

# Pre-Crisis Market Mapping and Analysis using the Rapid Assessment for Markets (RAM) Toolkit

Mogadishu, Somalia; Internal Displacement; 2015

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## Section 1: Shock and needs analysis summary

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<b>Type of shock</b>	<p>Internal displacement prompted by forced evictions in Mogadishu</p> <p>IDP households were forcibly evicted from Maslah, Sarkus and Aslubta of Dharkenley District in Mogadishu. The majority of the evictees fled to settlements in the area between K11 – K20, which includes parts of Deynile, Dharkenley and Kahda districts. While the IDPs had lost the access to shelter and services available in Maslah, Sarkus and Aslubta, the new sites to which the IDPs moved also presented challenges in terms of security, WaSH issues like access to latrines, waste disposal services and water, as well as access to employment opportunities.<sup>i</sup></p>
<b>Date(s) of shock</b>	<p>The forced evictions that were the focus of this assessment took place in March 2015.</p> <p>Influxes of internally displaced people of varying scales take place multiple times per year in Mogadishu and are caused by not only evictions but also drought, floods and violent conflict. Massive displacements, such as those during the 2011 drought, are less frequent. The March 2015 evictions were chosen for this PCMMA because they are representative of the types of mid-size displacements that occur frequently in Mogadishu, prompting humanitarian action.</p>
<b>Date of PCMMA assessment</b>	November 22 – December 3, 2015
<b>Affected areas assessed</b>	The assessment focused on the main markets accessed by March 2015 IDP evictees: Weydow and Tabella. In addition, supply markets and alternative sources of WaSH and shelter items (Zeybiano and Bakara markets) were targeted.
<b>Total population in affected area:</b>	<p>It is very difficult to estimate the number of people living in the K11-K20 IDP camps, as displacement is a dynamic and ongoing phenomenon in Mogadishu. According to UNHCR figures, at the end of 2015, approximately 369,000 individual IDPs were living in and around Mogadishu<sup>ii</sup>, though not all of these were living in the K11-K20 corridor. Dharkenley is one of districts (others are Deynile, Wadajir and Hodan) with the largest populations of IDPs in Mogadishu. The most recent estimates put the number of IDPs in Dharkenley as 40,000 individuals while those in Deynile is estimated at 19,000.<sup>ii</sup> For the purposes of this report, we will use the very rough figure of 15,000 IDP households, or 90,000 individuals, living in the K11-K20 corridor.</p> <p>ii</p>
<b>Affected population within affected area:</b>	During the evictions, an estimated 3,500 households (21,000 individuals) were affected. The majority (51%) of these households were female headed.

<b>Average household size</b>	For the purposes of this report, the average IDP household size in Mogadishu is 6. <sup>1</sup>
<b>Location of affected population</b>	The IDP households moved to the Weydow, Jamacada Shabelle and Tabella areas. Though gatekeepers facilitated the movement to these sites, the sites were considered suitable as IDPs didn't have to pay land rent, and they offered access to Weydow, Zeybiano and Bakara markets, where IDPs could purchase commodities and access labour opportunities.
<b>Assessment methodology</b>	<p>This assessment represented the last of three IRC-led pilot assessments intended to test out and generate learning about the Pre-Crisis Market Mapping and Analysis approach, for which a draft guidance document was produced in 2014. After consultations with IRC's Somalia team and the five partner agencies of Somalia's <u>BRICS consortium</u>, it was agreed that a PCMMA assessment in Mogadishu was relevant, both to build capacity of national staff in market assessments and to assess the potential to deliver key WaSH and Shelter assistance through local markets.</p> <p>Three BRICS member agencies, Concern Worldwide, the IRC and Save the Children, along with two Concern partner agencies, IIDA and Youth Link Somalia, contributed staff and logistical support to the exercise.</p> <p>The team used the RAM Toolkit's 5-step approach to market analysis as an overall methodological structure for the assessment. The team modified the RAM methodology in the following ways:</p> <ol style="list-style-type: none"> <li>1. During the scoping phase, the team identified a "reference crisis" (the forced evictions of March 2015) that would serve as the focus of the assessment.</li> <li>2. The team used a scoring matrix, as suggested in the EMMA Toolkit, to select critical market systems to focus on during the exercise (see Annex 2).</li> <li>3. The RAM worksheets and questionnaires were reformulated to reflect the fact that the assessment was being conducted during a non-crisis time and that the crisis of focus had occurred earlier in the year. The purpose of this was to understand how the targeted market systems had been affected during the reference crisis, in order to draw conclusions about what will likely happen during similar crises in the future.</li> <li>4. A plan for a very rapid post-crisis assessment, intended to check the validity of the predictions made in this assessment (and therefore the assessment's recommendations) was produced (see Section 4.2).</li> <li>5. The RAM Tool for assessing financial service providers was not used, as it was clear from the abundance of cash transfer programming (in the food security and livelihoods sectors) in Mogadishu that such services are indeed available and accessible.</li> </ol>

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<sup>1</sup> This was agreed by assessment team members, as their organizations use this figure when working with IDPs in Mogadishu. It should be noted that other assessments have found the average household size in Somalia in general to be 7.

	6. Whereas the RAM relies on existing needs assessments to capture the perspectives of the affected population, the PCMMA team elected to conduct focus group discussions with IDPs in order to capture their preferences and perceptions (see FGD guidance notes in Annex 4).
<b>Objectives of assessment</b>	<ol style="list-style-type: none"> <li><b>Emergency Response/Preparedness</b> - To explore to what extent market systems for key WaSH and Shelter items can support cash-based interventions in the event of future IDP crises in Mogadishu</li> <li><b>Capacity Building</b> - To strengthen skills of humanitarian actors to conduct market analyses (PCMMA, RAM, EMMA and others)</li> <li><b>Learning on PCMMA itself</b> – To capture learning related to the PCMMA approach, especially on its use with RAM and in remote management settings</li> </ol>
<b>Markets assessed</b>	This assessment targeted the main retail markets (Weydow and Tabella) and wholesale and supply markets (Zeybiano and Bakara) that ultimately served the affected IDP households. As access to Bakara market was difficult due to security reasons, meetings were set up in accessible, safe locations and some were supplemented by phone interviews. At the IDP camps, focus group discussions were held with the target population in Al Cadala camp in Tabella and Kuhiro and Iskashi camps in Weydow.
<b>Market systems assessed and amount needed by affected population</b>	<p>WaSH items: jerry cans and aqua tabs Shelter items: shelter doors and plastic sheeting</p> <p>The amount of each commodity needed was based on the prevailing shelter cluster practice to date, which is to supply, via a one-off distribution, each displaced household with an emergency assistance package containing 2 20-litre jerry cans, 3 months' supply (100 pieces) of aqua tabs, 1 reinforced ultraviolet plastic sheet (4x5 m) and 1 shelter door (2x0.8 m).<sup>iii</sup></p>
<b>Number of traders and key stakeholders included in assessment</b>	The team interviewed 20 traders and 5 market representatives. The traders included wholesalers and retailers of the target commodities (4 of the retailers were IDPs), hardware stores representatives, and carpenters. In addition, key informant interviews were held with 6 staff from NGOs that participate in the WaSH and shelter clusters within Mogadishu. Further, 4 FGDs were held with the displaced IDPs in the Weydow and Tabella areas, involving a total of 24 participants.

## Section 2: Market Mapping

### 2.1 Market maps, geographical location of markets in relation to shock-affected population

IDPs accessed essential commodities mainly at the retail markets of Weydow and Tabella and at the wholesale and retail markets of Zeybiano. These markets supplied the most important basic commodities to the IDPs households. Additionally, wholesale supplies were sourced from Bakara



in Mogadishu, at markets like Suuq Bacad, Hamar Weyne, Medina and Zeybiano. Some of the wholesalers in these district-based markets have outlets within or near the IDP camps, for example in Weydow and Tabella. Some IDPs also operate retail shops inside or outside the camps. While both types of IDP retailers sell basic items at affordable prices to IDPs, they differ from each other in terms of ownership and business size. For example, the larger shops near but outside of IDP camps tend to be owned by men with more capital and connections to wholesalers in Zeybiano and Bakara, while the retail “shops” inside the actual camps (more like modest stalls) tend to be owned by women with limited capital who sell the commodities in smaller volumes. Thus, while the IDP-owned retail shops outside of the camps might be able to mobilize resources to respond to increased demand, the IDP-owned retail stalls likely have limited capacity to meet increased demand.

**Figure 2: Jerry cans, CGI doors and plastic sheeting in Mogadishu markets**



Following the March 2015 evictions, humanitarian assistance played an important role in the all four market systems. NGOs distributed WaSH and shelter items, some of which were either returned to the market by households who needed other essential commodities<sup>2</sup> or by gatekeepers<sup>3</sup> who were diverting

<sup>2</sup> During the FGDs, IDPs indicated that they sold part of the in-kind commodities they got from NGOs in order to purchase other essential commodities and services.

<sup>3</sup> According to the 2013 [Gatekeepers in Mogadishu](#) report that appeared in Field Exchange in September 2013, gatekeepers (defined as people or institutions that control access to IDPs) “can exert a positive (e.g., enabling access to services, land or security) or negative (e.g. diverting resources, taxing resources received, mis-targeting)” influence on the delivery of aid in Mogadishu. According to the report, there were 1,100 gatekeepers in Mogadishu at the time of the research, some genuinely out to help the IDPs and others purely exploitative. Gatekeepers exist at various levels. With relation to IDPs, the most direct and obvious gatekeeper is that person that allows or denies access to IDPs. At district level, there are other gatekeepers in place who allow access, but only when certain conditions are met.

humanitarian aid. The relief items were aggregated by collectors who then delivered them to wholesalers for onward sale to retailers and then to customers. In some instances, retailers within the IDP camps also acted as collectors, selling the commodities directly to their other customers, mainly households in Mogadishu and neighbouring areas.

### **2.2.1 Market chain for the WaSH and shelter market systems in Mogadishu**

**Jerry cans:** In normal times, the markets are dominated by reusable jerry cans.<sup>4</sup> Following the March 2015 displacement, additional supplies of both reusable and new jerry cans were available from IDPs and gatekeepers who had accessed relief assistance. Most NGOs supplied the same types of reusable jerry cans used by the general population (yellow-coloured plastic, 20-litre capacity), though one NGO imported higher quality, new jerry cans from Kenya for distribution to IDPs. Demand for jerry cans in Mogadishu comes mainly from households, who use them for water storage; fuel retailers, who store and distribute petroleum products; and milk vendors, who use them for collecting, transporting and distributing milk from rural collection points. The demand for jerry cans was also reported to be variable, picking up during displacements and the dry season, when the need to collect and store water increases.

