Introduction

The QUICK APPRAISAL OF LOCAL MARKET (QUACK) Tool[1] aims to help Emergency Rapid Response (ERR) teams determine if the local market has the capacity to serve as one of the supply options for immediate relief commodities. This type of local sourcing is also called **social sourcing**, and see text box on the right for more information on this approach. The outcomes of this rapid market scanning will also help to define initially which response modalities, and combination of them, could be most appropriate for the operating context (in-kind, cash, voucher or market/traders support).

The QUACK is intended to be used in a nearby medium to large market to the emergency epicenter within the first 72 hours after event has occurred, or at the latest within the first week. It has been designed to be practical and quick with all information gathering to be done in 1-2 days. The QUACK Tool should be done parallel to the initial MEAL needs assessments that will be conducted in affected communities, and the idea is that the QUACK will be able to make a determination if there is an immediate supply option locally that can be tapped into to meet any urgent relief needs.

The QUACK tool is composed of just three main market focused questions: 1) Local market mapping—visual description of markets and interactions in emergency area; 2) Prices—before and after shock; and 3) Supply--how many traders by size, what are their stocks on hand, what are their restocking capabilities, supply connectivity, access to credit, and potential growth. Finally, there are supplemental QUACK questions that can be done with more time to obtain a more robust understanding of the market, and the CP should also conduct and participate in other key market assessment efforts such as a Rapid Assessment of Markets (RAM) or an Emergency Market Mapping and Analysis (EMMA), which are more thorough and complete.[2]

Social sourcing focuses on purposefully investing in the target area by sourcing from local smaller suppliers rather than larger traders in bigger cities or border towns where normal cheapest price based sourcing would focus (tactical and strategic). It should be noted with social sourcing that donors must be willing to accept higher prices than normal sourcing (tactical or strategic) in exchange for the localized benefits. Also there is a need to monitor supply quality to make sure it is consistent with specifications, and there is a need to monitor prices closely to make sure our sourcing is not causing price increases in the local market. However, the benefits of social sourcing are various: 1) works to stimulate the local economy through increased demand; 2) enables faster delivery; 3) outsources supply chain work to local vendors; and 4) it can serve to increase community acceptance. In addition, if social sourcing increases prices beyond fair market levels that existed prior to emergency, then the CP can shift to direct source and distribute (proactive tactical sourcing) from other markets until conditions stabilize.

[1] The QUACK Tool has been derived from various existing CRS market assessment tools, ICRC's Rapid Assessment of Markets (RAM), and OXFAM's 48-Hours Assessment tool. It is important to be clear from the outset that this tool does not replace existing market assessment tools such as Emergency Market Mapping and Analysis (EMMA), Rapid Assessment of Market (RAM), Market Analysis Guidance (MAG), Market Information and Food Insecurity Response Analysis (MFIRA) and Oxfam 48 Hours Assessment tools etc. Furthermore, this tool focuses mainly on the assessment of *marketplace* instead of *market system*[1]. Marketplace analysis is a rapid assessment with objective of identifying whether and how a market place can supply or deliver the goods and services after the shock/emergency" (UNHCR 2015:85).

[2] All market analysis from the QUACK and follow on monitoring can be fed into more in depth market analysis that will be subsequently conducted using more detailed market assessment tools such as the Rapid Assessment of Markets (RAM) or an Emergency Market Mapping and Analysis (EMMA). Likewise, if a Pre-Crisis Market Analysis (PCMA) has been conducted in the target area prior as part of disaster risk reduction and contingency planning efforts, then this can be used as the baseline and the QUACK can update on new market conditions.

Instructions

The QUACK tool will use a good old fashioned key informant interviews to collect its information on the primary markets located at distance of 1-2 hours from the affected population with a target of 3-7 medium and large [3]vendors to be engaged. To start the information gathering process the first vendors will be identified with the help of our local partners, local trader unions/associations where applicable or any persons with an extensive local knowledge and market context. Then for subsequent interviews the same key informants themselves will be asked to refer us to other medium and large traders whose opinion is considered to be of value added. Prior to the assessment, it is recommended to undertake quick desk review to understand the pre-crisis market and larger macro-economic context in the area.

The tool will be used much like a normal vendor survey, and it will be an iterative process where the information provided by the previous respondents will be checked with the next respondents to validated and edited. By the last respondent the information collected by previous respondents will be fully validated.

All traders interviewed will be given assurance that their responses will not be shared with other traders, though we will use their information provided to extrapolate about the overall market condition and the total supply capacity.

QUACK Tool

<table>
<tr><td colspan="2">Geographic Location and GPS coordinates</td><td></td><td rowspan="4">Critical/key Commodities: (variety/type/specifications)</td><td>1</td><td colspan="2"></td></tr>
<tr><td colspan="2">Market Name</td><td></td><td>2</td><td colspan="2"></td></tr>
<tr><td colspan="2">Type and size of the market</td><td>Food/grain, NFI, Livestock/construction materials
Primary[4], secondary tertiary</td><td>3</td><td colspan="2"></td></tr>
<tr><td colspan="2">Interview Date</td><td></td><td></td><td colspan="2"></td></tr>
<tr><td colspan="2" rowspan="2">Key Informants (local chamber of commerce reps, transport union reps, etc)</td><td>Name</td><td colspan="2">Title or Type</td><td colspan="2">Telephone #</td></tr>
<tr><td></td><td colspan="2"></td><td colspan="2"></td></tr>
<tr><td># 1</td><td>Local Market Chain Mapping</td><td colspan="5">Ask the key informant to <u>draw a basic local market map (on ground or flip chart paper)</u>, which considers the following:
(1) Where are the main large source markets where wholesales operate?
(2) Where are the closest medium-sized daily/ weekly markets?
a. Please mark approximate distances from these to main market</td></tr>
</table>

[3] These could include from formal and informal vendors at market place.

