Market-Based Programming in WASH: Technical Guidance for Practitioners

September 8, 2021

MARKET-BASED PROGRAMMING IN WASH

Technical Guidance for Humanitarian Practitioners

Second Edition - September 2021
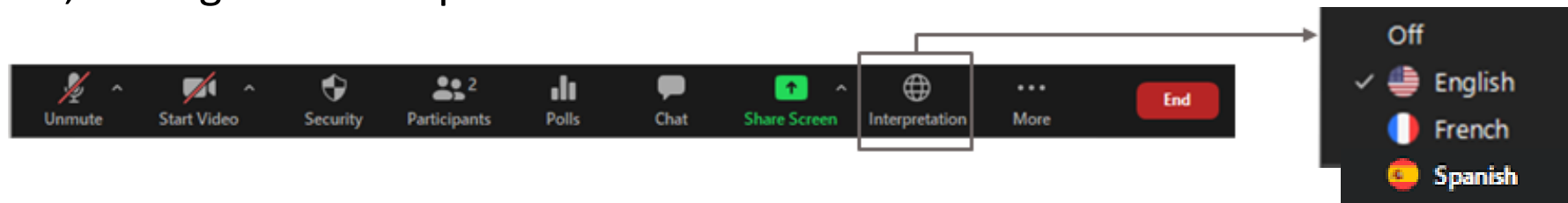
Authors: John Allen & James Brown (Oxfam)
Editing & Design: Ibex Ideas Ltd

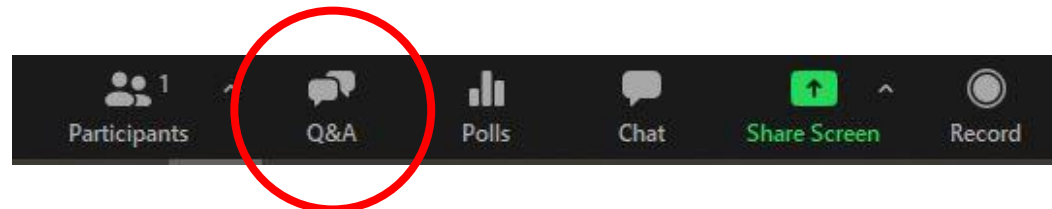WASH Cluster
Water Sanitation Hygiene

BEFORE WE BEGIN...

Everyone must select a language!

Click "interpretation" at the bottom of your Zoom window and select your language.

This webinar will be conducted in English with simultaneous interpretation in Arabic, French, Portuguese and Spanish.

Post your questions in the **Q&A box** at the bottom of your screen (do not include your questions in the chat box)

Previous Webinars

- ## Webinar 1

How effective are cash, vouchers and market support activities in achieving WASH outcomes?

- ## Webinar 2

Introduction to Market Based Programming in Emergency WASH

Agenda

- Opening words from the Global WASH Cluster
- Overview of the new Guidance
- Discussion & Q&A
- Closing

Opening Remarks

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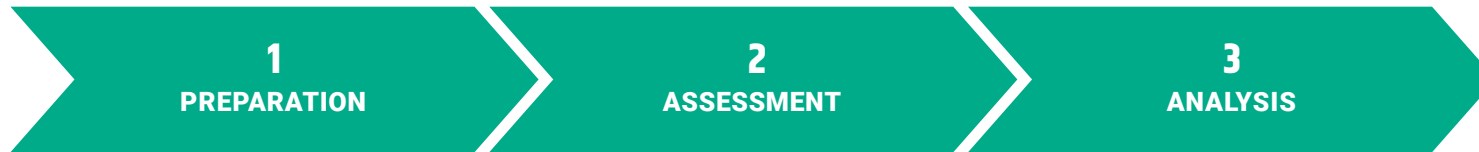**Editing & Design:** Ibex Ideas Ltd

WASH Cluster
Water Sanitation Hygiene

KEY STEPS FOR IMPLEMENTING WASH MBP

Carrying out MBP follows the humanitarian programme management cycle:

