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40th WEDC International Conference, Loughborough, UK, 2017**LOCAL ACTION WITH INTERNATIONAL COOPERATION TO IMPROVE AND SUSTAIN WATER, SANITATION AND HYGIENE SERVICES****Understanding vulnerabilities and risk in the development of market based approaches***L. Medland, J. Fullwood-Thomas & C. Brady (UK)***PAPER 2644**

Progress towards resilient and sustainable development is continuous and constantly shifting as circumstances, contextual experiences and systems change. In many countries there are humanitarian and development activities taking place at the same time, yet our approaches within these areas can still be quite separated in terms of planning, implementation and monitoring. Yet traditionally quite different populations benefit from humanitarian and development interventions. Interest in the role of markets in both humanitarian and development contexts continues to grow based on the understanding that markets need to work for marginalised and vulnerable populations. Vulnerability will have an impact on the way that people can interact with market systems and trying to understand markets in relation to both personal vulnerabilities and vulnerable and fragile contexts requires a new approach, linking humanitarian and development actions more systematically.

Introduction

Market based approaches (also known as market systems approach or making markets work for the poor) are seen as the route to more resilient and sustainable long term development for all. There are significant bodies of work on the role of cash and markets to support disaster responses in emergencies (see The Cash Learning Partnership, 2017) and on market based approaches for development (see Humphrey, 2014 for a comprehensive literature review). The aim of working through markets is to bring about systemic change to a whole system, thereby benefitting everyone, not just 'targeted beneficiaries' (The Springfield Centre, 2015).

However, little is known about the challenges of working with vulnerable populations in fragile areas on market based approaches. Often in the places where we work vulnerability is not binary (i.e. vulnerable/not vulnerable) and the impacts of crisis may affect people differently so vulnerability needs to be understood as more of a spectrum with development and humanitarian staff developing more of a shared sense of what it means to be vulnerable before we try to understand vulnerability in relation to market systems.

Vulnerability

Underpinning the use of market based approaches is an understanding that markets need to work for marginalised and vulnerable populations, yet marginalisation and vulnerability are understood and acted upon quite differently by humanitarian and development workers. Vulnerability (in its many different forms) and the inter-sectionality of risk (based on the specific context as well as individuals actions within that context) will have an impact on the way that people are able to interact with market systems and trying to understand markets in relation to vulnerable and fragile contexts requires a new approach, linking humanitarian and development actions more systematically. Humanitarian and development practitioners tend to focus on what they know, how they work and who they work with within their different activities so working together is in practice not as common as it should be.

When programmes are designed, we need to be able to assess and continually monitor what constitutes vulnerability, for whom, from what and from where as it is a dynamic state. In order to be able to monitor vulnerability it first has to be identified and understood. We hypothesise that there can be some

commonality in market based approaches and their corresponding monitoring systems applied in different contexts that still leaves space for contextual flexibility, but this is as yet unproven due to the small-scale piecemeal approach of many market programmes to date. We want to identify which elements can be utilised in both fragile and stable contexts and which elements need to be more adaptable. There is now a growing body of experience within Oxfam on how we can move in this direction. The learning presented here is a summary of experiences to date and next steps.

Experiences of bringing vulnerability into market analysis

In Guatemala, 2014, a joint analysis integrating emergency market analysis and vulnerability was completed. The analysis was intended to allow for the consideration of chronic issues in humanitarian programming, as well as factor in the risks of sudden onset shocks and crises in longer-term development interventions. One of the lessons learned in Guatemala was the importance of disaggregating crisis impacts across different social groups in order to understand how different populations are vulnerable to a crisis (Brady et al, 2014). Once the vulnerabilities have been identified they need to be considered during subsequent analysis. The relevance of this was highlighted during a market analysis in Gaibandha, Bangladesh in 2016. There was an assumption that annual flooding constitutes a crisis that impedes people's access to critical markets and the market analysis was carried out based on this assumption. However, the results of the market analysis, which did disaggregate crisis impacts across different social groups, showed that for those living in char areas (small islands of land in large rivers), annual flooding actually offered more opportunities for people in these areas, especially the poorest, to access critical markets because river transport became cheaper and more easily available (Wildman, 2016). In South Sudan, 2017, elements of household economic, markets, gender and vulnerability tools are being embedded in programme design to support contextual analysis which better grapples with the dynamic, diverse and overlapping risks in this operating context.

Vulnerability and market analysis

One of the best opportunities to integrate both humanitarian and development market based activities is in pre-crisis preparedness as this involves understanding societies needs on an everyday basis and how those change with a crisis. However, the pre-crisis analysis can be prone to the use of assumptions in what stresses or shocks affect a given community, as the analysis in Gaibandha showed. As a result we wanted to test this approach again with another study taking place in Tala, Bangladesh in November 2016, which aimed to embed a vulnerability assessment within a market analysis method.

