Towards Resilience: Improving Market Based Responses To Disaster

An Issues Brief Presentation by: MERCY CORPS

THE WEBINAR WILL BEGIN SHORTLY
Our Vision: Markets that provide opportunities for all people to engage and prosper

Global learning network: Combating poverty through inclusive markets and financial systems

Global reach: 120 members in 170 countries

Global collaboration: Build knowledge, foster innovation and scale impact
Webinar Housekeeping

✓ Use the floating tool bar at the bottom of your screen to access webinar features
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✓ Use the Q&A feature on the floating tool bar to ask questions; we’ll address questions when speakers have completed their presentations
✓ Webinar is being recorded and will be posted in on SEEP’s website
Towards Resilience: Improving Market Based Responses To Disaster

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TOWARD RESILIENCE:
IMPROVING MARKET-BASED RESPONSES TO DISASTERS

Findings from an Issues Brief
Why Market-based Response?

- **Risks**: Response too often undermines local markets and businesses
- **Missed opportunities**: Households, small businesses, and entrepreneurs rely on other market actors to cope and recover
- **Preparedness**: Financial systems are unprepared for response

How can we build on existing market systems?
How can we improve access to the right types of finance?
What can we do differently as aid actors in responding?
Key Themes

- Analyze *systems*, not just individual needs
- Identify opportunities to work through local market actors to increase *reach* and build *resilience* and prevent harm
- Fund and implement programs that rebuild local economies and support businesses in parallel to (not after) basic needs programs

Key elements:

- Access to capital and financial systems
- Business inputs and services
- Social support systems
Access to Capital and Financial Services

- Laxmi Bank
  - 25,000 transfers

- CGAP and ELAN research
  - Financial institutions matter, they need to be ready
  - The right products can continue the relationship
Access to money— in the right amounts at the right time in the right place - can be critical to save lives, restart businesses and recover from a crisis.

Support to Vendors: Post-disaster, businesses need cash to rebuild and recover stock, smooth cash flows.

Financial infrastructure needs to be ready - ensure liquidity, serve clients, plan for the roll-out of emergency products like cash transfers.
Strong markets support resilience

» Ethiopia PRIME
  • Destocking
    • Selling price up 120%
    • 12,237 shoats
  • Vet Vouchers
    • Increased demand
    • Increased credit access
  • Emergency Cash
    • 75,000 hh through local microfinance institutions

IMPROVING MARKET-BASED RESPONSES TO DISASTERS
Markets can be powerful

Systems level changes drive resilience

› improving the functioning of veterinary input supply markets

› expanding services provided by formal financial institutions

› providing timely and accurate weather and market information for actors and as emergency triggers

› Integrated emergency and market systems support
Working through social systems

Timor-Leste: Effective Seed Storage

- Partnered with blacksmiths to improve seed storage technology
- Smart-subsidies to households to encourage adoption

Results

- >70,000 households adopted technology over 3 years
- Social capital and improved business capacity helped blacksmiths to begin livestock de-stocking during El Niño
System-wide impact

- Working through local networks increased reach beyond direct beneficiaries and changed market behavior.

- Strengthening market actors improved households’ ability to cope, outside of the program.
TOWARD RESILIENCE: IMPROVING MARKET-BASED RESPONSES TO DISASTERS

Case Sharing: Nepal Earthquake Response and Recovery

Prasanna Pradhan
Market System Development Component Manager
Mercy Corps Nepal
Earthquake Recovery Program Area

Nuwakot

Sindhupalchok

Dolakha

Kabhrepalanchok

Scale: 0 12.5 25 50 Kilometers

MERCY CORPS
Share of disaster effects across sectors

- Cross-Cutting Issues: 7%
- Infrastructure Sectors: 10%
- Productive Sectors: 25%
- Social Sectors: 58%

Source: Estimations by PDNA team
Mercy Corps Resilience Approach

The capacity of communities in complex socio-ecological systems to learn, cope, adapt, and transform in the face of shocks and stresses

4 principles of resilience approach:
1. Complex dynamics require a systems approach
2. Strong partnerships and dynamic relationships are transformative
3. Our role is one of facilitation
4. Model, test and iterate to build an evidence-base toward resilience
RESPONSE WORKS AND RECOVERY

- Landslide mitigation
- Reconstruction
- Community
- Local Cooperative
- Dairy Development Corporation
- Market Analysis
- Damaged shed
- Low Production
RESPONSE TO RECOVERY

- Local Cooperative
- Intervention plan
- Improved breed cattle
- Local collection center
- Government of Nepal
- Local Masons
- Improved shed
- Insurance

- Local Cooperative
- Dairy Development Corporation
- Government of Nepal
- Mercy Corps
Thank You!
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Q & A
Thank you!

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