**Aqua tabs:** Demand for aqua tabs in Mogadishu is extremely limited, and comes almost exclusively from NGOs who acquire them for in-kind distribution to IDPs. In response to this demand, the four main importers (Al Furqan, Mumin, Barwaqo, and Nahrain Group of Companies) import the commodity from Dubai. Once imported, aqua tabs are distributed from the Bakara pharmaceutical market (Suuqa Daawada) to NGOs and their suppliers. The surplus aqua tabs end up in local pharmacies and retail shops, where they are available to households. The low domestic demand for aqua tabs was associated with limited knowledge of the need for water treatment, positive perceptions about quality of water in Mogadishu and the existence of alternative water treatment options including boiling and solar disinfection (Sodis)<sup>5</sup>.

**Plastic sheeting:** Plastic sheets are normally imported from Dubai and distributed from the hubs in Bakara market to district-based wholesalers and retailers. As with jerry cans, following displacements and subsequent in-kind NGO distributions, higher quality plastic sheeting is also available in the market. Though the traders reported that better-off customers preferred the 4x5 m ultraviolet-resistant grey/silver- coloured sheeting distributed by NGOs (it was retailing at USD 12<sup>6</sup> at the time of assessment), they did not know where to source it from. However, the majority of the customers purchased the imported red-coloured 4x5 m plastic sheets that were retailing at 8 USD. The local demand for plastic sheeting is from rural households and pastoralists for making shelters; petty traders for making shades; and construction and water trucking sites for storing water.

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<sup>4</sup> Reusable jerry cans are empty containers of imported vegetable oil that are rinsed out, aggregated by collectors and sold back to markets.

<sup>5</sup> In the SODIS method, a clean transparent bottle is filled with water and placed in full sunlight for at least 6 hours. The water has then been disinfected and can be drunk. [http://www.sodis.ch/methode/anwendung/index\\_EN](http://www.sodis.ch/methode/anwendung/index_EN)

<sup>6</sup> Based on the de facto exchange rate in Mogadishu marketplaces at the time of the assessment, 1 USD = Somali Shilling (SoSh) 22,000. Note that this differs considerably from the official exchange rate found online at sites like <http://www.xe.com/currencyconverter/>, which indicated an exchange rate of 1 USD = 605 SoSh at the time of the assessment.

**Corrugated Galvanized Iron (CGI) doors:** While the materials for CGI doors are largely imported from Dubai, the doors themselves are assembled at the major hardware stores and carpenter shops in Mogadishu. The type and price of shelter doors depends on the quality of the inputs (nails, timber and corrugated iron sheets) used. For example, most households in Mogadishu and surrounding areas seek out lower quality doors (made of Chinese-made CGI sheets, locally referred to as *Bac Yare*), while NGOs distribute higher quality shelter doors (made from South Korean-made CGI sheets, locally referred to as *Bac Weyne*). The traders indicated that they only made few pieces of shelter doors for display and would require some few days for larger consignments.

### **2.2.2 Market environment for the WaSH and shelter market systems in Mogadishu**

While there were a few differences between the key aspects of the market environment in the four different market systems studied (refer to the market system maps provided in Annex 1 for more information), the following aspects of the market environment affected the function of multiple market systems:

- *The existing domestic (host community) demand for these commodities:* The demand for shelter doors and related inputs (timber, iron sheets, nails and hinges) was driven by the local construction boom in Mogadishu, while there was existing local demand for jerry cans as containers for collection and distribution of fuel and milk and for plastic sheeting as a shelter material. As indicated earlier, the local demand for aqua tabs was essentially non-existent; the market system only seemed to exist in Mogadishu mainly because of NGO activity.
- *Seasonality and local practices:* The demand for plastic sheets and jerry cans is seasonal, with peak demand for plastic sheeting occurring before the rains, and for jerry cans during the dry season. In addition, shifts in traditional practices have led to the increased use of plastic sheets instead of traditional mats for shelters and jerry cans instead of traditional gourds for collection and storage of water and milk, which has helped to drive the demand.
- *Informal fees and taxes:* Insecurity and high informal taxes and fees<sup>7</sup> increased transaction costs for traders in Somalia, in particular between the port and the Bakara distribution hub and between Bakara and district wholesale/retail markets.
- *Sale of humanitarian items by households and diversion of aid:* The periodic flooding of markets with commodities from humanitarian agencies' in-kind distributions (which enter the market via some recipient households and gatekeepers) has had a negative impact on traders' willingness to stock large quantities of some commodities. While it was difficult to estimate the volumes coming into the market from these sources, traders had devised ways of dealing with the impact. For example, traders used the periods of humanitarian relief as opportunities to restock the commodities at a cheaper price. They would send out collectors to buy the items on their behalf, which they would then stock for future sale.
- *Availability of raw materials:* This was most relevant for shelter doors and reusable jerry cans. Traders indicated that timber, CGI sheets and other construction materials were readily available considering the construction boom in Mogadishu, while collectors and households reported that

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<sup>7</sup> In August 2014, traders in Bakara market went on strike to protest the high levies and taxes and multiple checkpoints along the road between the port and Bakara. While an annual 100 USD trade license fee was levied, traders also complained that they were asked to pay an additional 20-30 USD in the market.

cheap jerry cans would continue to remain abundant as long as households were using imported vegetable oil in jerry cans.

### **2.2.3. Key infrastructure, inputs and services for the WaSH and Shelter market systems in Mogadishu**

The most crucial infrastructure, inputs and services needed for the functioning of the market systems of focus are explained below. Refer to the market system maps in Annex 1 for the complete picture of this component of each market system.

- *Financial and logistic capacity of market actors:* The traders in Bakara market have the financial and logistic capacity to ensure that imports reach wholesalers and retailers within their networks, even when movement in the city is restricted. As for financing of additional supplies, traders depend on informal financing mechanisms such as family funding and partnerships for additional investments.
- *Availability of skilled labour:* For the shelter doors, additional skilled labour was required during production and assembly. The hardware stores and carpenter shops indicated that carpenters were readily available. An Emergency Market Mapping and Analysis (EMMA) of the labour market system conducted in Mogadishu reported that Mogadishu labour markets suffer from demand constraints in normal times; hence, an increase in demand for carpenters (e.g., from NGOs commissioning the construction of additional CGI doors) could easily be met from the market. Furthermore, a number of NGOs had established vocational training centres that were supplying carpenters to the market.<sup>iv</sup>
- *Availability of storage facilities and space:* Though adequate storage was said to exist in Bakara, the district-based wholesalers and retailers had limited storage capacity for their stocks; hence, they had to rent space in case of increased demand. Similarly, hardware stores, carpenter shops, and collectors lacked adequate space for the assembly of the shelter doors and aggregation of jerry cans. Thus, they rented storage facilities during periods of increased demand.
- *Access to business networks, communication and financial services:* While there seem to be strong business relationships linking traders in IDP markets, the Bakara distribution hub and importers; good mobile coverage within Mogadishu; and the *Xawaala* network for communication and cash transfer, formal credit systems are limited, and businesses depend on informal financial sources.
- *Capacity of shipping, port and clearance services:* Port officials interviewed indicated that the port has adequate capacity to handle additional demand in the market. However, due to challenges in access, it was not possible to verify this during the assessment.

It was noted that quality assurance and consumer protection services are non-existent. Consequently, some retailers were selling expired aqua tabs and importers were bringing and dumping substandard or counterfeit goods on the market. In addition, informal cleaning services existed for reusable jerry cans, but it was common to find dirty jerry cans for sale in the market. NGOs' suppliers were required to supply clean jerry cans, and hence they had to engage some informal cleaning services.

## **Section 3: Market maps and trader analysis**

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### **3.1 The impact of the shock on physical access of the affected population to their markets**

Market representatives from Zeybiano, Tabella and Weydow markets indicated that traders were able to continue their business as usual during the forced evictions in March 2015. However, the displaced IDPs moved to new sites about 3-4 km farther away from main Mogadishu markets, and as a result their travel times to these markets increased. For example, the new Weydow IDP camps were 7 and 10 km from Zeybiano and Bakara markets, respectively (Table 1), forcing them to either walk more time or

incur additional transport costs (estimated at 11,000 and 22,000 Somali shillings (SoSh), the equivalent of 0.5 and 1 USD, for a one-way trip. It must be noted that the IDPs had to make the journey daily in search of labour opportunities. Furthermore, IDPs faced new security and protection challenges at the new displacement sites. In addition, the small-scale traders who operated within these camps were also displaced farther away from their suppliers. It therefore became more expensive for them to restock the essential commodities. Some traders in Zeybiano reported opening new retail outlets in Weydow and Tabella areas to take advantage of the increased population in these areas.

**Table 1: Distance and cost of transportation from new IDP sites and markets in Mogadishu**

Market	Distances from		Transportation cost (in SoSh)	
	Weydow	Tabella	Weydow	Tabella
Bakara	10 Km	8 Km	22,000	20,000
Zeybiano	7 Km	6 Km	11,000	8,000
Medina (Suuqa Weyn)	13 Km	12 Km	25,000	22,000
Suuq Bacad	15Km	13Km	25,000	22,000

### **3.2. Effects on household purchasing power/ demand and changes in consumer behaviour**

The crisis-affected households reported that they lacked the purchasing power to buy the essential WaSH and shelter commodities following the March 2015 evictions. The situation was more critical for households that had been previously displaced multiple times, female-headed households and households with larger family sizes. Even after facilitation of the gatekeepers, it took the IDPs between 10 and 25 days to settle at the new sites, and the humanitarian response started after that. In the FGDs, the IDPs reported that they were not able to work during this period, meaning that they lacked income during a critical time. Furthermore, with the displacement, the households lost the employment and labour networks they had built over time, making it more difficult for them to find opportunities to earn income. In addition and as previously mentioned, the time and cost required for them to travel to major markets increased substantially (Table 1).

The need for the WaSH and shelter commodities did not therefore translate to a significant increase in demand, as households' purchasing power was limited. NGOs eventually provided these items to displaced households in kind. Fortunately, households managed to survive while waiting for humanitarian relief to arrive, and indeed, aside from perhaps plastic sheeting, none of the items were really critical to immediate survival. It is also worth noting that, even in normal periods, the IDPs did not represent a significant portion of the demand for the target commodities within the Mogadishu markets because of their relatively low purchasing power and because of the discrepancies between what NGOs distribute and what ordinary IDP households consume.

During the FGDs, IDPs indicated that they had received all four items – aqua tabs, jerry cans, plastic sheeting and shelter doors – within a month of their displacement. For the majority of IDPs, these distributions were done within their camps or in neighbouring camps and could be reached by a 5-10 minute walk. During one of the FGDs, it was mentioned that some disabled IDPs, or those who were absent during the original distribution, had to pay 5000-6000 SoSh for transportation costs in order to access the distribution points, though obviously transportation was not required for most IDPs.

