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## Case Study: Using the MERS for Participatory Market System Analysis in a Protracted Refugee Situation

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**Sector:** Livelihoods & Youth  
**Context:** Protracted Refugee Situation in Tindouf, Algeria

### Background

The Sahrawi refugee situation is one of the most protracted refugee situations in the world; pending a political solution to their situation, Western Sahara refugees have been living in refugee camps in the desert of Tindouf in southwest Algeria for 44 years. Due to harsh living conditions and the remote location of the five camps, the population remains extremely vulnerable and entirely dependent on international assistance for basic needs and survival. The limited prospects have led to frustration and loss of hope in the community, especially affecting the youth who were born in displacement and have no clear vision for their future despite their high education level. Additionally, in view of security considerations prevailing in an unstable regional environment, young refugees are at a high risk of engaging in negative coping activities. In the aim of addressing youth frustration, UNHCR and partners have been facilitating youth self-employment in the camps since 2016. The livelihoods program includes vocational and business skills training targeting women and youth, and the provision of productive and financial assets for groups of youth to start or expand their own businesses in the camps.

For the last four years, young Sahrawi refugees have had the freedom to submit business proposals for whatever business they considered potentially successful in their local community. Selection of beneficiaries has taken place according to clearly established criteria that have improved year after year. In 2019, it was noticed, however, that this flexibility was slowly resulting in the saturation of the local market with some similar products and services. In parallel, other local needs of the refugee population were still not being sufficiently met, thus constituting an unmet demand. Despite the availability of previous market studies, the need for detailed market data at camp and district level became obvious during the fourth year of the business grant provision program, as well as the need for closer involvement of local authorities. Recognizing this challenge, UNHCR and partners decided to carry out a participatory market system analysis, engaging local authorities and key stakeholders in the identification of priority needs and potential for development. Ahead of detailed planning for the following year, the identification of these local priorities at camp and district level will enable UNHCR and partners to design more impactful livelihoods interventions that best address unmet local demand and increase viability and sustainability of supported businesses.

## Objective of the Case Study

This case study lays out the plan for a participatory market system analysis in the Sahrawi refugee camps in southwest Algeria. The market system analysis is expected to help identify market needs, gaps and potential for development at camp and district level, and to provide a better understanding of informal market systems and marketplaces in the camps. This should enable the design of more impactful livelihoods interventions that facilitate the establishment of small youth businesses and productive units that meet local needs for products and services. It is also expected to preserve and enhance traditional Sahrawi livelihoods, thus improving refugees’ living conditions and reducing youth frustration. The market system analysis is designed according to the organizational leadership structure of the refugee community, including the administrative organization of each camp into districts, and of each district into neighborhoods. On average, there are 6 districts/sections (Dairas) in each of the 5 refugee camps. Colleagues working in a protracted refugee situation in a camp setting may benefit from this case study and decide to adapt this plan to the context of their Operation.

## Design of the Plan in Line with MERS and Local Context

The participatory market system analysis is planned to be conducted according to the following steps and account for minimum standards as detailed by the MERS:

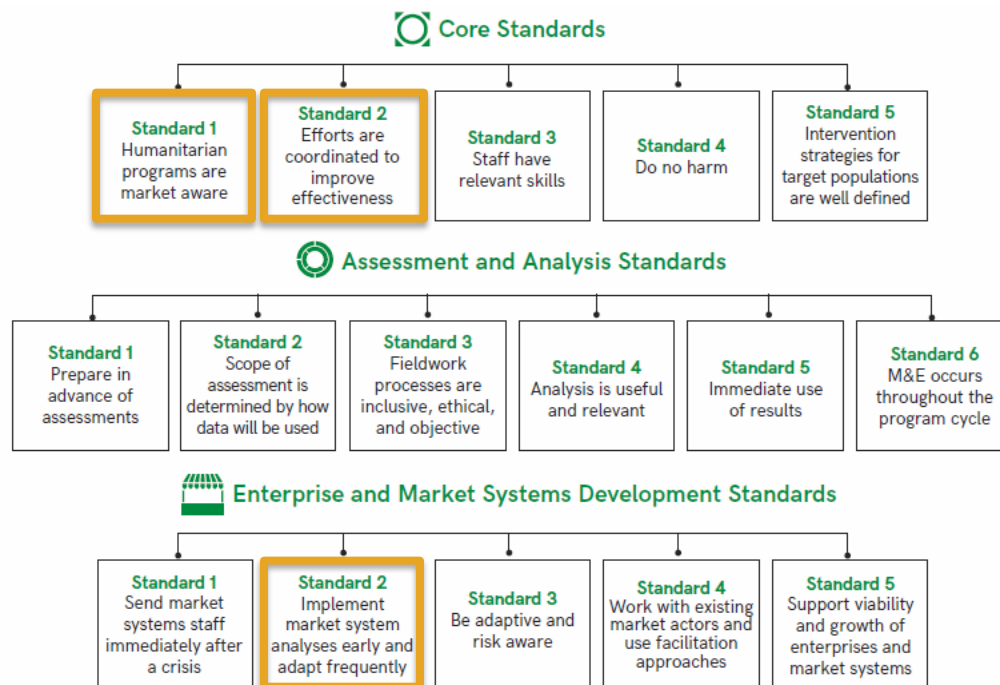
<i>Steps</i>	<i>Description</i>
<b>Step 1</b>	Presentation of the objectives of the participatory market system analysis and its proposed methodology to refugee coordination body for consultation on the choice of the first camp to start with.
<b>Step 2</b>	Contact the camp authority (Wali/Governor) to present the objectives of the planned participatory market system analysis and request the participation of the local leadership structure.
<b>Step 3</b>	Endorsement of the methodology by camp Wali and heads of Dairas, following discussion. Set-up of the detailed schedule of the participatory market system analysis.
<b>Step 4</b>	Organization of half-day workshops in each of the camp districts followed by a plenary session at camp-level. Workshops are to include the following participants: local authorities (heads of Daira, heads of neighborhoods, sectoral focal points), local business owners (private businesses), supporting organizations and civil society groups and program beneficiaries (owners of supported youth businesses and entrepreneurship course graduates). Effort will be made to capture the needs of specific groups at district level (women, youth, people with disabilities, elderly, and disadvantaged ethnicities) in addition to input from the youth target groups, with age, gender, diversity (AGD) considerations, and provide a better understanding of influential informal social and cultural norms.