PREPARATION

ASSESSMENT

ANALYSIS

PROGRAMMATIC PREPAREDNESS

INSTITUTIONAL PREPAREDNESS

6 - PREPAREDNESS

2 - ASSESSMENT

7 COORDINATION

COORDINATION WITH STAKEHOLDERS

COORDINATION ACROSS THE PROGRAMME CYCLE

RISK MONITORING

5 - MONITORING

3 - RESPONSE ANALYSIS

ANALYSING FEASIBILITY & APPROPRIATENESS

MARKET MONITORING

CHOOSING INTERVENTION TYPE

4 - DESIGN & IMPLEMENTATION

PROGRAMME MONITORING

CONDUCTING RISK ANALYSIS

STRENGTHENING MARKETS

USING MARKETS

SUPPORTING MARKETS

7

2 ASSESSMENT

KEY STEPS:

1 PREPARATION	2 ASSESSMENT	3 ANALYSIS

KEY MESSAGES:

Market assessment is a crucial component in planning MBP and can influence other programmes to become market aware.

Market assessments are based on and complement multi-sector assessments, WASH assessments, and other assessments, all of which are used in situational analysis. Clear and specific research questions are essential to producing a focused assessment.

Market assessments must be tailored to the context; there is no universal set of surveys and interview guides.

KEY RESOURCES:

Minimum Standard for Market Analysis (MISMA)

Emergency Market Mapping and Analysis Toolkit (EMMA)

Market Analysis Guidance (MAG)

Rapid Assessment for Markets (RAM)

HOW TO SELECT A CRITICAL MARKET SYSTEM

1	**Consider existing insights:**	• Reach out to the WASH Cluster/Sector, Cash Working Group (CWG), and government agencies for their insights and for any completed assessments (including multi-sector assessments and/or WASH technical assessments).
2	**Consider the phase of the humanitarian crisis and urgency of WASH needs:**	• In acute crises, market assessment should be geared towards addressing life-saving and urgent public health needs. • In protracted crises, market assessment is more likely to focus on market systems impacting sustainability and durable solutions.
3	**Consider the extent to which the market system has been affected:**	• If the crisis has disrupted a supply chain of specific WASH goods or resulted in a decrease in the quality of services, market assessment will focus on the relevant market system. • Certain market systems may not be affected and so may not require detailed assessment.
4	**Consider the complexity of the WASH challenge:**	• Providing safe, adequate, and sustained access to WASH goods and services is often a complex undertaking involving multiple systems (including markets, governance, finance, natural resource management and others). • Where complex challenges have been identified that affect the provision of a particular WASH service, market assessment can help identify bottlenecks and underlying causes.

DEFINE RESEARCH QUESTIONS AND OBJECTIVES

Having identified the market system(s) to investigate, research questions should be developed, based on needs assessment findings, to provide an overall steer to the market assessment.

- Choose questions on topics that will inform the MBP design and guide the project team with decision-making in the analysis and design phases.

- Choose questions that are specific, focused, and adaptable – they should provide enough space for the assessment to uncover unexpected findings.

☆
WHAT TYPE OF RESEARCH QUESTIONS ARE APPROPRIATE?

VIEW EXAMPLES

ANNEX 3: EXAMPLE OF RESEARCH QUESTIONS FOR MARKET ASSESSMENT

MARKET SYSTEM	RESEARCH QUESTIONS
Water supply (Lebanon – Syria crisis)[1]	• What is the capacity of the water market to provide the needed quality and quantity of water to targeted beneficiaries? • What is the ability of people to access the water market (disaggregated by gender, age, and disability)? What are the limitations? • What is the preferred modality for water provision among targeted beneficiaries (disaggregated by gender, age, and disability)? • What are potential indirect WASH response activities?
Household toilets (Kabul)[2]	• How might informal settlements in Kabul gain access through markets to household toilets to improve public health? • What are the barriers to improved latrine adoption (disaggregated by gender, age, and disability)? • What is the affordability gap for household toilets (including for the lowest in-come households)? • Are there inefficiencies in the sanitation supply chain that can be improved? • How does government/policy make this easy or difficult?
Hygiene items (Somalia)[3]	• How is hygiene items service provision linked across different regions? • What are the strategies to improve restocking during emergencies? • What specific hygiene items face stock rupture and what are the best brands, origin and prices of the hygiene items?