### **3.3. The impact of the shock on the supply chain of commodities required by the affected population**

The evictions had no direct impact on the supply chains for the target commodities. There was no disruption of the transportation routes to the source markets or changes to the shipping schedules; thus, supplies were still available at the time of the crisis. The displacements coincided with the normal period of seasonal restocking of plastic sheeting in anticipation of the March rains. While the overall market systems remained functional, at a more micro level, there were major effects. The small-scale traders operating that had operated within Maslah and Aslubta had their supply lines and customer base disrupted, as they were displaced along with their communities. The impact was even greater for retailers who lost some of their assets during the forcible evictions.<sup>8</sup> These retailers reported that it took them time to re-establish their businesses and linkages with suppliers.

### **3.4. The capacity of retailers and wholesalers to increase their supply to meet increased demand for commodities and related price implications (if any).<sup>9</sup>**

In the market interviews, importers and distributors in Bakara market and wholesalers and traders in Zeybiano, Tabella, Weydow and Bakara markets indicated that they would have little difficulty in increasing supply for the commodities, as long as there is a defined demand. The market actors already adjusted their supplies to meet the fluctuations in market demand including those occasioned by displacements and seasons. Importers reported that they could arrange commodity supplies from Mombasa within two weeks or from Dubai within a month or two. Meanwhile, district-based wholesalers and retailers reported that they could easily adjust supplies to meet additional demand quickly, as the Bakara distribution hub was only a phone call away; supplies from Bakara to district-based markets could be arranged in an hour or two. Even where adequate supplies were not available in Bakara market, through a practice locally referred to as *Qarda*<sup>10</sup>, smaller traders could access additional supplies to meet demand before they restocked themselves. Further, using the mutual trust-based practice of *Soo cadee*,<sup>11</sup> small traders are able to stock commodities in high demand. Unfortunately, these support practices were not accessible to retailers within IDP camps (who are mainly IDPs themselves), as they do not have the clan and business linkages and networks.

The above findings were corroborated by interviews with the key actors in the WASH and shelter clusters and by findings of previous assessments conducted by actors in Mogadishu. For example, an assessment conducted by Catholic Relief Services prior to the implementation of a market-based food voucher program in Mogadishu in late 2013 found that markets would be able to handle an increase in demand without negative impacts.<sup>v</sup> These findings were supported by monitoring of the program that followed and by a more recent market assessment conducted by Daryeel Bulsha Guud (DBG), a local NGO implementing a food voucher program supporting the IDPs displaced in March 2015.<sup>vi</sup>

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<sup>8</sup> In the [interagency rapid assessment](#) focused on those affected by the March 2015 evictions, 37% of respondents, some of them traders, reported destruction of their personal belongings during the evictions.

<sup>9</sup> Tool 11 of the RAM guidelines guided the development of the conclusions on specific markets' capacities to meet the needs of the shock-affected population.

<sup>10</sup> In this practice, the trader whose stocks have run out is allowed to borrow the needed commodities from another trader in the same or a different market with the expectation that he will either repay the loan in kind once he receives his own supplies or sell the stocks and share the profit with the supplier.

<sup>11</sup> This practice, literally translated "Go clear," is where small traders are allowed to take commodities from suppliers, to whom they pay the wholesale value of the goods once they are sold. The small traders retain any profit for themselves.

As for the price implications of increased demand, traders reported minimal changes in prices of commodities. Furthermore, mid-size displacements were said to result in minimal price changes in the markets accessed by the IDPs, as IDPs were able to move to non-affected markets if any prices change occurred in the market closest to them. In addition, traders indicated that IDPs were not the main consumers of the target commodities in normal times, as they were more dependent on humanitarian assistance for access to these commodities.

The assessment team also inquired into the level of market integration, issues of imbalanced market power and market system context. The team found that the markets for plastic sheets, shelter doors and jerry cans were well integrated, with no monopolies existing in any market. However, the market system for aqua tabs was not as well developed as other markets, engaging only few actors and dependent mainly on demand from NGOs and their suppliers during displacements and other crises.

### ***3.5. Changes in the types (quality) and quantities of commodities demanded by traders and households (if any)***

There were a number of changes in the types and quantities of commodities demanded in the market following the displacements. As indicated earlier, the IDPs' own contributions to their survival needs and the delayed timing of the relief distribution<sup>12</sup> determined the quality and quantity of commodities demanded. For example, the FGDs suggested that, following the evictions; many IDPs used their own resources to buy plastic sheeting to establish shelters and jerry cans for water collection and storage. Meanwhile, they waited for humanitarian organizations to provide aqua tabs and shelter doors. While waiting, households reported that they used a cloth or drum to cover their shelter entrances, and that they just drank untreated water or that they used alternatives such as boiling and solar disinfection (Sodis). In the FGDs, the IDPs reported that they were able to salvage some of the essential commodities such as cooking utensils, water containers, personal items and plastic sheets from the homes that they were forced to vacate. However, structures maintaining the buul (shelter) such as twigs, poles and timber had been destroyed during the evictions and could not be salvaged.

**Table 2: Change in demands in quality and quantity for traders and households.**

<b>Within a month of displacement (before access to humanitarian aid)</b>		
<b>Commodity</b>	<b>Changes in demand in quantity and quality</b>	
	<b>Traders</b>	<b>Households</b>
Plastic sheets	Increase in stocks in anticipation of seasonal rains in all markets	Slight increase in demand from displaced IDPs and seasonal increase in demand
Jerry cans	No significant changes in stocks	Slight increase in demand for reused (vegetable oil) jerry cans
Aqua tabs	No significant changes in stocks	No significant changes in demand
Shelter doors	No significant changes in stocks	No significant changes in demand
<b>After a month of displacement (after access to humanitarian aid)</b>		
<b>Commodity</b>	<b>Changes in demand in quantity and quality</b>	
	<b>Traders</b>	<b>Households</b>
Plastic sheets	Increase in stocks, at wholesale markets as	No major changes in local demand

<sup>12</sup> The timing of relief assistance was reported to vary from 1 to 1.5 months after the IDPs relocated to the new sites.

	NGOs and their suppliers stocked up on plastic sheets. Some NGOs initially imported better quality plastic sheets. Plastic sheets purchased from households and gatekeepers decreased the need for imports after distributions.	though localized decrease in demand in markets accessed by the IDPs following distribution by NGOs.
Jerry cans	Increase in stocks to meet increased demand from NGOs and their suppliers. Diverted and sold jerry cans were available in markets after distribution.	No significant change in demand, though localized decrease in demand in markets accessed by the IDPs, as need was met through NGO distributions.
Aqua tabs	Increase in imports and stocks to meet increased demand from NGOs and their suppliers.	No significant change in demand, as need was met through NGO distributions and there was virtually no baseline demand.
Shelter doors	Increase in stocks to meet increased demand from NGOs and their suppliers	No significant change in demand. Need was met through NGO distributions.

### **3.6. The impact of the shock on prices of the commodities.**

Though the changes in demand resulting from the March 2015 displacement were too low to significantly impact prices in major markets in Mogadishu, traders reported slight price variations between the baseline and crisis periods, especially in markets where IDPs shopped. Comparing the prices of the four commodities of focus (Table 3), these variations are evident for plastic sheeting and shelter doors. The price of plastic sheets dropped after the crisis, presumably because of decreased demand linked to relief assistance. Though prices for plastic sheeting are normally high just before the March rains, in 2015 the price actually dropped, from 8.0 to 7.5 USD following the relief distributions. However, the market prices stabilized with the steady domestic (host community) demand and increased demand from NGO contractors sourcing these items for relief distributions. Similarly, the price of shelter doors dropped from 13-13.5 USD to 12-13 USD following the evictions.

As for the jerry cans and aqua tabs, no major change in price was noted. Because there was never much demand for aqua tabs anyway, demand for that commodity did not change. While the price of jerry cans in the markets did not change, the price of jerry cans sold to NGOs and their suppliers increased from USD 1.0 to USD 2.5.<sup>13</sup> Consequently, the number of jerry can collectors and persons involved in cleaning the reusable jerry cans reportedly increased.

**Table 3: Prices of target commodities at baseline and crisis period**

<b>Commodity</b>	<b>Retail prices at crisis period</b>	<b>Retail prices at baseline period</b>
Plastic sheeting	7 – 8 USD	8 – 8.5 USD
Shelter doors	12 – 13 USD	13 – 13.5 USD
Jerry cans (20 litres)	1 – 1.5 USD	1 – 1.5 USD
Aqua tabs	1 – 1.2 USD	1 – 1.2 USD

<sup>13</sup> While the price increase represented the opportunistic behavior of traders given the increased demand from NGOs, it also helped them to cover the real additional costs of collection, storage, delivery and cleaning of the jerry cans.

### 3.7. Opportunities for market based interventions to support market function and rehabilitation.

From the discussions with traders, market representatives and key informants in the WaSH and shelter clusters, a number of opportunities for supporting market-based interventions were identified (Table 4). The plastic sheet, shelter door and jerry can market systems are able to meet the needs of those affected by displacements, and market-based interventions such as cash or voucher programs are appropriate to support access to these commodities. However, it was clear from the assessment of market volumes and supply trends that serious challenges, including the risk of increased prices and access issues, were likely to arise in case of cash or voucher programs focused on aqua tabs, considering the underdeveloped nature of that market system in Mogadishu.

**Table 4: Opportunities for market interventions**

Brief description of intervention	Required when?	For how long?
Linking importers with markets that supply NGOs with higher quality WaSH and shelter materials such as preferred plastic sheets and educating them about the specifications for these items	Before displacements	Until establishment of these linkages
As IDP displacements are becoming more frequent, facilitating provision of insurance cover for business risks targeting small level IDPs traders and wholesalers and retailers in markets that IDPs shop from (Takaful Insurance of Africa has established business in Mogadishu)	Before displacements	Until introduction of the insurance products
Providing technical and financial support to local actors who can facilitate local production of WaSH and shelter items. <sup>14</sup>	Before the displacements	Long-term investment to support local production capacities
Unconditional cash grants to IDP retailers whose business infrastructure/supplies have been destroyed or damaged during evictions	2-3 weeks after the crisis	One-time distribution
Cash or flexible voucher programs <sup>15</sup> to IDPs for jerry cans, plastic sheeting and CGI doors, so that beneficiaries have more flexibility and don't need to sell aid	ASAP after the crisis	One-time distribution

<sup>14</sup> For example, Somali Plastic Company, a local producer of plastics, plans to produce jerry cans and plastic sheeting in the next 1–2 years. However, it is anticipated that relief items in the market will pose stiff competition to them, as their cost of local production will be higher than prices of these commodities during relief assistance.

<sup>15</sup> In this report, “flexible voucher programs” refers to programs distributing value vouchers (as opposed to commodity vouchers) that have a specified cash value and essentially function as cash. Restrictions can be placed on these vouchers to limit the types of items or services purchased with them; for example, in hygiene voucher programs, vouchers may be used for any of a long list of various hygiene items that are contractually agreed upon with vendors.

