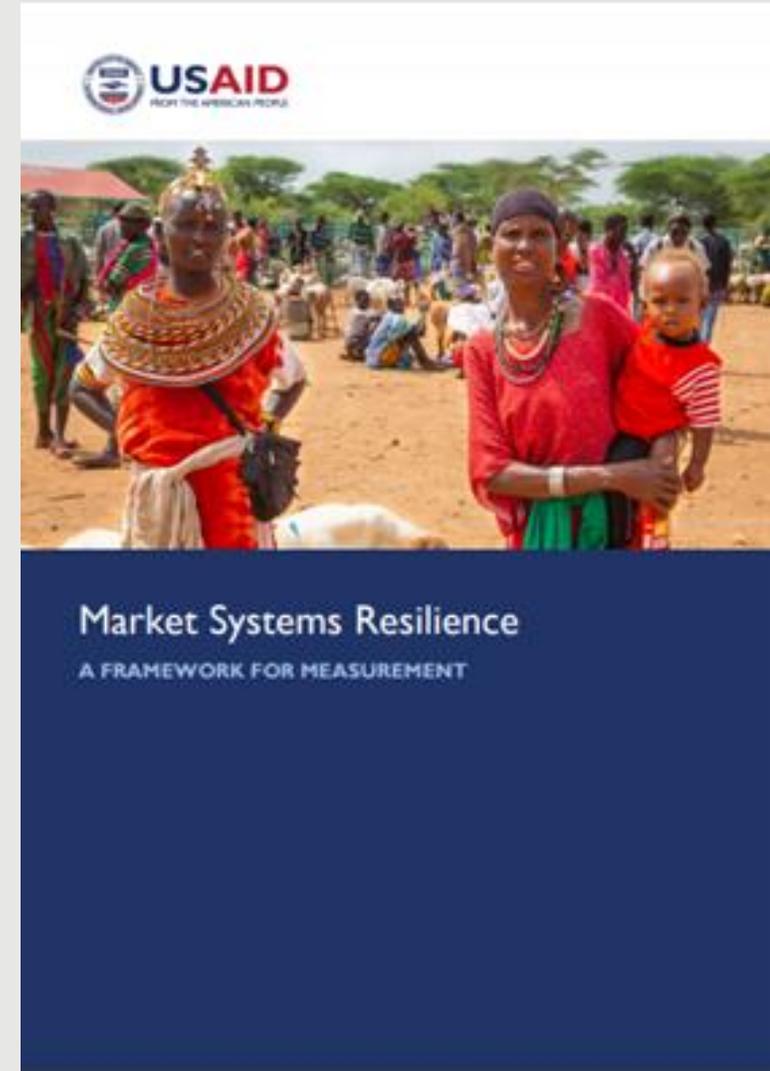
governance

participation

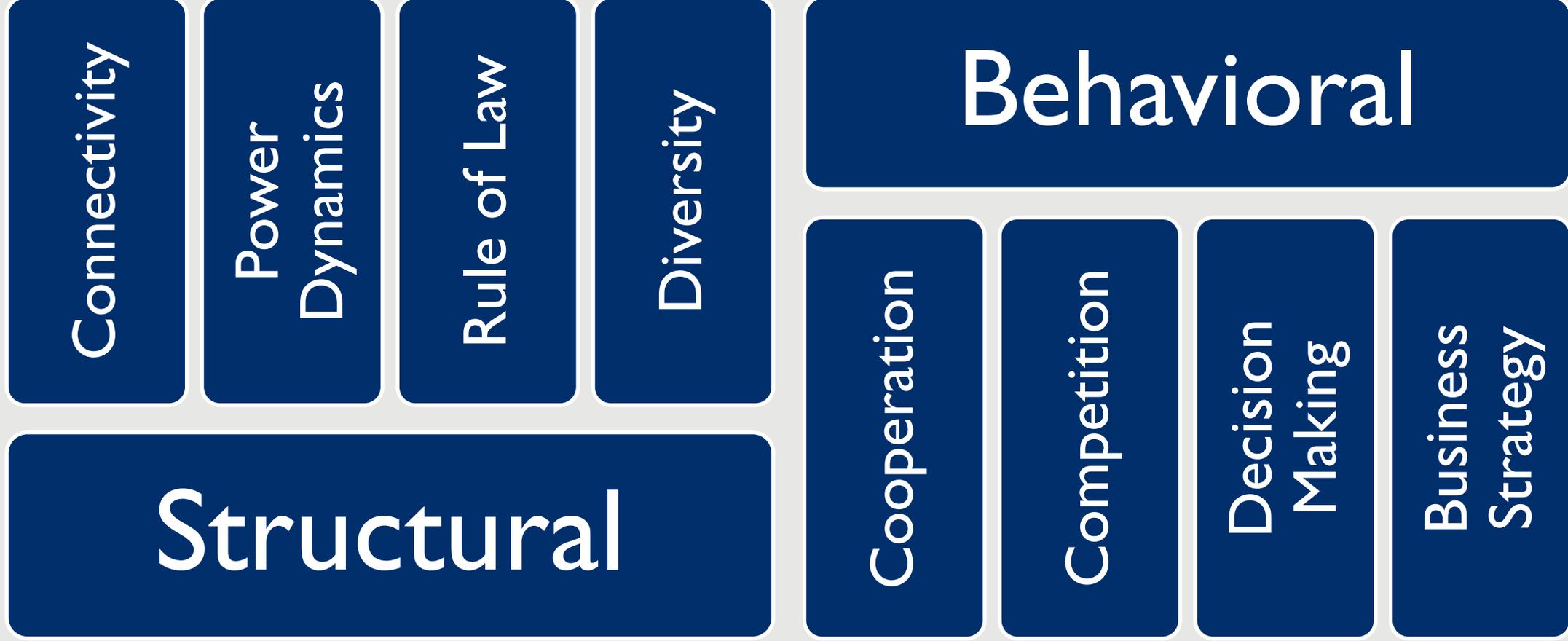
learning

Market System Resilience: A Framework for Measurement

- USAID/Kenya Guidance
- Objective: understand TOC and characteristics of MSR, how to strengthen and assess
- Best Used For: exploring, testing, and groundtruthing characteristics of MSR, TOC, and assessment tools



Structural vs. Behavioral Concepts



Scenario Planning: Livestock

Actor: Household SME Government

Cope,
Recover,
Adapt
Post-Shock

- Hard downsizing to extend water supply
- Reassess diversification strategy in new market conditions
- Migrate
- Use/receive humanitarian assistance
- access safety nets

import inputs

Contract the business

- Release Funds
- Monitor emergency response
- Activate response in timely manner

Price Gov

Access more finance

Listen, learn, exercise. Post crisis assessment

Insurance

Shock: Drought

Behaviors & Strategies to:

Prepare,
Mitigate,
Plan,
Prevent
Pre-Shock

- Have savings
- Stockpile feed
- Identify backup water source
- Diversify livestock, livelihood
- Advance planning for downsizing hard
- Have overall plan to respond to alerts from early warning systems
- Participate in business associations
- register for safety nets

Sell assets

reduction

Diversify income source

Diverse supply chains

Drought insurance

Warning forecasting...
inc in farms

- Insurance
- Early warning system
- Provide Disaster Risk Financing options/safety net
- Identify the most at risk population

Scenario Planning: High-value exports

Actor: Household

SME

Government

Cope,
Recover,
Adapt
Post-Shock.

- if positive, accumulate assets or invest
- if negative, sell assets
- access safety nets
- appeal to gov't
- reduce expenditures

Consider alt.
business lines

Suspend
Production

- provide safety nets
- Strengthen insurance programs
- good surveys on impacts to inform policy action
- global and regional agreements

if negative,
utilize insurance

Hire/Fire
temporary labor

Behaviors & Strategies to:

Shock: Price volatility

Prepare,
Mitigate,
Plan,
Prevent
Pre-Shock

- Savings, assets
- diversify income
- access to information & know how to use it
- register for safety nets
- group membership for support
- invest in risk-reducing technologies (eg irrigation)
- cell phone
- contracts with price floors

Access credit
line but don't
use all of it

Invest in
futures

- Support information systems
- market risk analysis
- Safety net programs in place
- extension to educate farmers
- policy systems strengthening - collaborating with private sector
- provide incentive for insurance