1 - Example adapted from: Wildman, T. (2013). Water Market System in Balqa, Zarqa, & Informal Settlements of Amman & the Jordan Valley. Oxfam and ECHO
2 - Example adapted from: Allen, J. (2019). Market-Based WASH Programming: Assessment in Kabul Informal Settlements. Oxfam and NRC
3 - Example adapted from: WASH Cluster Somalia. (2019). Somalia Coordinated WASH Market Assessment

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3 RESPONSE ANALYSIS

KEY STEPS:

1	2	3
ANALYSING THE FEASIBILITY & APPROPRIATENESS OF MBP	CHOOSING THE INTERVENTION TYPE	CONDUCTING A RISK ANALYSIS
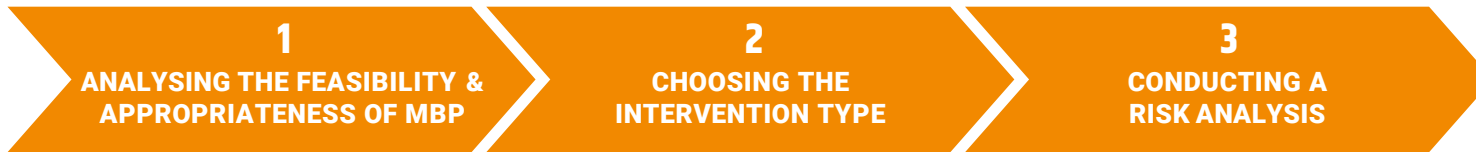
This chapter focuses on reviewing key information to decide on the most suitable type of humanitarian WASH intervention.

KEY MESSAGES:

Response analysis links assessment with the design of MBP.

The chosen response should depend on the capacity of the market system, disruptions and risks.

Consider both the needs and limitations of the demand and supply side of the market.

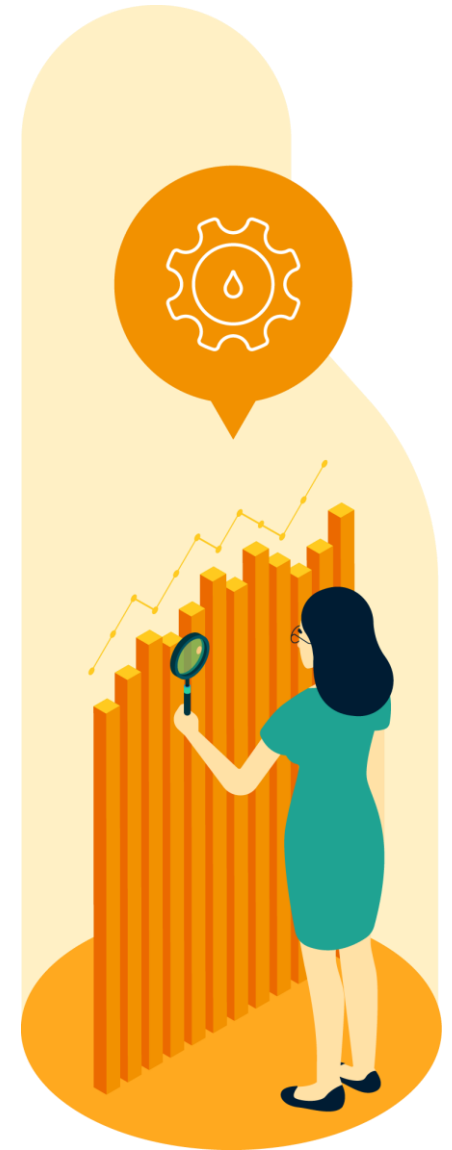Risk analysis is a key step in the response analysis process.

KEY RESOURCES:

CaLP Programme Quality Toolkit, Market Analysis

Emergency Market Mapping and Analysis Toolkit, Chapters 6 – 8

UNHCR Response Analysis and Cash feasibility Toolkit

ANALYSING THE FEASIBILITY AND APPROPRIATENESS OF MBP

At this stage of the process, the market system and its actors are analysed to determine whether they are capable of being part of a market-based intervention.

In the case of WASH goods, infrastructure and services, this means reviewing the following:

- Are the right items available in the right quantity?

- Are they available and accessible by all genders and groups in the right locations and at the right prices to meet the needs of the population?

- What do prices say about how markets are linked or integrated with one another?