**3.8. Market related considerations that urgently require attention or further analysis (using the MAG or the RAM Monitoring Tool 13, 14 and 15) should any programming / advocacy takes place.**

The PCMMA provided a snapshot of the jerry can, aqua tabs, plastic sheet, and shelter door market systems in the baseline period (December 2015) and after the crisis (March 2015). Though the scale of displacements was too small to have a major impact on the markets, the assessment indicated that markets would by and large have adequate capacity to meet the identified needs in this scale of crisis in the future. However, further analysis of the following issues should be considered:

*Cost effectiveness and time efficiency of cash or voucher programs versus more traditional in-kind distributions in Mogadishu:* Cash and voucher programs have often, though not always, been found to be more cost effective and faster than in-kind distributions of the target items, largely because of the time and costs associated with procuring, transporting, storing and delivering humanitarian relief (as compared to the relatively low transaction costs associated with cash or voucher programs). It would be worthwhile for actors within the WaSH and/or shelter clusters to conduct a cost effectiveness analysis for the critical market systems studied in this assessment, comparing the costs of previous in-kind distributions with the estimated cost of a cash or voucher program, ideally one that distributes the entire bundle (e.g., all cash and/or vouchers for WaSH and shelter assistance to IDPs at one time for maximum efficiency). In performing this analysis, actors should bear in mind that cash and voucher programs, like in-kind assistance, can be pre-positioned.

*The willingness of business insurance providers in Mogadishu, such as Takaful Insurance, to insure small-scale IDP retailers:* This report recognizes that IDP retailers operate on unequal footing with other retailers in Mogadishu, given their lack of land tenure and the increasing frequency of sometimes violent and destructive evictions in IDP settlements. While business insurance could have potentially important benefits for these retailers, it is not known whether insurance companies would be willing to insure such an at-risk population, or whether IDP retailers might not qualify for insurance for other reasons. Livelihoods actors in Mogadishu, ideally those with existing connections to these insurance firms, should initiate conversations to gauge their interest in extending insurance services to IDP business owners.

*Capacity of financing and port services:* While this study focused on mid-size displacements, from time to time much larger displacements occur in Mogadishu. To better understand the capacity of Mogadishu markets to support humanitarian responses in case of these larger crises, humanitarian actors would need to evaluate the capacity of the informal financing mechanisms and ports and clearance services with these larger crises in mind.

*The feasibility of local production of WaSH and shelter items:* Long-term economic development actors in Mogadishu may want to further investigate the feasibility of working with local businesses to produce WaSH and shelter items that are normally needed following displacements, considering (1) expected demand for items to be produced, from IDPs, NGOs and the general population; (2) requirements in terms of local technical capacity and infrastructure, bearing in mind humanitarian standards for relief items; (3) local businesses' openness to extending production to these types of items; and (4) financial feasibility, considering the estimated cost of production and price competitiveness of goods produced compared with imported goods. Obviously, these kinds of long-term economic development projects should only be undertaken if they are found to be financially, technically and socially viable.

**3.9. Assumptions, difficulties and challenges faced in the assessment that users of this report must be aware of.**

- Due to security and access issues, it was challenging for the data collection team to visit Bakara market. However, to mitigate the challenge, the team set up meetings with the market actors in this market at safer locations. In addition, phone interviews were conducted where meeting was not feasible.
- It was difficult to predict how market systems would respond to a switch away from in-kind relief distributions, since the practices of selling and diverting relief items are so entrenched in Mogadishu. For example, it is not clear if diversion would still occur if IDPs were given cash, which is relatively invisible, instead of in-kind items.
- It was also difficult to estimate the volume and prices of the sold relief, given the sensitivity surrounding diverted aid, gatekeepers and corruption in Mogadishu.

**3.10. Implementation experience in the area and related lessons learned, and activities planned or being implemented by other agencies.**

- It seems very clear that there are major inefficiencies in emergency WaSH and shelter responses following IDP displacements in Mogadishu, given the amount of aid that is sold and/or diverted following such responses, and the subsequent emergence of parallel market chains for sold and diverted aid, especially for jerry cans and plastic sheeting. The value of assistance for IDPs whose aid is sold and/or diverted is clearly diminished. This suggests a strong need for aid that is more responsive to IDPs' varying priorities (such as cash or flexible voucher programs) and for more effective strategies to cut back on aid diversion – perhaps a lofty goal in the Mogadishu context, but one to strive for regardless.
- IDP evictions have increased in frequency as landowners and the government choose to clear IDP settlements in order to take advantage of the rising land value in Mogadishu. While the repositioning of commodities is a widely accepted practice among humanitarians, actors in the WaSH and shelter clusters in Mogadishu should consider expanding their preparedness activities to putting systems and mechanisms in place for the distribution of key assistance via market-integrated means such as cash and vouchers. Such preparedness initiatives are becoming increasingly common in the food security and livelihoods sector, and institutions like the Cash Learning Partnership have a number of relevant resources and training programs available to agencies that require technical support.
- CRS has distributed food vouchers to IDPs in Mogadishu, Kismayo and Baidoa. Based on this experience, the organization recommends unconditional, restricted voucher programs<sup>16</sup>, as they offer choice for beneficiaries in selecting food proportions appropriate for their household while reducing security risks to vendors and implementing partners. In addition, it allowed CRS and its partners to monitor and control the quality, quantity and prices of goods sold from the vendors to the beneficiaries. The program noted that extremely vulnerable populations might require

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<sup>16</sup> According to the Cash Learning Partnership's [Glossary of CTP terminology](#), *unconditional transfers* are provided to beneficiaries without the recipient having to do anything in return in order to receive the assistance. Meanwhile, a *restricted transfer* requires the beneficiary to use the assistance provided to access specific, pre-determined goods or services. Vouchers are by default restricted transfers as the range of goods and services and/or the retailers or service providers from which they are accessed are pre-determined.

additional logistical support during the voucher redemption process. In addition, there was the need to evaluate and sufficiently plan for vendor capacity needs including literacy and numeracy skills in order for them to participate in the voucher program.<sup>v</sup>

- Since 2014 in the Baidoa-Bay region of Somalia, NRC has been implementing cash for NFI programs for IDPs with good results. Programs are always preceded with a rapid market assessment to determine the market’s capacity to supply the needed items as well as consultations with beneficiaries to determine the preferred type of assistance (cash, vouchers, in-kind) and delivery mechanism. To date, most have indicated a preference for cash delivered through mobile phones. To ensure that IDPs spend their money on the intended NFIs, NRC employs field monitors. who initially take a small group of beneficiary households to the markets and show them the types and quality of items NRC intends for them to buy, after which they may spend their cash as they choose. Other households observe what their neighbours have purchased and can make similar purchases. Field monitors spend all good deal of time in the market places following distributions of cash to observe what is being bought and sold. Thus far, PDMs suggest that the majority of the cash distributed is indeed spent on NFIs, though between 23-30% has been spent on food.<sup>vii</sup>
- Coordination within partners (BRICS Consortium) and the WASH and shelter clusters during this PCMMA exercise was helpful in maximizing resources for conducting the assessment. By working closely with the logistic teams of BRICS partners, the assessment team was able to identify the main suppliers for WaSH and shelter commodities needed by NGOs.

## Section 4: Conclusions

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This section highlights conclusions for this assessment’s objective related to emergency response and preparedness (*to explore to what extent market systems for key WaSH and Shelter items can support cash-based interventions in the event of future IDP crises in Mogadishu*), before providing guidelines for market monitoring and updating the analysis in the event of a future displacement.

### 4.1 Conclusions and main response recommendations

Table 5 highlights the main conclusions and response recommendations for each market system.

**Table 5: Summary of conclusions and recommended response options**

Market system	Key recommendations for response
Aqua tabs	There is essentially no domestic demand for aqua tabs, and the aqua tab market system only exists in Mogadishu because NGOs procure and distribute them for emergency responses. Only four companies are known to import aqua tabs into Mogadishu. If NGOs continue to believe that aqua tabs are the most effective way of ensuring post-crisis access to safe drinking water, then local procurement (via the identified importers) and in-kind distribution of aqua tabs coupled with hygiene promotion and advocacy and support to key stakeholders for the improvement of water quality is recommended. The lack of domestic demand for aqua tabs outside NGOs makes it hard to undertake cash or voucher programs for these products.

Jerry cans and plastic sheets	<p>Unconditional, restricted value vouchers<sup>16</sup> to IDPs to purchase any of a variety of specified WaSH and shelter items. The list of items that can be purchased with the vouchers will include 20-litre jerry cans and high quality plastic sheeting; however, recipients will also be able to use the vouchers to purchase other items, such as buckets, cooking sets and other shelter material. Ideally, this will ensure that households that already have jerry cans and plastic sheeting can use assistance provided to acquire other needed WaSH and shelter items rather than selling it.</p> <p>The vouchers will be exchanged through contracted traders in marketplaces adjacent to the places where IDPs have settled (such as Weydow and Tabella). The voucher system is recommended considering that the jerry can and plastic sheeting markets easily have the capacity to meet the additional demand created by the assistance and because of the flexibility it affords to recipients. Such a program will be expected to include a mechanism for ensuring that hygiene and quality standards are met. Thus the voucher distribution should be coupled with awareness raising on hygiene and quality standards so that beneficiaries are empowered to reject substandard or dirty jerry cans and plastic sheets. Further, cleanliness and quality clauses should be included in contracts with vendors, and compliance should be monitored regularly.</p>
Shelter doors	<p>Given that humanitarian actors are already commissioning the local manufacture of shelter doors and that transporting shelter doors requires transport that IDPs may find prohibitively expensive, we recommend that NGOs continue to arrange for local procurement and delivery of doors. Nonetheless, NGOs should consider partnering with a range of small businesses and vocational training programs for the door manufacturing in order to spread the economic benefit of this assistance more widely.</p>
<p><b>Key recommendations for indirect support through markets</b></p>	
<ul style="list-style-type: none"> <li>▪ Sensitize larger retailers operating in marketplaces adjacent to IDP camps (and the wholesalers that supply them) on cluster standards for key WaSH and shelter commodities, and where necessary, link them with sources of higher quality products (prior to future evictions)</li> <li>▪ Provide unconditional, unrestricted cash grants to uninsured IDP retailers whose business infrastructure/supplies have been destroyed or damaged during evictions (in case of future evictions)</li> <li>▪ Conduct feasibility study on the willingness of local business insurance providers to cover retailers operating in markets adjacent to and possibly inside IDP camps</li> <li>▪ Conduct cost and feasibility study on the local production of WaSH and shelter items</li> </ul>	

#### **4.2 Monitoring and updating the analysis**

Monitoring of the critical market systems studied in this assessment and updating the analysis in the case of a future displacement or major change in the market systems are essential to ensuring that this report’s findings and recommendations remain relevant and to amend them if they are no longer relevant. Market monitoring<sup>17</sup> should be a relatively light and continuous process that is integrated into

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<sup>17</sup> It is important to note that ongoing market monitoring is distinct from market monitoring following the implementation of a project. Ongoing, pre-crisis market monitoring is primarily intended to identify any major changes in market functioning that might have implications for future programming, whereas post-implementation monitoring is intended to capture the intervention’s impact on the market system (if any) as well as any program quality issues.

the routine operations of leading WaSH and shelter organizations, while updating the analysis is a more involved process that should occur only in response to certain, specified triggers. Because they are slightly different, these processes are discussed separately below.

