



# MARKET SYSTEM RESILIENCE (MSR)

Experience from Mercy Corps  
Nepal

17th July 2023

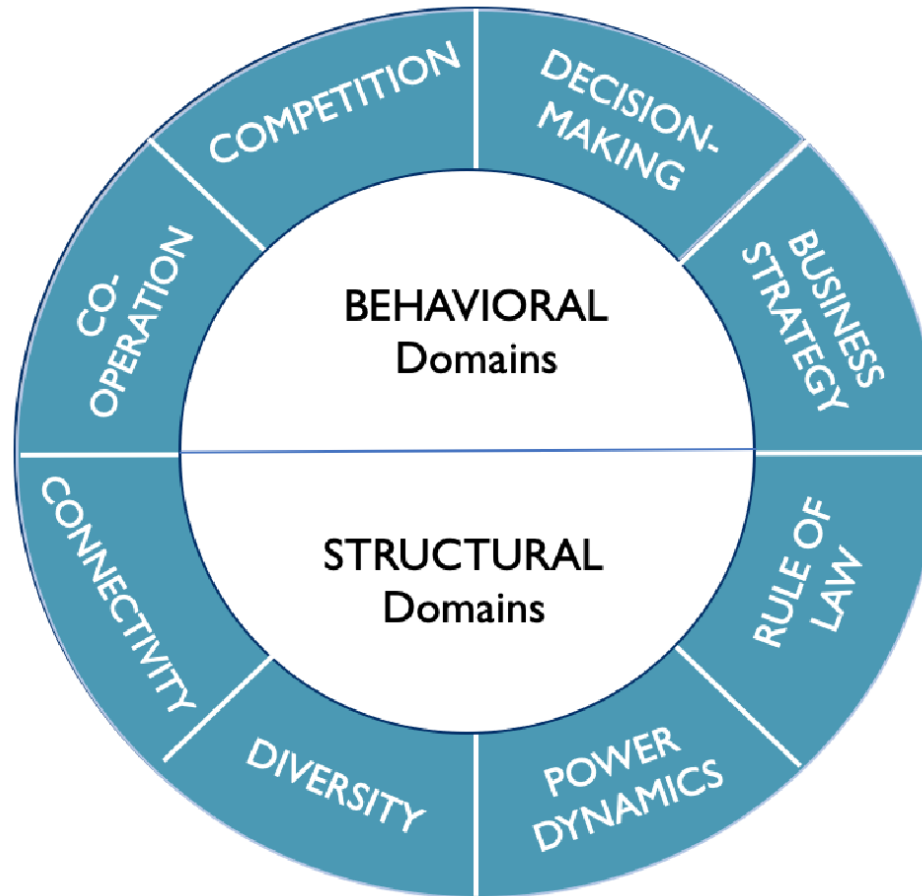
# What is MSR?

Capacity of a market system to absorb, adapt, or transform in the face of shocks and stresses. Within the broader economic, political, socio-cultural, and environmental systems in which they operate, markets are a means of allocating resources to solving system problems, such as those related to shocks and stresses.

MSR provides a way to understand and design more risk-responsive programming.



# MSR Drivers



*Figure: Key Domains of MSR*

[http://www.marketlinks.org/sites/default/files/resource/files/Market\\_Systems\\_Framework.pdf](http://www.marketlinks.org/sites/default/files/resource/files/Market_Systems_Framework.pdf)



