

MARKit

2ND EDITION, RELEASED JANUARY 2020

WHY MONITOR MARKETS?

Markets play key roles in ensuring stable access to crucial goods and services and in the response to and recovery from crises and. Understanding how local, national, and international markets function, and how market actors and households interact is therefore a critical step in designing effective emergency or development programs



and making critical adaptations to them. Monitoring markets over the life of a program or during a crisis can help managers identify whether changes in the supply of, or demand for, key commodities risk further escalating market anomalies, and can help identify strategies to mitigate the impact of such changes.

MARKIT: PURPOSE AND SCOPE

The MARKit toolkit provides a framework for market monitoring, analysis and response decision-making, **using prices as the main indicator**. The decision to use prices stems from the understanding that prices are highly sensitive to changes in market function; therefore, price monitoring is the minimum requirement for monitoring markets to determine if conditions have changed. Through the introduction of a standardized methodology for price collection, management, and analysis, MARKit is designed to support evidence-based decision making. In many programs, staff monitor prices but may lack the time and/or skills to analyze and act on the information. Streamlining the market monitoring process will help teams be more efficient and effective with their time, which allowing them to prioritize analysis to inform decision making. Moreover, the use of commonly accepted data collection methods and reporting can facilitate data sharing across organizations, and thus further encourage collaboration. Lastly, the guidance aims to help programs maintain the principle of “Do No Harm” and mitigate unintended negative impacts on market systems. It does this by providing guidance on how practitioners can adjust their program to adapt to changes in market conditions, and to justify any adjustments to relevant stakeholders. MARKit was initially designed to support food assistance programs, but its general principles are applicable to programs with recurring distributions of cash, vouchers, or in-kind commodities, across sectors. MARKit can be used across crisis settings to inform both emergency and longer-term programming.

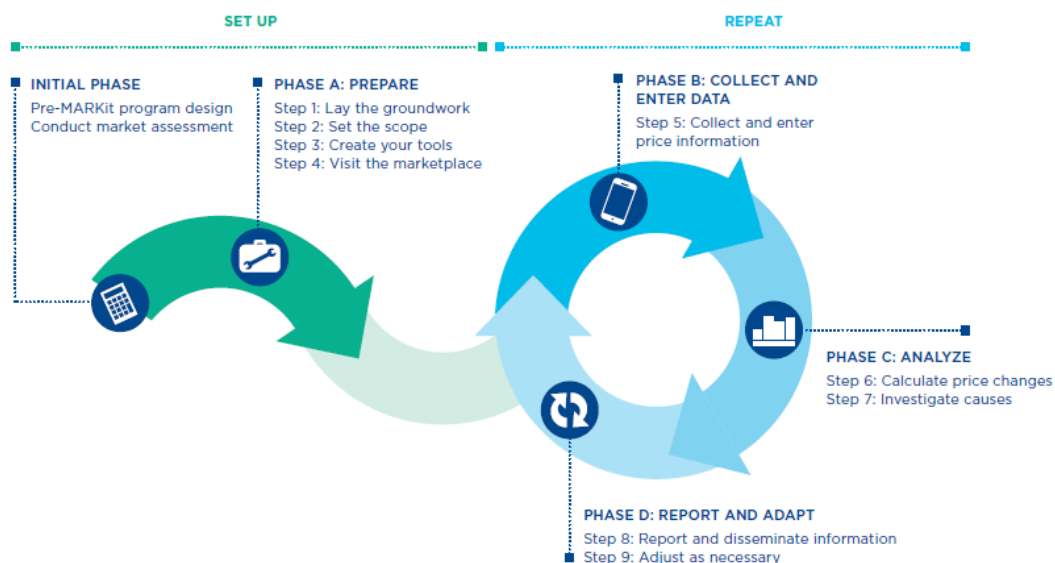
WHY IS THIS IMPORTANT FOR LEADERSHIP?

Leadership’s involvement is paramount for **securing the necessary resources** to conduct market monitoring, and to be able to **implement identified program changes** that result from analyzing the market monitoring data. It is essential to ensure that senior management are involved and understand the objectives of market monitoring to help ensure your project has sufficient resources

(financial, logistical, human) from the planning stage. If your program is not used to monitoring markets, this may require advocacy to ensure the proper resources are allocated. This may also include ensuring sufficient funds for training on MARKit or other technical assistance.

HOW AND WHEN SHOULD YOUR TEAM USE MARKIT?

A step-by-step manual provides nine steps that follow along five phases through the project cycle. As seen in the figure below, it specifies which steps are part of the set-up and should be completed before data collection and analysis begins, and which are repeated with each round of market monitoring.



MARKIT WILL BE MOST USEFUL FOR

- Programs with an intended duration of 6 months or longer, as trends from longer data series will be more insightful than those with fewer data points. The tool can, and should, also be used for programs of shorter duration, particularly in areas with reoccurring programming, as lessons learned can be applied to future responses. For shorter duration programs, users will need to depend more on secondary/historical data, where available, and/or qualitative methods to compensate for limited price data collected over the course of the program. Qualitative methods of analysis are included throughout the manual.

INTERVENTIONS THAT USE CASH GRANTS, VOUCHERS (CVA) AND/OR IN-KIND DISTRIBUTIONS PROCURED OR DONATED FROM LOCAL, REGIONAL OR INTERNATIONAL SOURCES. WHAT MARKIT IS NOT

- MARKit has been designed to be used in conjunction with other existing market assessment and analysis tools. It does not replace the need for basic markets knowledge or assessments that are critical to good program design and monitoring. While it is possible to use MARKit without having a full market baseline, a minimum understanding of local, targeted supply chains is required to properly set up the data collection system and interpret price changes.
- The use of MARKit assumes that interventions have already been designed based on solid response analysis, as MARKit is not a tool for deciding which interventions or modalities to use (although an existing MARKit system may be an input into future program designs). It should be used during a program's response to help track what is happening with markets during an intervention and to adjust the intervention if needed. It is not an ex-post-distribution monitoring activity to be conducted after an intervention has finished.

- MARKit is not a comprehensive market monitoring tool; it mainly covers prices, with a quick overview of other potentially relevant non-price indicators. The overall structure of the market and the conduct of actors within it, along with quality of commodities, are also important aspects of overall market functioning. The focus of MARKit, however, is on prices. Program managers may wish to build additional, more holistic, monitoring of the intervention markets into their program monitoring and evaluation plans.

CRS' use of MARKit in eastern DRC has enabled flexible responses to food insecurity using in-kind and voucher support in our Emergency Food Security Program, now in its seventh year.



Figure 1 LOCAL VENDOR SELLING PRODUCE IN DRC, 2021