**Monitoring:** This report has concluded that Mogadishu–area markets are well able to supply key WaSH and shelter items (jerry cans, aqua tabs, plastic sheeting and CGI doors) in the volumes needed in the event of small or mid-size displacements such as those that followed the forced evictions of March 2015. However, markets are dynamic, and it is possible that changes in the way these market systems function could affect the relevance of this report’s recommendations. Thus, regular monitoring is essential. Table 6 provides some context-specific suggestions for ongoing monitoring of the critical market systems studied in this assessment.

**Table 6: Guidelines for monitoring key WaSH and Shelter market systems**

Consideration		Guidance
Market places		Bakara distribution hub + 2-3 market places that are representative of those frequented by IDPs living in Dharkenley, Deynile, Wadajir and Hodan districts, such as Weydow and Tabella
Retailers		<p>Jerry cans and plastic sheeting: 2 wholesalers + 3 retailers per market system  Aqua tabs: 2 importers, 2 retailers and 2 pharmacies  CGI doors: 2 importers of CGI, 2 places of assembly (either hardware stores or carpenter shops)</p> <p><i>For ease of data collection, the same businesses should be surveyed each time, unless they express reluctance to participate or there is reason to doubt the accuracy of the data they provide. If the same business sells more than one of the target commodities, it can respond to questions about all relevant commodities.</i></p>
Consumer representatives		A reliable community representative from each major IDP community should also be contacted during the monitoring process to confirm that key market places for the community are still safely accessible and to comment on any changes in the cost of transport to these markets.
Indicators	Market systems	<p><b>Availability</b> – is the item currently in stock?  <b>Buying and selling prices</b> per commodity (units and quality standardized)</p> <ul style="list-style-type: none"> <li>• Aqua tabs – 10-tab strips</li> <li>• New jerry cans – 20-liter yellow plastic, imported</li> <li>• Used jerry cans – 20-liter yellow plastic, imported</li> <li>• Plastic sheeting – ultraviolet-resistant grey-coloured sheeting, one 4x5-metre sheet</li> <li>• CGI doors – made from South Korea-made CGI, one door</li> </ul> <p><b>Volume of sales</b> – how much of the commodity did the business sell in the past month?</p>
	Market places	<p><b>All commodities:</b></p> <ul style="list-style-type: none"> <li>• <b>Transport routes</b> – how is this commodity transported to this business? By what route/means of transportation?</li> <li>• <b>Fees</b> – do you have to pay any taxes or fees in order to sell this commodity? If so, what are they and how much?</li> </ul>

	<p><b>Jerry cans only:</b></p> <ul style="list-style-type: none"> <li>• <b>Cleaning services</b> – who cleans the cans that you sell? How do you determine if the cans are clean enough to sell?</li> </ul>
Frequency of data collection	Once per month is ideal, ideally at the same time of the month (e.g., the first Monday of every month). Given that WaSH and shelter market systems seem to be less volatile than are other market systems, once per quarter may be acceptable.
Responsibility for data collection	Ideally this responsibility would be shared by different agencies participating in the WaSH and shelter clusters in Mogadishu, each agency collecting data for the parts of the city where they are active. In this case, the total number of smaller market places monitored could be increased slightly. If such coordination is not possible, individual agencies involved in humanitarian WaSH and shelter responses in Mogadishu should take on this responsibility. ,
Means of data collection	The first visit should occur in person in order for the data collector to develop rapport with the business owner. Subsequently, data could be collected over the phone, either via a phone call, an online form or some type of text messaging system. In-person visits should recur once every six months or as needed, if the trader seems hesitant to provide information or mistrustful. Mobile data collection is encouraged to streamline data entry and analysis
Data management and analysis	A dedicated person should be appointed to oversee data entry and analysis. Again, if mobile data collection is used, no data entry will be needed. Data should be analyzed to allow: <ul style="list-style-type: none"> <li>• Comparison of the average price of each commodity over time</li> <li>• Comparison of the average volume sold/month of each commodity per type of market actor over time</li> </ul>
Triggers	<p>If any of the following trends in the data are noted, more thorough investigation is needed to find out why and if the change is expected to last for 3 months or more:</p> <ul style="list-style-type: none"> <li>• <math>\geq 30\%</math> change (+ or -) in the average price of a given commodity between one monitoring period and the next (adjusted for seasonality); or 50% increase in prices as compared to baseline (adjusted for seasonality)</li> <li>• <math>\geq 30\%</math> change in average monthly volume traded at a single point in market chain between two consecutive monitoring periods (adjusted for seasonality)</li> <li>• Major disruption at key point in market system (e.g., something that restricts IDPs' access to key markets or blocks key transport routes)</li> </ul> <p>If the change is expected to last, the relevant cluster(s) should be informed, and the baseline market maps should be updated and the relevance of the recommendations checked.</p> <p>If a small or mid-sized displacement (up to 4000 households) occurs in Mogadishu for which a humanitarian response is likely, a post-crisis rapid assessment should be carried out.</p> <p>If a larger displacement (4000+ households) occurs, a more extensive post-crisis</p>

	market assessment such as RAM or EMMA should be conducted, since it unclear if this assessment’s findings will remain relevant. However, the baseline findings can still be used to inform the assessment, which should reduce the time and resources needed to carry it out.
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**Updating the analysis:** In the event of a small or mid-sized displacement (affecting 4000 households or less) in Mogadishu, a very rapid post-crisis assessment should be carried out, ideally once it is fairly clear where displaced households will be moving to, but ideally before any humanitarian aid has been distributed. This assessment should take a small team (4-10 people) one day or less. Because the biggest changes in the market systems studied in this assessment are related to in-kind humanitarian assistance, by and large we would expect most aspects of these systems to be functioning normally following another displacement but before the distribution of aid.

Because of this, it should be sufficient to follow the guidelines for market monitoring in Table 6, with a few caveats: (1) The 2-3 smaller market places that are visited should be those that are most important for the people living in the camps where IDPs have relocated; (2) Market places should be visited in person as security permits; (3) If the team’s size allows, multiple vendors or different sizes and a representative of the market place (e.g., a market manager) should be interviewed; (4) Tools 8 and 9 from the RAM should be simplified to develop slightly more comprehensive questionnaires that ask about impacts of the crisis on the market environment and market infrastructure, inputs and services as well as the standard number, price and volume data; and (5) Needs assessments that occur in IDP camps should include questions about traders whose businesses have been impacted/destroyed in the displacement, in order to inform potential market support interventions for this population. Specifically, these questions should try to capture the scale and scope of the damage to these businesses.

Annexes

Annex 1: Baseline and Crisis Market System Maps for the target WaSH and Shelter Commodities