	<p>Each workshop is planned to include the following activities:</p> <ol style="list-style-type: none"> <li>1) mapping of marketplaces and businesses in each neighborhood of the district, highlighting UNHCR-supported youth businesses;</li> <li>2) mapping of the market system, including supply chains outside the camps, and identification of market linkages (existing relationships) between market system actors;</li> <li>3) Rapid review of previous livelihoods program activities and their impact followed by a discussion of gaps, prioritization of those gaps and needs and potential (resources available) in each district.</li> </ol> <p>These mini workshops will be followed by a plenary session to present results, establish priorities at camp level, specify particularities at district level and discuss needs and potentials of specific groups (women, youth and persons with specific needs). Consequently, participants will prioritize interventions that can be undertaken at multiple points across the market to strengthen relationships between actors at different levels in the market, namely providers of products and services (including the youth businesses), buyers, decision- and policy-makers. Additionally, community groups and market actors will be consulted during the plenary to agree on the best channels to share analysis findings and other program information with the camp community.</p>
<b>Step 5</b>	Synthesis of assessment results and lessons learned in a written document and PowerPoint presentation.
<b>Step 6</b>	Results-sharing with camp stakeholders; community groups and market actors will be consulted during the exercise to agree on the best channels to share analysis findings with the camp community.
<b>Step 7</b>	Replication of this exercise in the four other camps.
<b>Step 8</b>	Compilation of results and presentation during a Livelihoods Working Group meeting, followed by discussion and analysis, ahead of planning activity.

## Consideration of the Most Relevant Standards

This planned participatory market system analysis mainly touches on three of the MERS:

- Core Standard 1: Humanitarian programs are market aware
- Core Standard 2: Efforts are coordinated to improve effectiveness.
- Enterprise and Market Systems Development Standard 2: Implement market system analyses early and adapt frequently



## Core Standard 1: Humanitarian programs are market aware

The livelihoods program was initiated in the camps based on the need to prevent refugee youths from choosing negative coping mechanisms as a reaction to their vulnerable situation. Initial market studies have focused on macro-economic aspects but failed to collect and analyze data comprehensively, at a sufficiently small local level. Looking at local systems along with a range of local community members will help determine the right level of market intervention in the future. **Viability** of youth businesses supported as a result is expected to be higher, since funding will be allocated for businesses that address unmet demand in specific products and services, and therefore present concrete opportunities for self-employment and increased income for the sustainability of livelihoods. The analysis will complement the previously undertaken studies and assessments by bringing in a more detailed and updated picture of needs, priorities and potential at micro-level, and a comprehensive picture of market systems in the camps. Accordingly, UNHCR and partners will be able to design more impactful interventions that work at multiple points across the market, instead of focusing primarily (or exclusively) on producers and service providers, our direct beneficiaries.

The participatory market analysis will additionally provide information on any unintended **market distortion** that has taken place in results of UNHCR’s livelihoods program since 2016. Furthermore, it will help lay out the basis for a market monitoring and information-sharing system that involves relevant local stakeholders, to identify and **respond to changing market conditions** at the appropriate time. After looking for the last four years at the interests of supported youth businesses, we now want to look more at community and market systems.

## Core Standard 2: Efforts are coordinated to improve effectiveness.

In Tindouf refugee camps, coordination mechanisms are already put in place in parallel to the strong organizational structure of the refugee community. Planned and implemented livelihoods activities are

coordinated at the level of a Livelihoods Working Group which brings together UNHCR (as chair), other UN agencies, national and international organizations, civil society organizations and relevant local authority departments. The LWG seeks to enhance coordination and learning to improve livelihood services and activities. The LWG structure is used for the planning of next year's sectorial response of UNHCR and partners, and for the elaboration and review of the inter-agency livelihoods strategy. Meeting with the refugees will offer an opportunity to openly communicate with the community in a transparent and honest manner, and to answer any question they may have with regards to the selection of program beneficiaries. This will allow the LWG to correct any possible misconceptions and to be transparent on targeting not only to applicants but also to the community in general.