**Nexus Approach: An Added Value of Market Incentive in Disaster Risk Reduction**

# Understanding Risk and Fragility

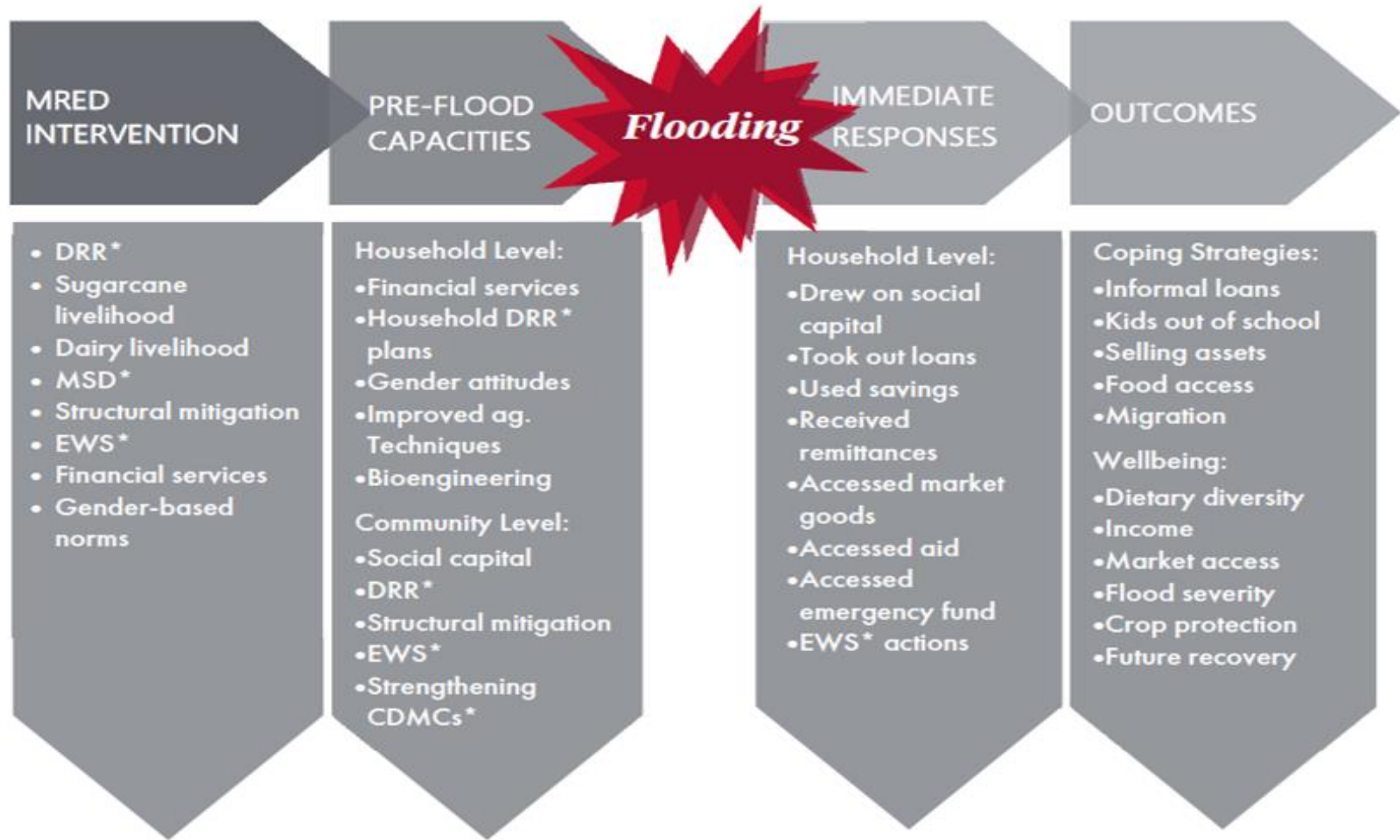
## Systemic Constraints

- Limited access to capital for farm investment
- Low financial literacy
- Discriminatory practices based on gender and/or ethnicity/caste
- Limited outreach and low-capacity extension services
- Limited modern agricultural information and skills
- Weak market linkages and access

## Shocks and Stresses

- Floods, drought and rainfall variability
- Agricultural pests and disease
- Unstable demand for sugarcane
- Migration
- Socio-political conflicts