Figure 2a: baseline and crisis aqua tabs market system maps

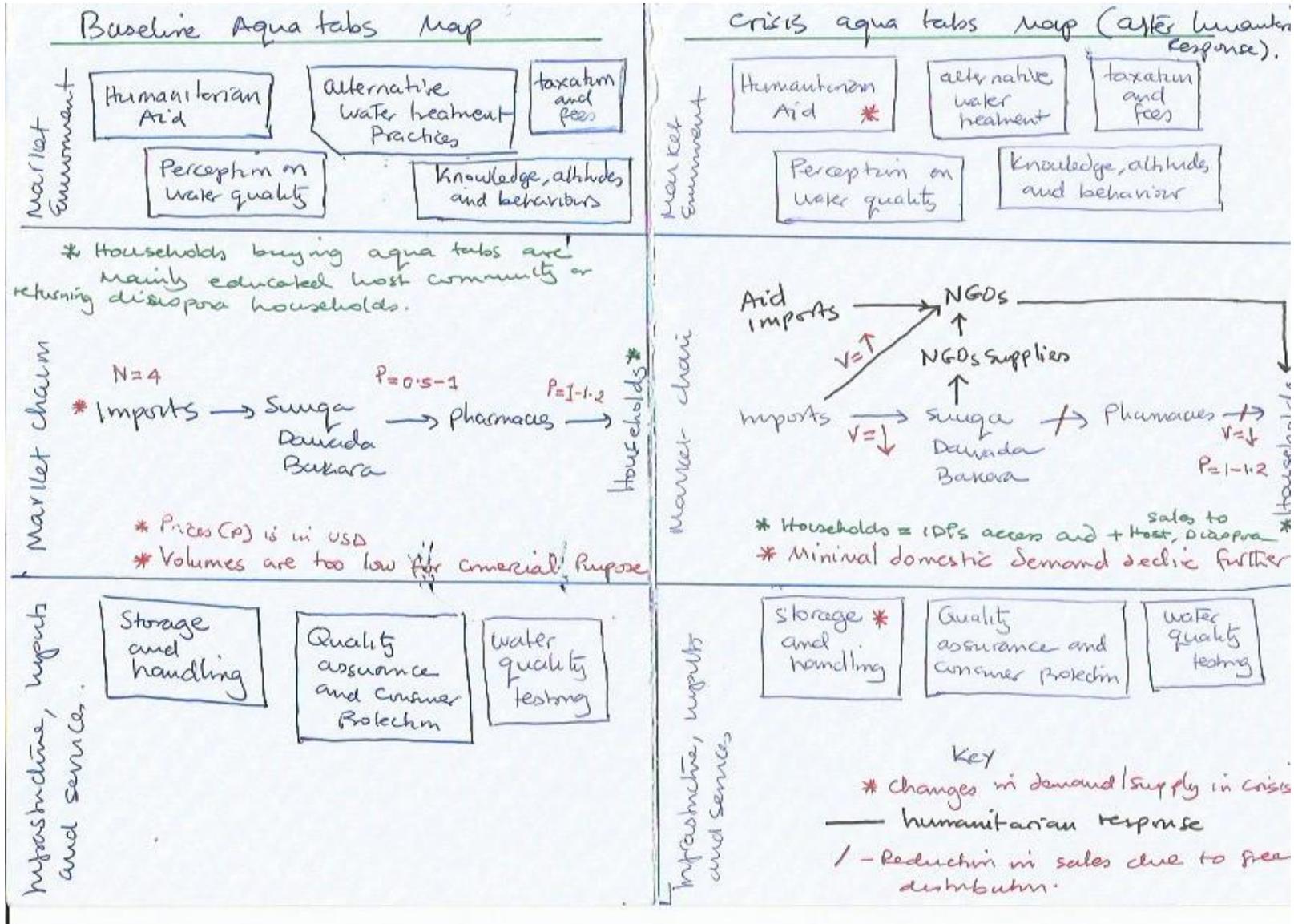


Figure 2b: baseline and crisis jerry cans market system maps

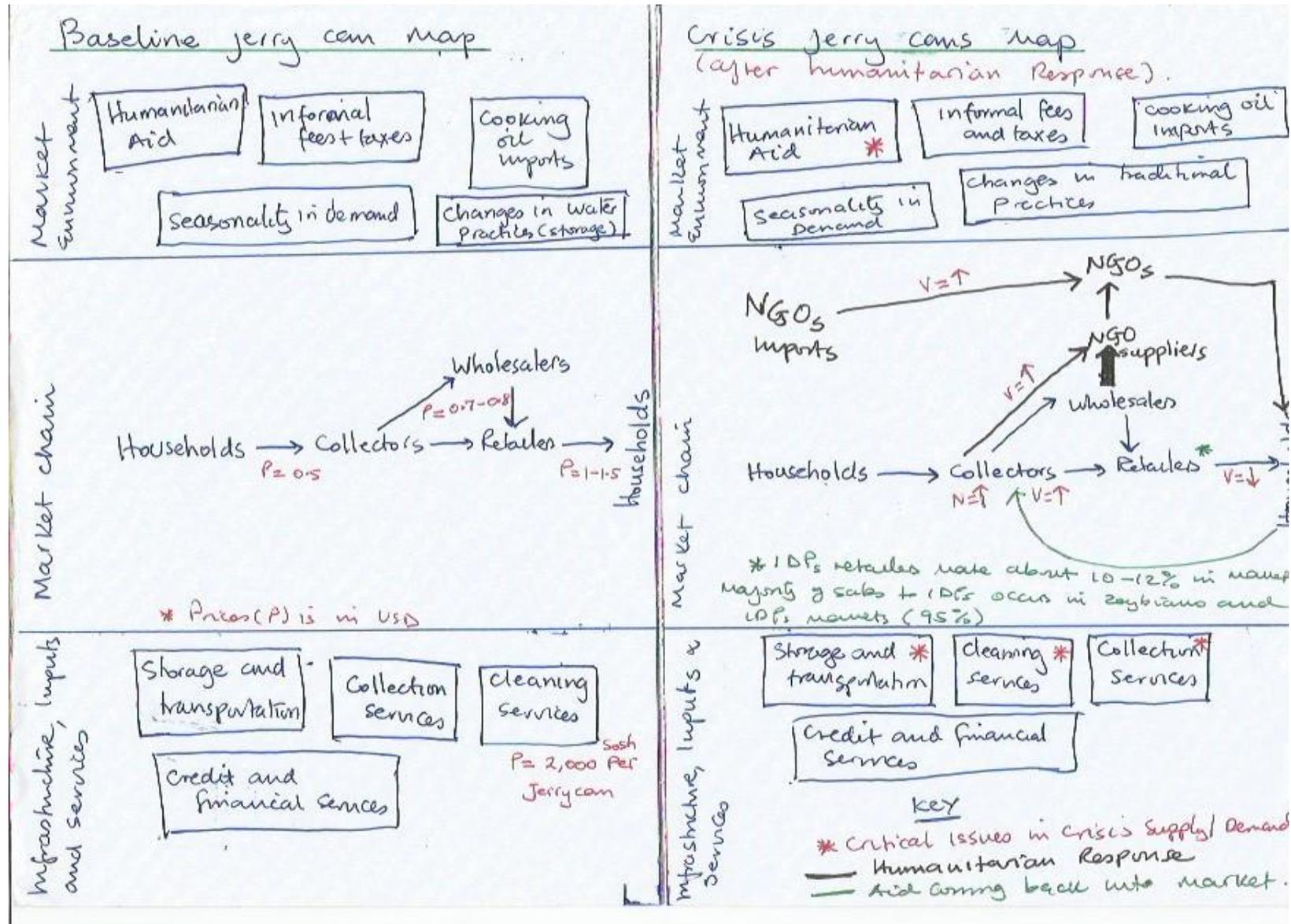


Figure 2c: baseline and crisis plastic sheets market system maps

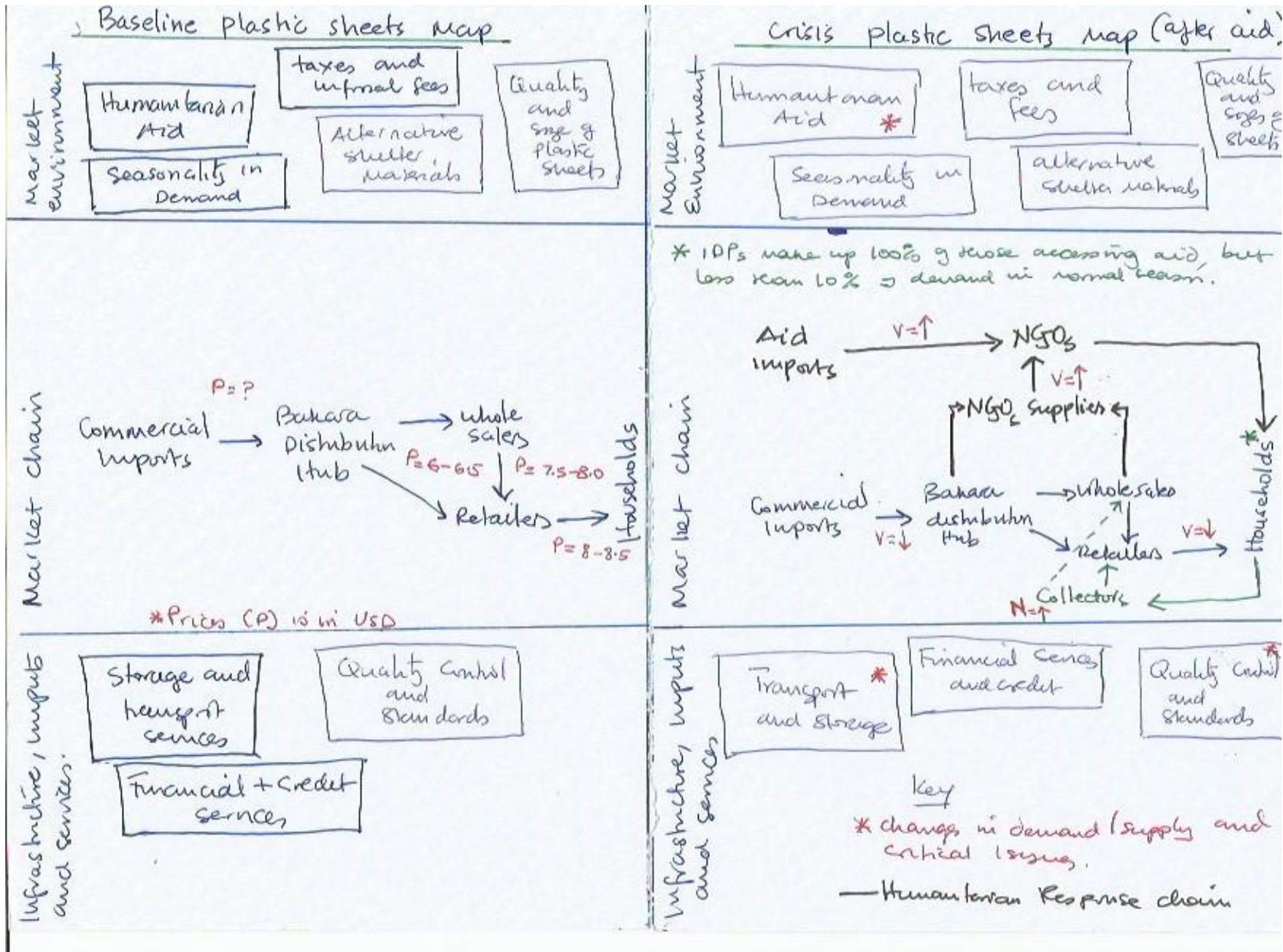
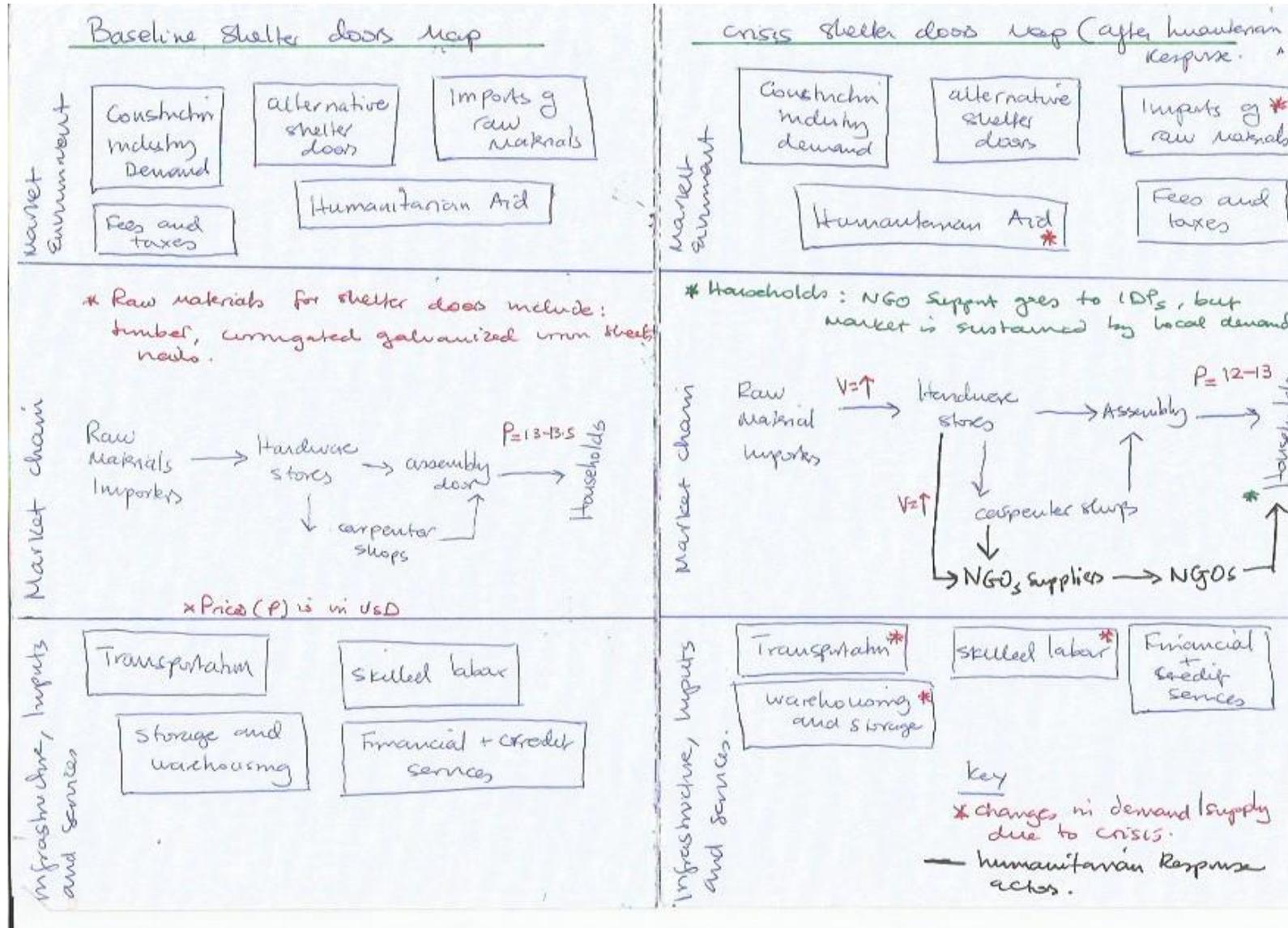