- Are WASH actors able to provide services according to needs and minimum standards?

If market actors cannot meet needs, analysis will inform which supply-side interventions could make this possible, including market support activities.

CHOOSING THE INTERVENTION TYPE

Having understood the market system, it will now be possible to assess response options and select the most suitable type of intervention, or a combination of them.

Response analysis for MBP will include assessing programme options ranging from use of local markets, to supporting markets and strengthening market systems, or a combination of these. **If none of these market-based response options are suitable, the programme may proceed with other modalities, such as direct assistance.**

⚠️ **Many WASH programmes combine market and non-market-based modalities to achieve humanitarian outcomes.**

Interventions can also seek to address issues related to the market environment and supporting services as part of any of the above response options.

Each of the three main categories of MBP is discussed in the following table, with further detail on the design and implementation of programmes provided in **Chapter 4**.

4 DESIGN & IMPLEMENTATION

● **KEY STEPS:**

1 USING MARKETS, WITH A FOCUS ON CVA	2 SUPPORTING MARKETS	3 STRENGTHENING MARKETS

The design and implementation of WASH MBP means going beyond being aware of markets and their relationship with WASH humanitarian assistance, and involves either using markets, supporting markets, or strengthening market systems, or a combination of these.

● **KEY MESSAGES:**

MBP spans a spectrum of interventions to meet the needs of a crisis-affected population, starting with those that are market aware to those that use markets, support markets, and strengthen market systems.

Designing CVA programmes must incorporate WASH specific considerations, including for one-off needs
(such as the construction of latrines and bathing shelters).

Market system strengthening contributes to resilience, meeting objectives in preparedness and the sustainability of WASH interventions as part of the humanitarian-development nexus.

● **KEY RESOURCES:**

For CVA programming, see:
CaLP Programme Quality Toolbox
CaLP Online: Core CVA Skills for Programme Staff Course | Cash Learning Partnership
Red Cross and Red Crescent Movement Cash in Emergencies Toolkit

For examples of WASH MBP, including market support interventions, see: Barbiche, J.C. and Collins, O. (2020). **Evidence Building for Cash and Markets for WASH in Emergencies. Global WASH Cluster**

For discussion and case studies of WASH systems strengthening, including market systems, in fragile contexts, see: Tillet, W., Trevor, J., DeArmey, D., and Schillinger, J. (2020). **Applying WASH Systems Approaches in Fragile Contexts: A Discussion Paper**

USING MARKETS – WITH A FOCUS ON CVA

This section focuses exclusively on CVA, as follows:

➤ **Working with end users (recipients of CVA):**
- Targeting, selection, registration, and verification of beneficiaries
- Determining transfer type, amount and frequency
- Communication and accountability
- Encashment and delivery of assistance

➤ **Working with FSPs:**
- Selecting FSPs
- Delivery of assistance

➤ **Working with WASH vendors or service providers:**
- Selecting vendors
- Contracting
- Training
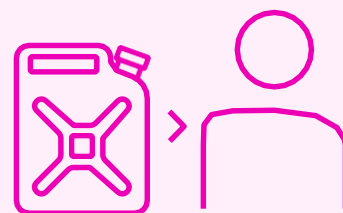
Using markets can also include local procurement of WASH goods and services by humanitarian agencies for their direct provision to people affected by crisis. This section does not cover local procurement.

TOOL:

Whilst these steps are briefly described below, programmes implementing CVA should use existing CVA guidance for in-depth detail.

For this, it is recommended to use the

PROGRAMME QUALITY TOOLBOX

WORKING WITH END USERS

TARGETING AND SELECTION

In CVA, identifying the affected community that will be targeted through the intervention (whether individuals, households or groups – those who are most vulnerable and most in need to meet the programme objectives) is an important step of the intervention.

Targeting depends on the objective of the programme and can be a challenging task. It is a dynamic process that requires strong methods, often by setting clear and transparent selection criteria and methodologies:

➤ Targeting during rapid onset emergencies might not be viable as it creates issues with timeliness and risks exclusion during a critical time.

