



## CHAPTER ONE

### 4. DETERMINE THE SCOPE OF YOUR ASSESSMENT AND THE CRITICAL MARKET SYSTEMS

- The product/service is provided by the government (a public good e.g. primary education);
  - The product/service has to be equally accessible to all to avoid risks/negative impacts (e.g. vaccinations or health services for highly infectious diseases);
  - The market is currently highly inefficient and there is a high rate of 'market failure' (e.g. in a market controlled tightly by a monopoly).
- Keep in mind that each commodity/service will be analysed separately because nearly every commodity/service has a different origin and different movement from producer to consumer, potentially requiring different infrastructures, inputs and market support. However if some products, for instance 'hygiene products' or 'canned goods', have very similar supply chains, you may choose to group them for market analysis. The underlying premise for grouping is that the supply and trade of a group of products respond in the same way to specific market signals – price, demand and supply. For example, if supply for second-hand clothing all comes from one main source which can replenish supply without difficulty, then it is sufficient to analyse the 'second-hand clothing market' and not each and every product line (gloves, socks, boots, coats, hats, etc.). However, if a particular item (e.g. boots) is sourced and traded differently, it must be treated as a separate market system.<sup>10</sup>
  - Narrow your list down using a ranking table, 1 being the lowest score and 3 the highest. The table below is an example adapted from the **EMMA toolkit**; the selection criteria can be adapted if you feel some could be more relevant to your context.

**TABLE 5 RANKING TABLE TO SELECT CRITICAL MARKET SYSTEM**

	Sorghum flour	Aquatabs	Plastic sheeting	Casual labour
Urgent need for the target group	3	1	2	1
Critical for both men and women	3	2	3	1
Market in line with response objective/agency mandate	2	1	3	1
In line with government plan/sector plan	3	3	2	1
Impact of the forecast crisis on the market	3	3	1	2
Need for further information on this market	3	1	2	2
Good timing of the exercise and of the seasonality	3	1	1	2
Market system representative of others/possibility of grouping	1	1	3	1
<b>Total</b>	<b>21</b>	<b>13</b>	<b>17</b>	<b>11</b>

**4. DETERMINE THE SCOPE OF YOUR ASSESSMENT AND THE CRITICAL MARKET SYSTEMS**

- Select your critical market system using the ranking. Keep in mind that due to the iterative nature of the exercise, the selected market systems could be adjusted at the beginning of the fieldwork, based on discussion with the market team and external stakeholders (see **Section 8.1**: Train the whole market team and finalise the framework of their analysis). Rather than selecting multiple high-scoring market systems that operate in very similar ways, you may want to consider selecting one or more market system(s) with a slightly lower score, but which will provide useful and complementary information. Consider interconnectedness of market systems (e.g. sorghum is consumed with milk).

**4.3. If needed, adjust your key analytical questions to your critical market systems and your crisis scenario**

- Look back at your key analytical questions and ensure they are relevant to each of the critical market systems you have selected. You can refine and shape them based on the context, the crisis scenario and the scope of the assessment. You can also have a different set of key analytical questions for each selected market system, depending on what you want/need to know about each.
- Keep in mind that due to the iterative nature of the exercise, your analytical questions may be refined during the exercise, as the analysis progresses.

**EXAMPLES OF ANALYTICAL QUESTIONS USED IN THE FIELD**

How is the rice market system behaving today, and how will it behave during the floods? a. Is it supplying the appropriate volume/quality of goods? b. Is it integrated and competitive? c. To what extent can it respond to an increase in demand? (IRC, Pakistan, 2015)

Which interventions can support Al Hodeidah poor farmers to grow sorghum for food consumption and fodder for livestock? (Oxfam, Yemen, 2013)

What are the anticipated constraints and risks that will affect the sorghum/maize flour/soap markets in the coming six months? (Oxfam, South Sudan, 2014)

Is the sorghum market sufficiently integrated in each location to adjust to market shocks enough to meet demand? (Mercy Corps, South Sudan, 2014)

What are the most appropriate ways to reduce the possible impact of the floods on the wheat straw market system and on the target population's access to markets? (IRC, Pakistan, 2015)

In times of drought, what response modality can Taadoud consortium members use to deliver their emergency food responses? In times of drought, what will be the necessary market support interventions for the market actors' coping strategies to get reinforced? (CRS, Sudan, 2015)

***How long is this going to take?***

- This step is best achieved in the one-day workshop, during which you will set the objectives of the PCMA and the key analytical questions, and determine the crisis scenario.
- If a one-day workshop is not feasible, then the Market Focal Point can put together a long-list of key analytical questions to gain input from knowledgeable colleagues through conversations, email, etc. The list will then be narrowed down at the beginning of the market workshop (See **Section 8.1**: Train the whole market team and finalise the framework of their analysis).