Figure 2d: baseline and crisis CGI doors market system maps



## Annex 2: Critical Market System selection

During initial scoping discussions with the three BRICS members participating in the assessment (IRC, Save the Children and Concern), it was agreed to use the PCMMA in Somalia to assess market systems from the WaSH and shelter sectors that represent important basic needs in emergencies that are often provided in-kind. Though this was a slightly unusual choice for a livelihoods consortium, it seemed to make sense for a number of reasons, namely:

- CTPs are standard practice by now in Somalia, but only within the food security and livelihoods sector. Most WaSH and shelter actors continue to provide assistance in kind during emergencies, and therefore this assessment would address an existing gap. Livelihoods actors would essentially be using their expertise in CTPs and markets knowledge to open up new possibilities for non-livelihoods actors.
- The assessment could help BRICS consortium members to advocate for broader adoption of cash transfer programming by different humanitarian actors and sectors in Somalia.
- This does actually fit BRICS' mandate in terms of supporting its focus on value for money in programming. Also, DFID, who funds the consortium, is keen on this type of assessment.
- This type of (commodity-focused) market assessment is relatively straightforward to organize and implement, which is advantageous given the short timeframe in which to prepare for this assessment and the fact that technical support will be provided remotely.
- Commodity-focused market assessments are also relatively straightforward for team members to understand, and therefore they are more likely to become comfortable enough with the approach to be able to replicate the exercise in other parts of Somalia/ for other market systems in the future with limited external support.

Suggestions for specific critical market systems to focus on were requested from key contacts within the WaSH and shelter sectors in Mogadishu, via the following set of questions:

1. What type of assistance within the WaSH and Shelter sectors do humanitarian actors provide to affected populations in the case of IDP influxes like last year's?
2. What specific *goods* are provided to affected populations (for example, items in WaSH, shelter or NFI kits)?
3. Do WaSH and shelter actors also provide any type of *services* (e.g., water delivery, housing) to populations affected by IDP influxes? If so, what are they?
4. Of the goods and services listed above, are there any items that might not be available in sufficient quantity and quality in local markets to support the affected population? If so, what are these specific goods and services?
5. Are there any WaSH or Shelter related market systems in the Mogadishu area that you would be interested to learn more about?

These suggestions were then shared with the assessment team during the pre-assessment workshop, and additional ideas were elicited. The team came up with the following long list of potential critical market systems:

**Shelter:** Plastic sheets, sleeping mats, blankets, ropes, cloth, mosquito nets, CGI and CGI doors, wooden frames, sticks, binding wire, poles, canvas tents and household solar lamps, kitchen sets

**WaSH:** non-collapsible jerry cans, shovels, spades, wheelbarrows, rakes, brooms, aqua tabs, water makers, drinking water, soap, buckets, sanitary pads, plastic water storage tanks, submersible/surface pumps, solar surface pumps and generators

These long lists were then reduced to short lists, by grouping them according to similarity in market functionality (mainly imported goods and goods with some kind of processing or production within Somalia) and then selecting representative market systems from each group, and by removing the goods that are typically distributed at the community level rather than at the household level. The short listed items were then weighed from 1-5 (1 meaning “does not meet criteria at all,” and 5 meaning “meets criterion completely”) against the following criteria: how important the good is for survival; interest from the relevant sectors in learning more about that specific market system; whether there is uncertainty about the market’s capacity to supply the good; whether the market system is thought to be affected by displacement; whether the need is recurring (as opposed to one-time), and the feasibility of a market-based response option (in other words, the likely receptiveness of the sectors to switching to a market-based response for that given commodity.

***Selection of Critical Market Systems for the WaSH sector***

<b>Commodity</b>	<b>Part of typical NGO response</b>	<b>Survival need</b>	<b>Interest from sectors</b>	<b>Questions about market's capacity to supply</b>	<b>Affected by the emergency</b>	<b>Recurring need</b>	<b>Feasibility of market-based response</b>	<b>TOTAL</b>
Non-collapsible jerry cans	5	5	2	4	2	3	4	25
Aqua tabs	5	3	4	5	1	3	1	22
Soap	5	2	4	1	1	5	5	23
Buckets	5	1	2	1	1	2	4	16
Sanitary pads	3	1	4	3	2	5	4	22

***Selection of Critical Market Systems for the shelter sector***

<b>Commodity</b>	<b>Part of typical NGO response</b>	<b>Survival need</b>	<b>Interest from sectors</b>	<b>Questions about market's capacity to supply</b>	<b>Affected by the emergency</b>	<b>Recurring need</b>	<b>Feasibility of market-based response</b>	<b>TOTAL</b>
Plastic sheets (good quality)	5	5	3	1	1	5	4	24
Sleeping mat	5	5	1	3	1	3	1	19
Blankets	5	3	2	4	2	3	5	24
CGI + CGI doors	4	2	2	3	1	1	4	17
Wooden frames	4	1	1	4	1	1	3	15

Sticks	4	5	1	3	3	2	4	22
Household solar lamps	2	1	1	3	1	1	2	11
Kitchen sets	5	5	4	1	1	3	4	23

Following this exercise, it was decided to select the highest scoring critical market systems from each sector that were likely to have quite different functionality. For WaSH, this included jerry cans, which were known to have a large domestic market chain involving reused containers, as well as aqua tabs, a speciality item that is manufactured outside of the country. For shelter, this included plastic sheeting; another imported good, and CGI doors, for which the raw materials are imported but for which assembly services exist in Somalia. Sticks, though high-scoring, were not selected, as the market system was thought to be perhaps too simple to be of interest, and because of the potentially negative environmental implications of supporting stick harvesting in a country prone to desertification. Meanwhile, sleeping mats were discounted because, though local production of them does occur, it was suggested that locally produced mats were unlikely to meet sectoral quality standards.

### **Annex 3: Terms of Reference: Pre-Crisis Market Mapping and Analysis Assessment in Somalia**

**Proposed Assessment dates:** November 8-25, 2015

**Host agency:** International Rescue Committee

**Participating agencies:** Member agencies of the Building Resilient Communities in Somalia (BRICS) consortium: Concern, CEVSI, IRC, NRC and Save the Children.

#### **PCMMA Overview and Objectives:**

*Pre-Crisis Market Mapping and Analysis: Step-by-step Guidance for Practitioners* is a practical resource to guide market analysis practitioners and team leaders to conduct market assessments prior to emergencies in order to anticipate how markets will respond after a shock occurs. The PCMMA was developed in 2014 by the IRC and Oxfam with the support of the European Union through the Enhanced Response Capacity Mechanism and the American People through the United States Agency for International Development (USAID) and builds on earlier attempts at market baseline mapping and analysis conducted in pre-crisis settings. Based on the EMMA methodology, PCMMA is different in that it is conducted in non-crisis times, in contexts where crises are relatively predictable.

Like EMMA and other types of post-crisis market assessments, PCMMA can help inform the design of **emergency responses**; however, PCMMA has potentially broader applications. It is designed to help agencies to improve **preparedness** (including **early warning systems** in slow-onset crises), develop **contingency plans** and design **disaster risk reduction** programs by identifying certain parts of market systems that may be vulnerable to shocks. Increasing the speed of emergency responses or strengthening market systems ahead of emergencies could potentially reduce a disaster's impact on lives and livelihoods and begin to address the longer term or chronic nature of poverty and vulnerability.

As PCMMA is still a relatively new approach, the IRC has devoted resources to conducting three inter-agency pilot assessments in disaster-prone countries in 2015 in order to generate learning that can be used to refine the approach and the guidance document, while providing information that can help various humanitarian agencies' strategic and operational planning efforts. The pilots will also serve as opportunities to develop market analysis capacity within the humanitarian community; notably, they will collectively train at least 8 humanitarian professionals to take on leadership roles in market assessments. The first pilot took place in Pakistan in May/June, and lessons learned from that effort helped to shape the second pilot, held in Niger in June/July. The IRC now has a much better sense of how to approach these assessments in an effective and organized way, though of course there is still much to learn.

The IRC's team in Somalia and the BRICS consortium have committed to contributing to and participating in the third PCMMA pilot. PCMMA seems to be highly relevant to the BRICS consortium

members' urban livelihoods programming in and around Mogadishu, and to the context of recurrent severe drought.

General objectives of the exercise will include the following:

- To identify appropriate, market-aware responses to help targeted vulnerable populations in the Mogadishu region to meet early livelihood recovery and other basic emergency needs in the case of severe drought in the future;
- To identify appropriate market strengthening and preparedness response options to help reduce the impact of future severe droughts on targeted vulnerable populations in Somalia;
- To strengthen the market analysis capacity of experienced Somali staff from BRICS member agencies;
- To gather learning on the PCMMA approach that can be used to help refine the guidance document and emergency market assessments in general, on a range of topics including conducting such assessments in highly insecure contexts.

#### **Desired Results of the PCMMA:**

- Baseline and emergency-affected market maps of selected critical market systems
- Seasonal calendar for critical market systems
- Report of key findings and recommendations for each critical market system analyzed

Key findings and recommendations will be presented widely at the close of the assessment. Presentations by assessment team members at field and Mogadishu-level coordination structures will be encouraged, and the final reports will be made available online through the UNHCR Web portal, EMMA website ([emma-toolkit.org](http://emma-toolkit.org)), and the [Markets in Crises Dgroup](#) list serve.

#### **Geographical Area of Assessment:**

The assessment will take place in the Mogadishu region. The exact geographic focus will be decided after consultation with consortium members and will depend on (1) where participating agencies currently intervene or plan to intervene in the future; (2) the critical market systems selected for the assessment; and (3) whether team members can access these areas with relative safety during the assessment.

#### **Critical Markets for Analysis:**

Due in particular to the security situation in Somalia, the number of critical market systems to be analyzed during this exercise will be limited to 2. Before the start of the PCMMA, participating agencies will identify a larger number of potential market systems to focus on based on their programming interests and the key needs of the populations they support during droughts. These market systems will be evaluated according to a set of criteria, which again will be identified according to the consortium members' priorities. The 1-2 highest-scoring critical market systems will be selected as focal systems for this study. Specific guiding questions for each critical market system, referred to as "Key Analytical

Questions” in the EMMA methodology, will be decided on by the research team based on participating agencies’ interests.

**Security considerations:**

The safety of those participating in the assessment is of the utmost concern, and ongoing efforts will be made to assess and minimize risks. The plan for the assessment may be modified in view of changing security conditions.