➤ In acute crises, targeting criteria for WASH are likely to be the same as in multi-sector interventions, based on which population was affected. In MPC, interventions are likely to use measures of economic vulnerability as the basis of targeting. In protracted crises, targeting criteria may be different for WASH interventions. Here, WASH specific CVA interventions can target more easily according to WASH needs and objectives (such as using people's baseline access to sanitation as the basis to target latrine vouchers).

CASH AND VOUCHER ASSISTANCE (CVA)[4]

CVA refers to all programmes where cash transfers or vouchers for goods or services are directly provided to recipients. In the context of humanitarian assistance, the term is used to refer to the provision of cash transfers or vouchers given to individuals, households or community recipients.

5 MONITORING

KEY STEPS:

1 PROGRAMME MONITORING	2 MARKET MONITORING	3 RISK MONITORING

KEY MESSAGES:

Monitoring for MBP* is a basic requirement for project management, and it should be planned in line with the project design from the start.

Monitoring humanitarian WASH outcomes for MBP is no different to monitoring non-MBP interventions; indicators and monitoring approaches should correspond to results rather than modality. MBP can involve monitoring additional outcome indicators for market resilience, wash service viability, and other outcomes.

Continuous market monitoring helps clarify how market functionality is changing over time, to measure the effects of programmes on markets or to check whether MBP is appropriate.

KEY RESOURCES:

For further details on monitoring topics for MBP, including methods of measurement, survey design, and methodology guidance, see: Jacimovic, R. and Bostoen, K. (2017). Monitoring and Evaluation Framework: For WASH Market-based Humanitarian Programming. Oxfam.
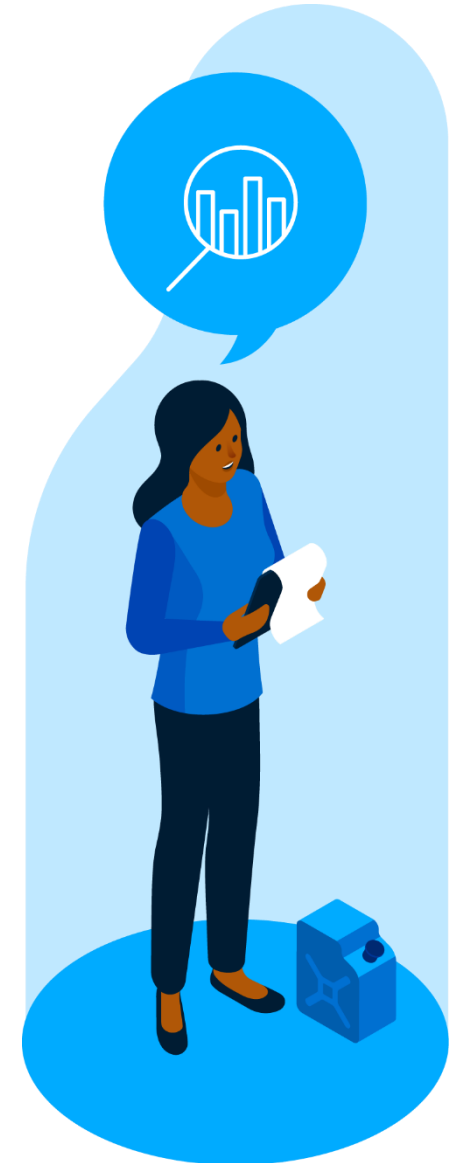
Monitoring WASH programming is determined by the components, or sub-sector, of WASH that is being addressed through MBP and the five types of outcome that can result from MBP:

COMPONENT OF WASH	⇄	OUTCOME OF WASH MBP
Water supply Excreta disposal Menstrual hygiene Handwashing with soap Fecal sludge management Drainage Bathing Vector control		**Availability:** WASH goods and services are sold or distributed near the target population. **Access:** men and women of all ages, and people with special needs are able to access WASH goods & services without undue difficulty. **Quality:** WASH goods and services delivered meet quality standards. **Awareness:** people know how to access and use WASH goods and services based on standards. **Use:** people have adequate WASH related attitude & practices, based on standards.

MULTIPLE TYPES OF MONITORING ARE CONDUCTED WHILE IMPLEMENTING MBP:

☑ Outcome monitoring (both for WASH outcomes and market outcomes);

☑ Output monitoring; and

☑ Process monitoring

In the humanitarian context, outcomes are the likely (or achieved) short and medium-term effects of an intervention's outputs.