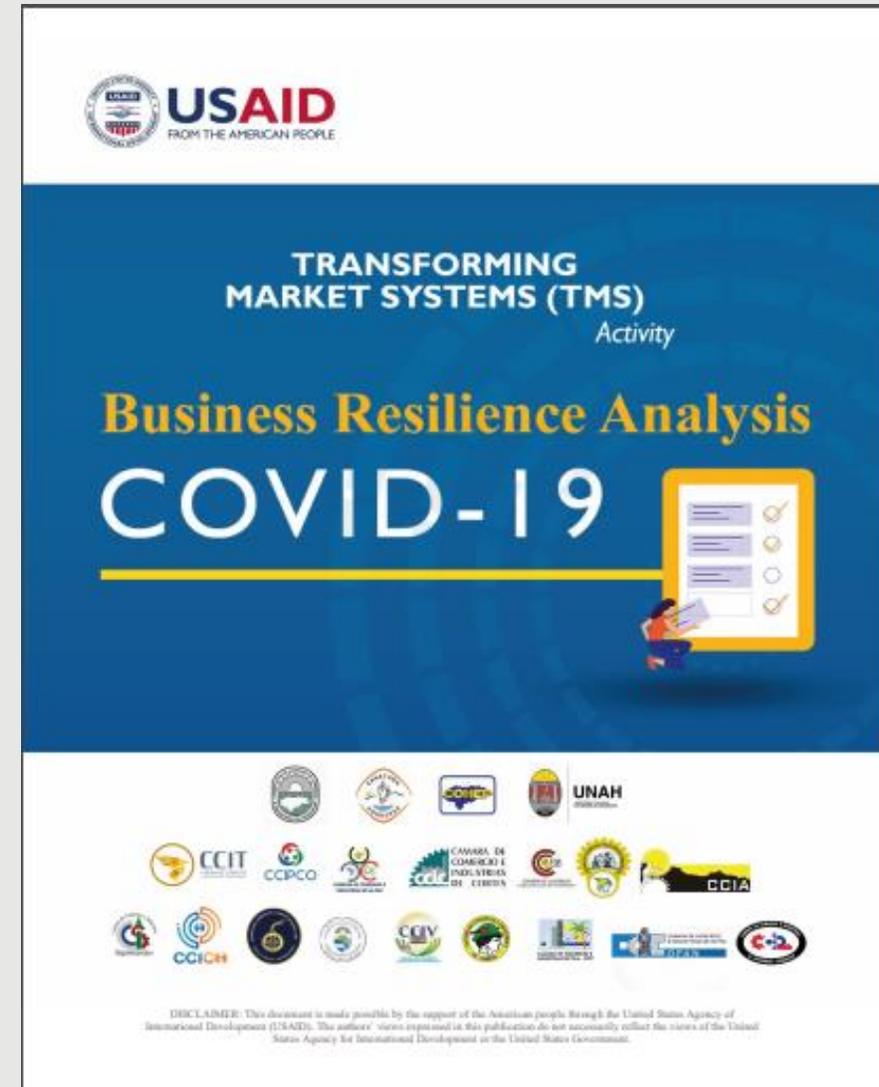
have/create
diversified
business lines

Forex
hedging

kill all
the locusts

Example: USAID/Honduras TMS Business Resilience Analysis

- Developed for use in USAID/Honduras' market systems development activity. Complements standard activity MEL practices.
- Rapid phone-based survey to over 1,000 enterprises on coping strategies conducted about once a month during shock exposure.
- Findings used to test a series of resilience related hypotheses and gain further insights into the resilience of enterprises to mitigate, adapt, and recover from a covariate shock.
- Includes lessons learned on making market system resilience measurement activities effective.



Example: iDE Market Systems Resilience Index in Bangladesh

- Used in the DFID and EU funded Suchana Activity, a multi-sectoral nutrition program in NW Bangladesh
- Workshop-based consensus methodology to evaluate the indicators leading to a final determinant score, as average of all the determinant indicator scores.
- Determinant scores then weighted to come up with an overall MSR Index Score.



Source: Ambrosino, C. et al. 2018

RESOURCES

- Known resources are compiled on Marketlinks.org in the Tools & Training section
- <https://www.marketlinks.org/post/market-systems-resilience-measurement-resources>
- Please reach out if you have further resources or experiences to share!



MARKETLINKS AGRILINKS



Q&A

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