**Assessment team members:**

A technical staff person from the IRC Headquarters in New York will lead the assessment. Each of the 1-2 critical market teams will be led by a Somali **mentee** from one of the BRICS member agencies, ideally someone with strong leadership experience and written English, some cash and/or markets background and good analytical and communication skills. It is expected that 3-4 additional people will participate in the exercise *per critical market* team as **assessment team members**. Market team members should have a good understanding of humanitarian programming and basic market principles, analytical and writing skills and experience with field-level data collection. Crucially, a member of IRC’s Somalia country team will serve as a market focal point leading up to and during the exercise; this individual will help to coordinate the preparatory analysis before the assessment and will apply his/her local knowledge to assist guide the assessment design and data analysis and interpretation processes.

Each market-specific sub-team will be expected to analyze assessment data and to prepare a draft report of findings and recommendations in line with the PCMMA Methodology (see below). The critical market team leaders will offer significant support for this analysis; however, staff or personnel participating in the assessment must be strong in data analysis and capable of writing complete assessment reports independently. Having previously attended an EMMA training is not a requirement to participate in this assessment, but previous market analysis training or experience is highly desired. The training and facilitation will take place in English.

**Methodology:**

The assessment will use the EMMA methodology, adapted for the pre-crisis context according to the approach outlined in the PCMMA guidance document (see table below for the 15 steps of PCMMA). To the extent possible, Steps 1-6 will be conducted before the full field team assembles in country. While a plan for Step 13 will be outlined during the PCMMA, it will be the responsibility of in-country staff to ensure that monitoring continues after the official exercise ends. Depending on agencies’ interest and existing expertise in ICT, it may be possible to utilize mobile data collection for a portion of the field research.

1. <i>Understanding the context</i>	Identify the likely crisis scenario; target population needs & profiles
2. <i>Setting scope and objectives</i>	Set objectives and operational questions for PCMMA; identify knowledge gaps; ensure relevance of PCMMA
3. <i>Ensuring managerial and organizational buy-in</i>	Determine composition of assessment team, including Market Focal Point; identify and confirm availability of in-country resources needed for assessment; secure country team management approval of the exercise and resulting potential response strategies; confirm that results will be integrated into contingency planning
4. <i>Critical market selection and key analytical questions</i>	Pre-selection of critical market-systems; identification of draft key analytical questions for each system; select geographic area to be covered by the assessment
5. <i>Mapping and gathering existing information</i>	Gather information on selected critical markets, target groups, livelihoods in assessment areas; identify information gaps
6. <i>Preparing and planning for the market assessment and analysis</i>	Confirm team composition; develop timeframe and draft agenda; set budget; finalize TOR
7. <i>Finalizing the frame of the analysis</i>	Review and validate steps 1-6 with full assessment team; finalize assessment locations with team; identify markets to visit and market actors to interview with team
8. <i>Preliminary analysis and mapping</i>	Production of initial profiles, seasonal calendars, maps of the market-system; identification of key informants or leads.
9. <i>Data collection</i>	Develop questionnaires; conduct fieldwork activities and regular debriefings
10. <i>Final mapping</i>	Finalize baseline & emergency maps, seasonal calendars; description of key features, bottlenecks, constraints
11. <i>Gap and market analysis</i>	Comparison of household economic profiles, analysis of priority needs, access and gaps
12. <i>Selection of response options</i>	Exploration of response options, cash and other intervention feasibility; response recommendations and their logic
13. <i>Market monitoring</i>	Determine different market indicators to monitor; develop monitoring plan
14. <i>Communication of results</i>	Prepare and disseminate results via report and in-person presentation(s)
15. <i>Updating a PCMMA</i>	Conduct follow-up assessments as needed

**Contributions from participating agencies:**

BRICS member agencies are asked identify staff members to be a part of the assessment, as potential team leaders, as team members or as logistical leads. Agencies and individual staff must be willing and able to commit to being a part of the PCMMA team for the duration of the assessment, including pre-assessment training in Nairobi, field-based data collection and post-field analysis and report writing. Additionally, agencies providing staff are asked to cover the costs of personnel (including salaries, per diems, etc.) and contribute to logistical support for those personnel (transport to and from training, communications, vehicles and fuel, lodging in Nairobi, meeting spaces, etc.). The IRC has a limited

amount of funds available to support team members' international transportation and accommodation costs.

The IRC's Somalia office will provide logistical and administrative support related to procuring visas, arranging for accommodation, training spaces, food and refreshments for the assessment team and in-country transportation. While the ERD unit has some limited funds available for in-country costs such as training supplies and transportation, these funds are insufficient to cover the full cost of the assessment, and so the country team will be asked to contribute to these needs to the best of its ability. The ERD may request documentation of any financial or in-kind contributions to the assessment from the IRC country team for donor reporting requirements.

**Duration of assessment and working hours:**

- 18 days from in November 2015. Please see indicative schedule below.
- Participants should anticipate long working hours and be prepared to work outside normal business hours.
- All participants should agree to work the length of assessment, without a break if necessary to complete the work on time. Team members should expect to work weekends. Please inform us immediately if this is likely to be difficult or if there are any outstanding issues that need addressing.

**Tentative Assessment Schedule**

Date	Agenda
September 1-October 31	Identification of assessment team; desk research and initial analysis; logistical preparations; preliminary analysis workshop(s)
November 7	Assessment team arrives at training site (Nairobi)
November 8-13	Introduction to PCMMA; training on PCMMA in practice; Developing data collection tools and preparing for fieldwork
November 15-20	Data collection at field level in Mogadishu – household, market actor, and key informant interviews
November 22-25	Preliminary Analysis of field data and development of recommendations
November 24-25	Presentations of key findings and recommendations
December 11	Report finalized

## Annex 4: Questionnaires

For the most part during this assessment, the existing RAM questionnaires (specifically, Tools 2, 8 and 9) were simply adapted for the pre-crisis context, with minimal modifications to the original content. Tool 10 was used as written, since no modifications were necessary. For this reason, these tools are not duplicated in the annex. However, they can be accessed at the following link, which may be useful to other organizations interested in using RAM for pre-crisis market assessments: <https://rescue.box.com/s/jltbamgr157osmvn64ud6abp6ul7ypag>

It was also decided to conduct Focus Group Discussions with households who had been displaced during the March 2015 evictions. The following questionnaire was used to guide the discussions.

### IDP Focus Group Discussion Guide

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#### PCMMA – November-December 2015, Mogadishu

**Specific location:**

**Date:**

**Name of person conducting interview:**

*Thanks for agreeing to participate in this discussion. We would like to ask you about the humanitarian assistance that households who live here received after the evictions that took place about 6 months ago and that caused you to relocate to this area. We would also like to ask you about the type of assistance that you think humanitarian organizations should provide to people fleeing evictions in the future. Finally, we would like to learn more about where households who live here buy different types of products.*

#### General

1. When you were evicted in March 2015, how long did it take before you settled in this area? Why did you decide to come here?
2. Where do most households that live here do their shopping? What kinds of products are available there? How far away is it and what is the cost of round-trip transport to that market?
3. Where do most households here shop for items that are not available in local markets? How far away is it and what is the cost of round-trip transport to that market/those markets?

#### Shelter

4. After the evictions earlier this year, did some of your households receive shelter items, including CGI doors and plastic sheeting, from NGOs? For those people who did receive this kind of assistance, were you happy with the quality and type of the items you received? If not, why not? If people living here were able to choose the type of doors/sheeting that NGOs provided, would they ask for the same types of doors and sheeting that are currently provided? If not, what would they prefer?

5. For those households who received CGI doors and plastic sheeting, where were the items distributed? How far did you have to travel to receive them, and what was the cost of transport (if any)?
6. How long after the evictions were doors and sheeting distributed? Was this the right timing, or would you have preferred to receive this assistance earlier or later? Why?
7. Are there any other shelter materials that households here needed after the eviction but that were not provided by NGOs or available in the local marketplace?
8. Did anyone you know sell or exchange the shelter materials that they received after the evictions (for example, to access cash in order to buy something else that they needed more)? If so, did many people do this, or was it fairly rare? What was the main reason that people sold or exchanged these items?
9. NGOs sometimes provide displaced households with either cash or value vouchers so that they can buy the items that they need, from the shops they prefer, at a time that is convenient to them, instead of providing them with the items directly. If NGOs were to try this in Mogadishu when people are evicted, do you think it would work? Would households be able to access markets in order to buy the doors and plastic sheeting that they need? What other types of shelter items might people spend money on? Would you prefer to receive cash, vouchers or in-kind support? Why?

### **WaSH**

10. After the evictions earlier this year, did some of your households receive WaSH items, including aqua tabs and jerry cans, from NGOs? For those people who did receive this kind of assistance, were you happy with the quality and type of the items you received? If not, why not? If people living here were able to choose the type of water treatment products and water storage containers that NGOs provided, would they ask for the same types that are currently provided? If not, what would they prefer?
11. For those households who received aqua tabs and jerry cans, where were the items distributed? How far did you have to travel to receive them, and what was the cost of transport (if any)?
12. How long after the evictions were aqua tabs and jerry cans distributed? Was this the right timing, or would you have preferred to receive this assistance earlier or later? Why?
13. Are there any other WaSH materials that households here needed after the eviction but that were not provided by NGOs or available in the local marketplace?
14. Did anyone you know sell or exchange the WaSH materials that they received after the evictions (for example, to access cash in order to buy something else that they needed more)? If so, did many people do this, or was it fairly rare? What was the main reason that people sold or exchanged these items?
15. NGOs sometimes provide displaced households with either cash or value vouchers so that they can buy the items that they need, from the shops they prefer, at a time that is convenient to them, instead of providing them with the items directly. If NGOs were to try this in Mogadishu when people are evicted, do you think it would work? Would households be able to access markets in order to buy the water treatment products and jerry cans that they need?

## End Notes

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- <sup>i</sup> [Interagency Rapid Assessment Report, Dharkenley Evictions](#), March 2015.
- <sup>ii</sup> [UNHCR Somalia: Total IDPs per region](#), November 2015
- <sup>iii</sup> [WASH and Shelter Cluster Somalia: Guide to WASH Cluster Strategy and Standards](#), July 2012
- <sup>iv</sup> [Mogadishu Labour Market Emergency Market Mapping and Analysis](#), Enhanced Response Capacity Pilot Assessment
- <sup>v</sup> [Catholic Relief Services: Expect the unexpected: A case study of impacts of urban food vouchers in Somalia](#), June 2014
- <sup>vi</sup> Daryeel Bulsha Guud: Market Assessment along Afgoye Corridor (between Km 7 – 13), October 4<sup>th</sup> 2015
- <sup>vii</sup> Abdi Mohamed Gudle, NRC Shelter Project Coordinator in Bay, Baikal and Gedo regions, personal communication, December 17<sup>th</sup>, 2015