- Monitoring outcomes is essential to understanding whether the programme is being effective at achieving its objectives, or whether it is leading to unintended consequences.
- Appropriate outcome measures should be based on the underlying programme logic and are ways to test assumptions made at the programme design phase about how outputs will lead to the desired changes.
- Outcome monitoring may be less straightforward than activity monitoring because it generally involves asking questions related to changes in the way beneficiaries act and use services, and may require household surveys, rather than simply counting outputs. However, it is critical in understanding whether activities are creating any meaningful improvement as intended, and that monitoring is used in identifying what changes are needed.

5 - https://www.washingtongroup-disability.com/question-sets/wg-short-set-on-functioning-wg-ss/
6 - https://www.washingtongroup-disability.com/question-sets/wgunicef-child-functioning-module-cfm/

DATA DISAGGREGATION:

WASH outcome monitoring should collect and analyse data that is disaggregated by age, gender, and diversity (especially when investigating the accessibility and use of WASH services) and routinely seek to identify and understand any excluded groups.

Use the short set of Washington Group questions[5] (or the Washington Group/UNICEF child functioning question set for children aged 2-17)[6] to classify disability for data disaggregation purposes.

To disaggregate age data, use the same age cohorts as in national data systems and major multi-sectoral assessments.

MARKET OUTCOME INDICATORS[7]

MEASURING MARKET OUTCOMES:

ACCESS	AVAILABILITY	QUALITY	AWARENESS*	USE*

Monitoring WASH sector specific programming entails monitoring not only the WASH outcomes that result from the intervention, but also monitoring the market effects. Emphasis here is on measuring the availability of WASH goods and services on the market, the access that the target population has to those goods and services, and the quality of the latter. These additional indicators to measure market impacts may be considered intermediate level outcomes leading to the achievement of WASH outcomes. Market outcome indicators can also be used to monitor progress towards building the resilience of markets.

While the WASH outcome indicators in the section above can be used in all types of WASH programming, the market outcome indicators are specific to MBP.

The below sections present options for indicators for the three outcomes of *Access, Availability and Quality*. In brackets, example WASH markets are given (such as menstrual products). When preparing indicators for programmes, these can be replaced with the specific WASH market relevant to the programming.

> ⚠ The distinction between an output, outcome, or impact of a programme is not always clear. Typically, multiple outputs will be required to achieve an outcome and there may be several levels of outcome between an output and an impact. The terminology used may differ across organisations, programmes, or teams, but the key is for outcome monitoring to remain linked to the programme logic and designed to ensure that the intended objectives are being achieved, by highlighting where changes or improvements are needed.

ACCESS

In MBP, access to WASH is achieved through access to WASH markets. People can access WASH goods and services through vendors and service providers. For such programmes, a top-line Access outcome indicator can be established:

OUTCOME: Targeted population has access to markets to purchase [soap].

INDICATOR: % of targeted population (disaggregated by gender, age, and specific needs/disabilities) able to access markets to purchase [soap] without significant barriers.

Measuring this top-line indicator will require data collection on market access. Lower-level output indicators can be used to measure whether this outcome is being achieved.

FOR ASSESSING ACCESS:

VIEW PROPOSED OUTPUT INDICATORS

7 - Outcome indicators and definitions here have been compiled, including from the Global WASH Cluster Cash and Market Indicator Registry, and have been adapted from the following sources: Oxfam. (2017). Monitoring and Evaluation Framework for WASH Market-Based Humanitarian Programming. | REACH. Core Indicators C&M. | CaLP. Minimum Standards for Market Analysis (MISMA). | CaLP. Monitoring Guidance for CPT in Emergencies. | Save the Children. Bank of outcome, process, and output indicators: Market-based programming and cash & voucher interventions. | IFRC. Cash in Emergencies Toolkit. | OCHA. Humanitarian Indicator Registry.
*Specific market outcome indicators may not be needed for awareness and use, as these may be sufficiently captured in the overall WASH outcome indicators.

ACCESS INDICATORS

To measure Access, it is recommended to monitor outputs using three types of information: Items measured in market monitoring:

The self-reported access of targeted population.

The reporting of access barriers by the target population.