[4] Primary market: (**definition to be included**)

		(3) Where are the closest small weekly markets/bazaars and which days do they operate? **a. Please mark approximate distances from these to main market** **(4) Which towns/villages are served by which markets?** **(5) How far do people generally travel to get to market?** **(6) How do they get there? (Car, foot, donkey, etc.)** **(7) What are the prices per type of commodity in each market? (*use standard units of commodities*)** **(8) Are there current security and/or access risks for people to get to markets?** **(9) What are the main challenges vendors and consumers experience with markets currently? (supply, quality, price, security, physical access etc.)** **(10) What are the main challenges vendors and consumers experience with the market before the crisis?** **(11) If we were to try to set a response effort, would you or other traders be willing to participate in supply of humanitarian assistance?**
Comments (also take picture of map and include a Picture of marketplace infrastructure after the crisis)		

#2	**Prices**	**What has happened to the prices for these commodities since the shock?**					
Commodity		**Price Before**	**Price Now**	**Forecast next two weeks**			**By how much?**
1				**Up**	**Same**	**Down**	
2				**Up**	**Same**	**Down**	
3				**Up**	**Same**	**Down**	

Comments (cross check for seasonal variations that normally occur):

# 3	**Supply**	**a) What type of trader are you (medium or large)? What is your estimated supply on hand? and how long does it take you to restock? Are you able to restock the same as normal and if yes how much is your current stock size? Will you be able to order the same quantities, in time? Or are there significant supply barriers that may make this difficult?** If yes, what are these barriers (please put individual vendor feedback in comments section) **b) Under what conditions can you get stock from larger traders/markets? [Credit] [cash in advance], [both], circle as appropriate** (please put individual vendor feedback in comments section) **c) If you had access to credit could you increase your supply? and if so how much? and how long would it take to stock up?** (please put individual vendor feedback in comments section) **d) Approximately how many large, medium and small traders are there in the market for these commodities, what is their estimated supply on hand, and how long will it take them to restock in current conditions?** (please put information in table below)

Commodities		**Type of traders**	**# of Traders**	**Stock on Hand (in KG/Tons)**	**Restocking Time**
1		**[5]Large**			
		Medium			
		Small			
2		**Large**			
		Medium			
		Small			
3		**Large**			
		Medium			
		Small			

Would you be interested in working with CRS cash/vouchers based programming to support crisis affected people in your area? If yes, under what conditions would this be feasible for you?

Comments (ask to see stock on hand to make sure not damaged. Also, check the level of confidence he demonstrates during the discussion about his capacity and resources available including storage size, previous sales records, transportation availability etc.)

[5] The definition of the size of traders (large, middle and small) is very contextual and this should be agreed upon with key informants before the assessment.

Once you have the data collected for question #3 supply estimates for all types of traders, and the data has been validated by other respondents, then please calculate the overall total estimated supply per type of commodity.[6] Further, check this against national data (if available).

Testing

After collection quantitative and qualitative feedback on these three questions, and calculating the total estimated supply, then the ERR team should know enough about the local market and its response capacity to be able to make a determination if it is possible to consider the local market option, and if so, what would be the size and scope of the initial test social sourcing that could be made. Furthermore, based on the emerging findings, the ERR team should draw a brief response option matrix (**link to included here**) explaining the rationale for recommendation for specific response modality.

If the team determines that there is potential to tap into the local market then an initial test sourcing can be carried out with large and medium suppliers identified, and use part of their stocks to satisfy immediate needs found, while at the same time testing their restocking capacity, product quality and price stability. It is advisable to source only a small initial supply (between 20-30% of on hand supply) to control for adverse effect on prices, and to allow non-beneficiaries to continue to have access. At all times the team should ensure it monitors prices and quality closely, as well as supply restocking performance. The team should also make sure to coordinate with peer agencies responding to the emergency in the same area to see what they are doing, and make sure the cumulative initial engagement with traders does not exceed 50% of total estimated supply. Though the initial test sourcing will likely be a direct buy and distribute (DBD) transaction to build confidence and trust, it is good to start exploring the option in subsequent orders of using market based interventions such as: cash transfers, vouchers, e-money, etc.

If the social sourcing intervention is found to be working successfully through the initial test phase, then the team can look to expand the total amount sourced (>30%), as well as the number of vendors participating in the market based intervention. The team should look at the opportunity to provide credit/supply support to smaller local vendor so they too can join in on the benefits of the social sourcing process. The team has to make sure that vendor restocking is sufficient to meet program demand with timely forecasting. Finally, the team should always continue to explore more efficient market based approaches that will empower target beneficiaries further in their engagement with local vendors.

[6] Total estimated supply equals estimated stocks normally per type of trader multiplied by the estimated number of traders per type.