### **Enterprise and Market Systems Development Standard 2: Implement market system analyses early and adapt frequently**

Tindouf refugee camps predominantly constitute an informal market running in parallel to the humanitarian assistance provided by UN agencies, NGOs and support groups. The participatory market assessment will allow us to gather information about the formal and informal markets, to better understand demand and supply gaps. Analysis will include information on support services, public initiatives, private-sector groups, formal policy environment, and informal social and cultural norms influencing the market system, notably gender-related. At neighborhood (Hay) and district (Daira) level, the market system analysis will involve business owners (owners of self-funded and donor-funded businesses), local community leaders and decision-makers, in addition to NGOs and CSOs working in livelihoods.

As per Guidance Note 5, stakeholders will be involved in the analysis. Results will be shared with the community and in the Livelihoods Working Group, the platform for sectoral coordination in the Operation. Joint analysis with community members will allow us to understand stakeholders' resources, and the risks that businesses are ready to take, notably based on the experience of youth businesses to date. We know that some overoptimistic young entrepreneurs have previously taken risks and borrowed money beyond their capacities. A vulnerability assessment (and assessment of scope of possible economic shocks) will be included in the participatory market system analysis in order to weigh potential risks and ensure preparedness and risk mitigation planning.

Results from the participatory analysis will help us ensure that future livelihoods support activities will not result in further impoverishing recipients of business grants and training support. The participatory market system analysis is planned to be followed by an impact evaluation of the livelihoods interventions carried out by UNHCR and partners in the camps between 2016 and 2019.

## **Conclusion**

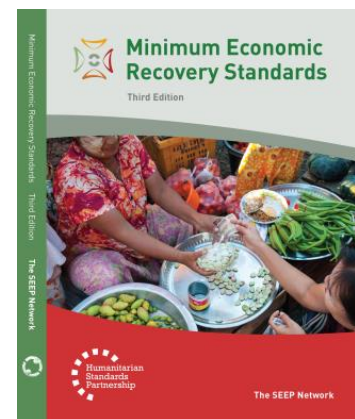
While the usefulness and success of this participatory market analysis exercise can only be confirmed after its implementation, the use of MERS during assessment design proved to be valuable; it served as a checklist and an eye opener to ensure that the standards are effectively considered during the assessment.

## About the MERS

The **Minimum Economic Recovery Standards (MERS)** articulate the minimum level of activities required to support the economic recovery of vulnerable populations in the wake of crises. The MERS handbook offers tools and approaches that support practitioners, multi-lateral stakeholders, local market actors, governments and donors to support economic recovery through market-based response. The standards draw from the accumulated experience of the world's leading humanitarian agencies and economic development practitioners. The third and most current edition of the MERS represents the expertise of over 90 organizations and 175 technical professionals.

## What are the Standards?

The MERS are comprised of six sets of standards that can be read in sequence or separately. The **Core Standards** outline approaches and activities that prevent and/or mitigate harm—whether physical, social, economic, environmental or otherwise and promote protection in alignment with the Core Humanitarian Standards. The **Assessment and Analysis** standards provide a road map for designing, implementing and sharing assessment results that inform effective and context-appropriate programmatic strategies. **Asset Distribution** standards guide practitioners to apply market-aware thinking to asset distribution, to support activities linked to longer term-recovery and minimize disruption of local market systems. The MERS also contain standards designed to bolster livelihoods, expand financial inclusion and support self-reliance through **Enterprise and Market System Development**, **Financial Services** and **Employment**.



## How are the Standards structured?

Each set of standards includes Key Actions, Key Indicators and Guidance Notes. The MERS also provide examples of good and bad programming, demonstrating to decision makers which approaches and interventions are considered best practice—enabling them to avoid mistakes from past responses. The MERS are not prescriptive. Standards can be applied in whatever combination makes the most sense and will have the most impact for the context.

## Where can I get the Standards?

The MERS are available to download online, or to purchase as a hardcopy handbook. You can also use the HSPapp to download MERS and the partner Standards on your mobile device.

## MERS and the Humanitarian Standards Partnership



The MERS are a member of the Humanitarian Standards Partnership (HSP) which aims to improve the quality and accountability of humanitarian action through an increased application of humanitarian standards. The partnership is comprised of six standards initiatives, which in addition to the MERS include: Sphere, the Child Protection Minimum Standards, the Livestock Emergency Guidelines and Standards, the INEE Minimum Standards for Education, The Humanitarian Inclusion Standard for Older People and People with Disabilities and the Minimum Standards for Market Analysis.

*To learn more and access the full set of standards, visit [www.mershandbook.org](http://www.mershandbook.org).*