Measurement of the affordability of WASH goods/services.

LEVEL OF ACCESS REPORTED BY THE TARGET POPULATION:

INDICATOR	DATA SOURCE	DEFINITIONS/REMARKS
% of target population reporting physical access to market locations where [soap] is sold	• Interviews with target population • Quantitative data	**Possible questions:** • Are you able to get to a market to purchase soap? • How far is the nearest market where you can purchase soap? • How long does it take you to travel to shops where soap is sold? • How much is the fare that you have to pay to get there?
% of target population who are satisfied with the accessibility of buying [soap]	• Interviews with target population • Quantitative data	**Possible questions:** • Are you satisfied with the way you travel to the market to purchase of soap? • Are you satisfied with the convenience of how you purchase soap? • A 5-point Likert scale can be used to measure satisfaction along a spectrum from 'very unsatisifed' • to 'very satisfied'.
% of target population able to access funds for the purchase of [soap]	• Interviews with target population • Quantitative data	**Possible questions:** • Are you able to correctly use the means of accessing funds/vouchers (ex. mobile money, e-vouchers) in order to purchase soap? • Note: this question is not asking if the respondent has enough money, but instead asks how they access the cash/vouchers through the programme.

6 PREPAREDNESS

KEY STEPS:

| 1 INSTITUTIONAL PREPAREDNESS | 2 PROGRAMMATIC PREPAREDNESS |

KEY MESSAGES:

Programmes that take steps in preparedness prepare themselves to lead a market-based response to crises.

Pre-crisis market assessment and analysis is a key step to understand the market's capacity to meet people's WASH needs during crisis.

Preparedness contributes to resilience, including through supporting market actors and strengthening market systems.

KEY RESOURCES:

For more information on the PCMA, please see: Juillard, H. (2016). **Pre-Crisis Market Analysis (PCMA). IRC, USAID, and Oxfam**
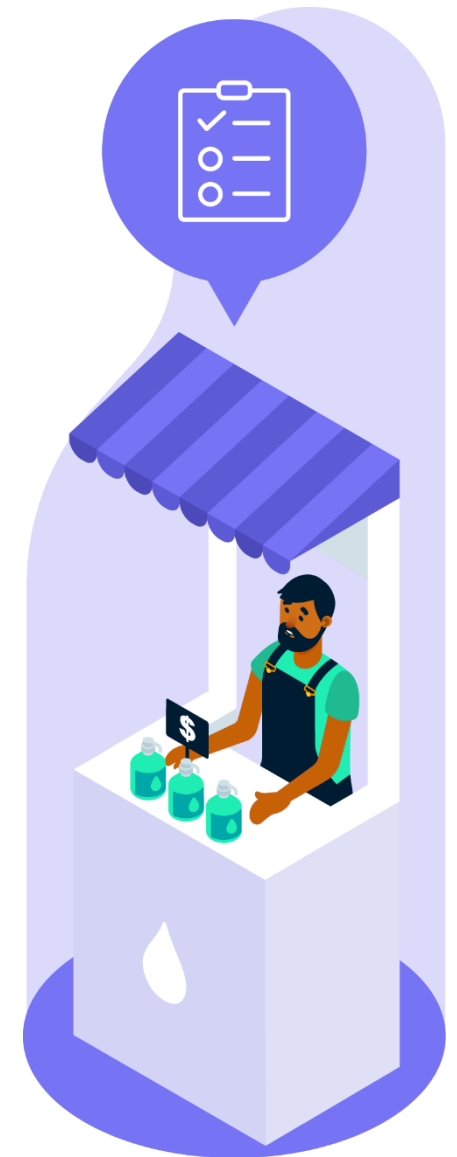
Activities in preparedness can be carried out to enable a higher quality market-based response when a crisis occurs, especially in disaster-prone, fragile or climate affected contexts:

➢ Forms of MBP (including market system strengthening interventions and some market support interventions) can be carried out during preparedness and recovery.

➢ It is especially useful to have conducted market assessment and analysis prior to deploying WASH MBP activities in a first phase response. Findings from market assessments conducted in advance of a crisis, or from a prior crisis, can be used to inform response options or at least save time in understanding where market system disruptions have occurred. This is pertinent to contexts in which crises are recurrent.

