

M4P in post-conflict environments: *Issues & challenges*

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What is M4P?

‘**Market systems development**’ is a practical approach to understanding and addressing poverty, guided by a set of underlying operational principles:

- Systemic action
- Sustainable change
- Impact at scale
- Facilitation

It is ***not*** about market economics, but about the ‘systems’ by which the poor access services and goods - and how those systems can be strengthened and improved



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Why is M4P relevant in post-conflict environments?

“All entry points in the country are being used exclusively for humanitarian aid, interrupting normal commercial supply lines. An increase in commodity prices has also been reported further increasing the number of people who are dependent on humanitarian assistance ” UNOCHA, Haiti, January 2010


“The best opportunities for assisting populations affected by crisis or conflict may be missed unless responses are designed with an understanding of market systems.

Market development is essential for sustainable poverty reduction and has substantial potential for promoting stabilization and sustained recovery.” Oxfam, The EMMA toolkit

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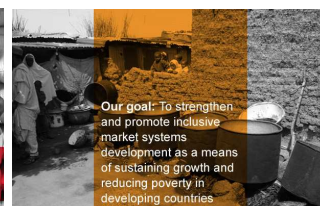
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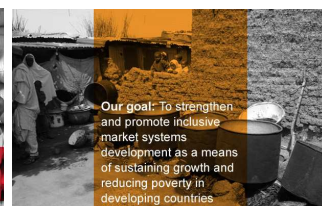
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Minimum Standards for Economic Recovery after Crisis, SEEP Network, November 2010

Standard 2: Market-Based Programming

Program design and implementation decisions reflect market realities. There is a thorough understanding of the supply of and demand for goods and services, and how the organization of markets determines power and governance among different market actors. Programs are flexible, allowing managers to revisit programmatic assumptions and operations given changing market conditions.



But what are the challenges?

Synthesis of an M4P Hub debate

The M4P approach has limited utility in post-conflict environments

FOR: Sarah Maguire, Social Development Direct

AGAINST: Andrew Ockenden, Coffey International

3rd Panellist: Diane Johnson, Mercy Corps


- Brief papers
- Key Questions
- Open forum



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Key Issues & Discussions

- i. Stability & Security
- ii. Information Needs & Realities
- iii. Systemic Action vs Quick Wins
- iv. Sustainability in a Fluid Environment

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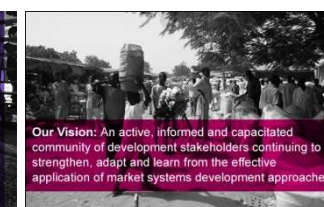
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i. Stability & Security

- ❑ Can market systems function in the absence of basic security and the rule of law?
- ❑ Is long-term security and maintenance of the rule of law possible in the absence of functioning market systems?
- ❑ Is there a hierarchy to this apparent mutual dependence?

Mercy Corps experience suggest market systems....


- Impact the poor in conflict – but even more so!
- Continue to function even if at reduced rates or informal levels and when social/political institutions have broken down
- Rebound quick post-conflict
- Provide jobs, essential goods and services
- Promote stability



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ii. Information Needs & Realities

- ❑ Does dysfunctionality of systems negate or validate a systems approach?
- ❑ Conflict disrupts market systems and information sources

Different emphasis:

- Conflict assessment
- Political economy emphasised
- Less in-depth AND more frequent
- More time data-gathering
- PRE and POST crisis analysis

Adaptable tools:

- EMMA toolkit
- SEEP Standards
- MIFIRA




iii. Systemic Action ~ Quick Wins

- ❑ Urgency & visibility are powerful incentives
 - Pressure to meet immediate needs & disburse funds
 - ‘Quick-wins’ demonstrate a peace-dividend
 - Is there space for long-term systemic action?
 - Is ‘quick’ cost-effective?
- ❑ Systemic change takes longer due to:
 - Extensive enabling environment changes
 - Increased needs for capacity building
 - Re-building trust
- ❑ Strategy & Tactics ~ is ‘quick’ the real issue?

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iv. Sustainability in a Fluid Environment

- ❑ Scarce opportunities to build on
 - ❑ Complexity of drivers of change
 - ❑ Overload for local partners
 - ❑ Rebuilding trust
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- The need for flexibility of approach
 - Iteration with vision
 - Identifying partners
 - Facilitating and catalysing

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Concluding Remarks

1. Increasing recognition of the value of the market systems development approach
2. Evidence shows market systems are as important to the poor in conflict as in more stable conditions
3. Information needs and analyses are more challenging
4. Pressure for 'quick wins' should not preclude the importance of long-term, strategic vision
5. Opportunities, partnerships and trust may not immediately present themselves, but are no less critical

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Thank you



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