In Tala, Pre-Crisis Market and Analysis (PCMA) (IRC, 2016), a typically humanitarian approach, was combined with an approach associated more with development, Vulnerability and Risk Assessment Methodology (VRA) (Morchain and Kelsey, 2016) to understand where there are mutual areas of benefit and corroboration. The VRA has so far been completed as a standalone process in 12 countries and the PCMA has been completed in 7 countries. This is the first time both have been brought together. Many different analysis tools and methods have been developed over the years and when a new area of analysis surfaces there is a great temptation to develop yet another tool, without thinking about what can be modified or re-purposed. The VRA and PCMA were chosen because they have several areas of mutual collaboration including;

- Taking a pragmatic, systems based approach , the steps of which can be adapted to suit a given context, priority theme and/or operating reality
- Focusing on including multiple stakeholders across different vertical and horizontal layers e.g. at multiple points in governance structures or between different management layers
- Engaging in solution oriented thinking and action planning
- Identify coping strategies and existing behaviours for different stakeholders and trying to enhance or improve these as part of any intervention

The VRA and PCMA methods

The VRA is a 4-step multi-stakeholder process bringing together a diverse range of stakeholders to facilitate a better understanding of how risks, shocks and uncertainties impact individual and community development trajectories. Using a 'knowledge group' with representatives drawn from different stakeholder groups the aim is to build consensus on the main hazards and social issues affecting people in a designated location through a process of dialogue and analysis. The workshop element of the VRA process takes 2-3 days,

however the preparation needed to do the VRA well can take up to 1 month. The VRA analysis is used to prioritize vulnerabilities, risks and to identify existing capacities which can subsequently lead to the joint development of measures to reduce risk, enhance wellbeing and promote resilient development. (For full method outline see Morchain and Kelsey, 2016). The 4 steps of the VRA method are;

- Step 1: Initial Vulnerability Assessment
- Step 2: Impact Chain Exercise
- Step 3: Adaptive Capacity Analysis
- Step 4: Aligning Findings with Opportunities

The PCMA is used to support the design of appropriate contingency planning and programming that recognises the role that markets play in people's lives and livelihoods (for full method see IRC, 2016). By integrating preparedness and resilience activities into development programmes, market strengthening can be linked to disaster preparedness and contingency planning, supporting markets to adapt more responsively to humanitarian crises. A PCMA requires significant preparation and secondary research in addition to field work so this process can take from 10 days to a few months depending on the scope and depth required to meet the analysis objectives. The purpose of using the VRA approach as part of the initial steps of the PCMA process was to ensure that the PCMA focused specifically on the most pressing needs of the target population, as defined by that population themselves and not by those commissioning the PCMA. Completing a VRA is the start of a continuous journey to map, interpret and respond to the current and future complexities a system is facing (Fullwood-Thomas, 2017). Markets, understood through the PCMA, are part of the system in which people live and people live with risk and uncertainty all the time.

A combined VRA-PCMA approach

Tala Upazila is a local government sub-unit of Satkhira District (Khulna Division) situated in the South-West of Bangladesh. Communities in Tala rely heavily on agriculture and fish farming for their livelihoods but suffer from a number of disruptive hazards including water logging, arsenic contamination, salinity and cyclones. These in turn impact on people's ability to access WASH services effectively and safely. Before interacting with the VRA knowledge group, local NGO staff identified a list of 13 hazards and stresses faced by the community in Tala. During step 1, the Initial Vulnerability Assessment, the knowledge group added a further 5 hazards to the list and gave them a different priority ranking to those of the NGO staff. The top 4 hazards chosen by the knowledge group were water logging, arsenic contamination, salinity and cyclones. The NGO staff ranked salinity as the most important hazard for consideration and placed water logging lower down. However, the knowledge group felt that water logging was a more significant hazard in the community because it caused problems and widespread impacts every year, whereas they had learnt to tolerate drinking more salty water and relied on annual rains to dilute the impacts of salt water on crops.

Developing a seasonal calendar was added to the initial vulnerability assessment stage. This focused on the issues of water logging, arsenic contamination, salinity and cyclones in relation to different social, cultural and livelihood patterns. This activity was particularly useful in identifying where risks overlap one another and/or where key livelihood events such as harvest might be affected. This more systematic cross-cutting awareness was then further enhanced by the Impact Chain Exercise (step 2).

The impact chain exercise usually considers the impacts of hazards and issues and their implications over time, by mapping all of their impacts throughout the system and how they can escalate or propagate through services, livelihoods and systems. In this instance the knowledge group was asked to specifically consider impacts on WASH as a result of the hazards identified. As a result, 5 key WASH needs were identified for further analysis; safe water, personal hygiene, waste management, menstrual hygiene and latrines/sanitation. These identified needs became the basis for the PCMA.

Based on the findings from Brady et al (2014) the knowledge group were asked to develop socio-economic profiles of the vulnerable groups identified in their community during step 2 in order to develop a better understanding about the types of income sources these groups had, what assets they owned and what choices they made about expenditure e.g. house type, education status, payment for healthcare and school services as well as personal and social activities. Community specific concerns or nuanced experiences were also recorded, whether or not they were specific to WASH hazards, as these add more detail to contextual analysis being completed through the VRA. Noted concerns included men leaving the community for extended periods of time for work, placing a greater burden on women during those times and suffering from snake bites, especially during times of water logging.