➢ In the context of recovery, preparedness can support the transition to longer-term programming, allowing market-based approaches to contribute to the resilience of markets, enabling them to respond to WASH needs during crises.

INSTITUTIONAL PREPAREDNESS

Institutional preparedness for conducting MBP means ensuring the organisation has the programming capacity and systems in place to be able to conduct market-based interventions. This is not done for an agency's WASH interventions alone, but for the whole organisation.

Two key aspects should be assessed, and where relevant, addressed:

➢ Staffing and capacity (including partnerships with public, private, and humanitarian actors).

➢ Systems and procedures.

STAFFING AND CAPACITY

Part of organisational preparedness entails having the staffing in place to undertake MBP.

It is helpful to periodically conduct an organisational capacity assessment:

• Include a review of the competencies of programme staff (WASH, Cash & Markets, business support colleagues working in logistics, finance, and HR).
• Seek to determine capacity gaps and fill any gaps with specific training.
• If it is envisioned that the programme will conduct CVA, particular attention should be placed on CVA competencies. A different set of competencies may be required for market support interventions (for example if WASH technical support is given to market actors).
• Staffing and capacity preparedness may be extended to partners, and in this case a partner capacity assessment will also be conducted.

EXAMPLE:

Annual or semi-annual flooding or periodic displacement due to conflict are two scenarios in which preparedness can support the later implementation of MBP.

For further reading on CVA specific preparedness, see the

CALP ORGANISATIONAL CASH READINESS TOOL

7 COORDINATION

KEY STEPS:

| 1 COORDINATION WITH STAKEHOLDERS | 2 COORDINATION ACROSS THE PROGRAMME CYCLE |

KEY MESSAGES:

Coordination is vital to ensure that organisations and sectors work towards similar goals, that efforts are not duplicated, and that standards and ways of working are consistent.

Multisector or multipurpose modalities such as MPC require coordination between sectors, and often with governments and other non-humanitarian actors.

The WASH Cluster / Sector should contribute to the design and monitoring of MPC in coordination with the CWG to ensure that WASH needs are appropriately considered.

KEY RESOURCES:

CaLP Cash Coordination Tip Sheet

Global WASH Cluster's Accountability and Quality Assurance initiative

COORDINATION WITH STAKEHOLDERS

Coordination of WASH MBP should include relevant authorities, humanitarian agencies, civil society organisations, and private-sector actors.

Coordination is required, at national and sub-national levels, with:

> **WASH SECTOR COORDINATION**
- WASH Cluster/Sector
- Government and public utilities
- Private sector market actors

> **MULTI-SECTOR COORDINATION**
- CWGs

WASH SECTOR COORDINATION

WASH CLUSTER/SECTOR

MBP is part of WASH Cluster/Sector coordination, especially for WASH specific interventions and to some extent for MPC. The WASH Cluster/Sector is involved in providing strategic leadership, possibly by setting up a MBP TWG.

WASH coordination should ensure a coherent approach, such as through supporting coordinated multi-agency assessment, and establishing or disseminating standards, especially for quality.

Coordination often falls under the mandate of the Inter-Cluster/Sector Coordination Group, which may establish a CWG (as described below). The WASH sector's link to multi-sectoral coordination for MBP will typically be through engagement with the CWG.

The WASH sector may establish a TWG to lead on certain aspects of MBP for the sector. Terms of Reference (ToR) will be established according to the specific roles needed for the TWG. These may include:

- Developing context-specific tools and technical standards for MBP.
- Conducting capacity building, especially for WASH agencies who are new to MBP, including local organisations.
- Supporting response analysis, using assessments to inform suitable response options for programmes.
- TWGs may also support the Cluster Coordinators in leadership for MBP, advocating for its uptake and use and the need for specific funding.
- Development of briefings and materials for private sector partners (*e.g. suppliers, FSPs*)

MARKET-BASED PROGRAMMING IN WASH

Technical Guidance for Humanitarian Practitioners

WASH Cluster
Water Sanitation Hygiene

DEVELOPED BY:

OXFAM | GERMAN WASH NETWORK

SUPPORTED BY:

german humanitarian assistance
DEUTSCHE HUMANITÄRE HILFE

Q&A Session

Closing Remarks

Thank you!

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