Understanding people's behaviours in both crisis and non-crisis times is a critical component of the PCMA because by understanding behaviours it is possible to identify their needs, how these are met, through markets or otherwise and how people interact with markets. Based on the 5 key WASH needs identified during the impact chain exercise, the knowledge group was asked to identify current coping strategies for each of the vulnerable groups under consideration during both crisis and non-crisis time as part of step 3, Adaptive Capacity Analysis. As the PCMA in Gaibandha had shown, not all groups responded in the way expected.

Finally, the knowledge group were asked for their ideas on what could be done to address the WASH impacts identified (step 4, Aligning Finding with Opportunities). This was also an opportunity to take note of current NGO and Government practices in the area, whether related to WASH interventions or not. These included innovations to protect livelihoods e.g. floating vegetable gardens, longer term investment in protective infrastructures e.g. embankments and river dredging and building bridges to enable easy access during flooding.

Lessons learned from the pilot

- The combined VRA-PCMA approach was useful in providing richer, more detailed contextual analyses of the situation in Tala in relation to the vulnerabilities faced in an area prone to both annual hazards and cyclical disasters. The VRA produces qualitative data but the PCMA needs quantitative inputs alongside qualitative ones.
- The ability to monitor or assess vulnerabilities and how they change over time in relation to market based approaches is still missing. There may be scope to produce more quantitative data through the VRA which would contribute to a monitoring framework but this needs to be explored further.
- This information produced through the impact chain analysis can be used by more than a single programme to support more joined up cross-cutting programming for example WASH and livelihoods, which is particularly relevant for market based approaches that could be multi-sector.
- The identification of coping strategies done during the adaptive capacity analysis of the VRA was found to provide valuable insights into people's interactions with market systems which can be fed directly into the PCMA, although in this study, that was more through luck than design. Adding a market lens to an analysis of people's coping strategies to particular hazards would strengthen the knowledge gained on interactions with potentially multiple market systems (e.g. interactions with transport, food, finances that are broader than typical WASH markets).

Monitoring – the missing piece

By adopting a market based approach humanitarian and development practitioners need to acknowledge that their project or programme cannot be considered as a stand-alone action that operates externally to the systems and processes already present in a given area (Humphrey, 2014). Burns (2014) highlights that systems thinking focuses more on '*relationships and interconnections*' than '*actors and institutions*' so when something in a system changes it changes the relationships between other parts of the system. To understand if and how our activities are changing the system we need to be able to monitor and measure those changes, which may be happening beyond the narrow remit of our project or programme and 'targeted beneficiaries'. This means that standard programme monitoring frameworks, based on inputs, outputs and outcomes are not fit for purpose (Jones, 2011) as they are too sector specific and do not allow for a multi-sector approach. Further to this, Mason and Mosello (2016) argue that existing accountability and reporting systems to donors, for both humanitarian and development agencies, actually discourage a longer term approach focused on end impacts because they are linked to the lifetime of specific projects or programmes, yet systemic change is by its nature, longer term.

Wach (2015) argues that studies need to go beyond the intended results and attempt to assess the '*complex social, economic and environmental systems of people living in (extreme) poverty*'. However, there is still limited guidance on how to achieve this. A normal market system analysis focuses on specific aspects of the market system such as value and supply chains, enterprise effectiveness and the enabling environment with a view to designing an intervention that works within these aspects of the market system. They also tend to focus on more stable, consistent contexts, which makes it difficult to take account of how demand changes in a fragile context. Monitoring, if it's put in place, then focuses on changes to specific aspects of the market that formed part of the programme. If we're to expand our understanding beyond our interventions and

intended results as Wach (2015) advises, we need to be able to understand and subsequently monitor different aspects of the wider market system. This needs to be the next step in our learning.

Next steps

Each study completed is part of an ongoing process of learning and re-development. Vulnerability and market access can both be understood using the tools available, but the challenge still remains of how to monitor systemic change in a system because understanding risks and vulnerabilities is important to all types of programming. The impact chain exercise, coupled with the adaptive capacity analysis steps of the VRA have been identified as a potential framework from which systemic monitoring can be developed by tracking changes in the impact chain and adaptive capacities over time. It may be possible to use the impact chain and adaptive capacity analysis to allow members of the knowledge group to set their own indicators of vulnerability and what they look like in a given context. This links back to our hypothesis that there will be some areas of commonality between different areas, regions, countries. The overall aim of tracking systemic change would be to develop indicators that feed into larger, national monitoring systems that also allow for early identification of increasing vulnerabilities in a given area or population, enabling pre-crisis actions to be triggered. Ideally the system would also allow the tracking of both intended and unintended consequences, but a cautionary note against a fixation on definitions or categories will be needed that as this could prevent us from maintaining an evolving understanding of risk and vulnerability by categorising people too much.

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