# MRED - Theory of Change



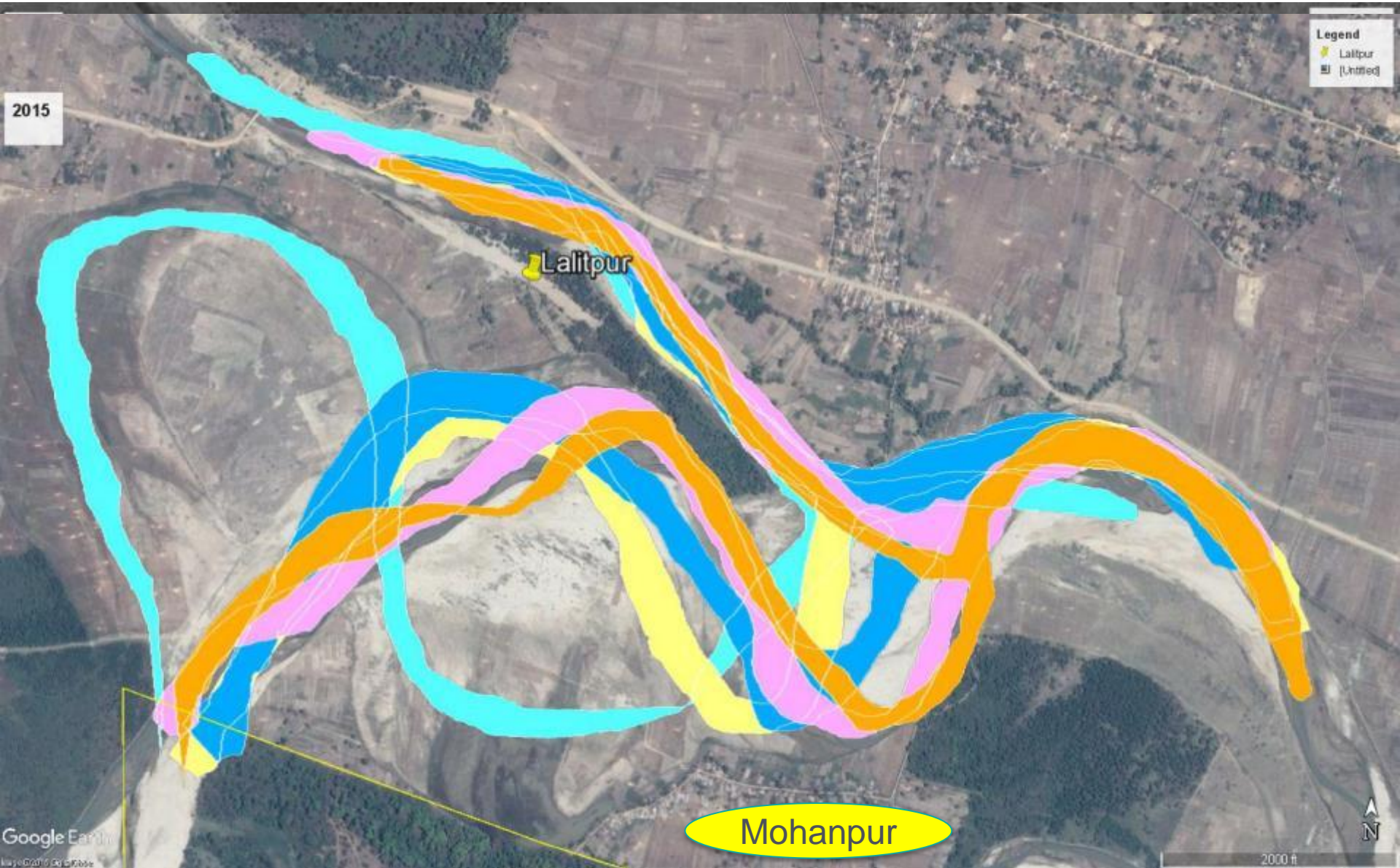
\*DRR = Disaster Risk Reduction

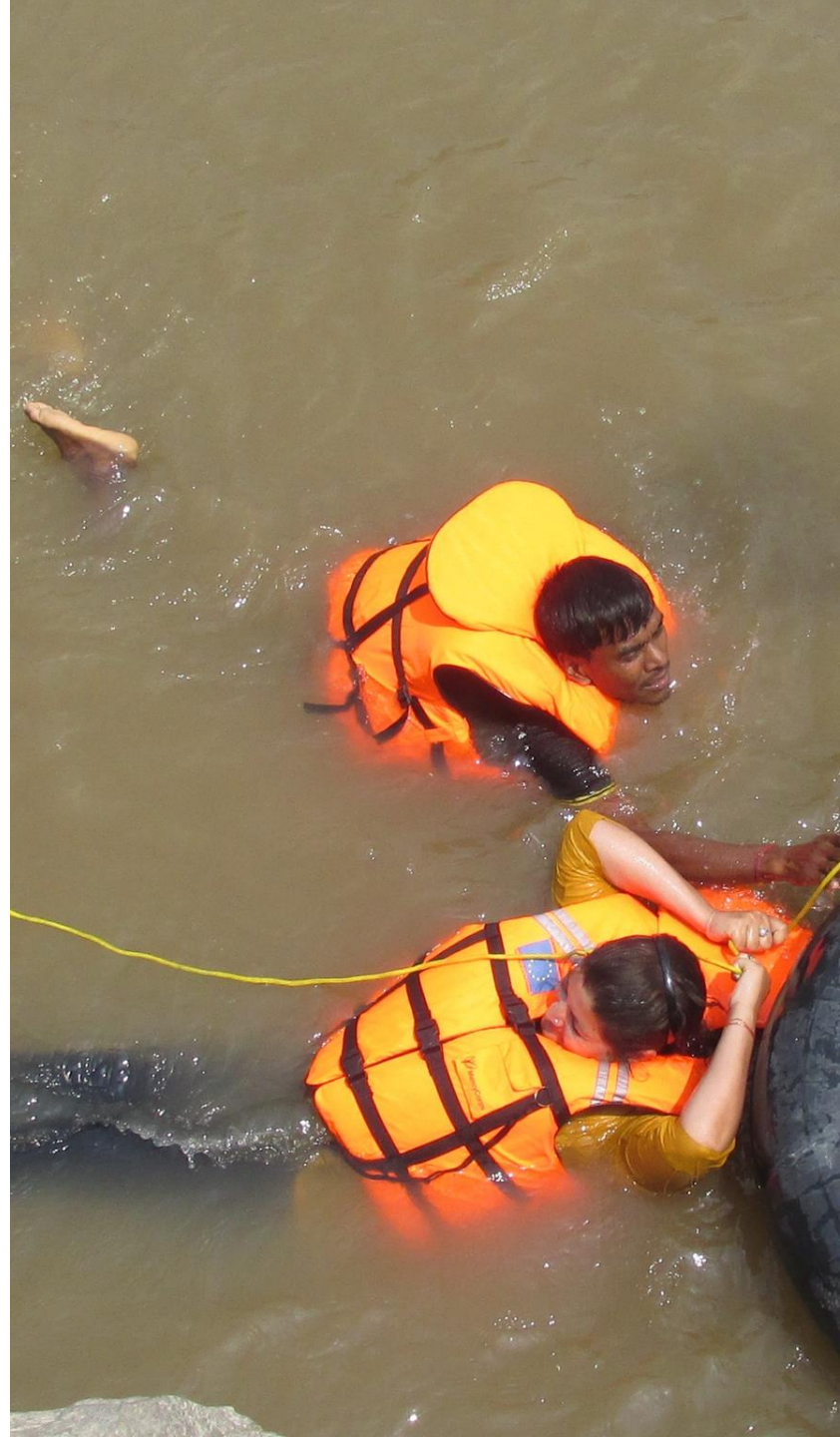
\*EWS = Early Warning System

\*MSD = Market System Development

\*CDMC = Community Disaster Management

# Disaster Context







# NEXUS APPROACH



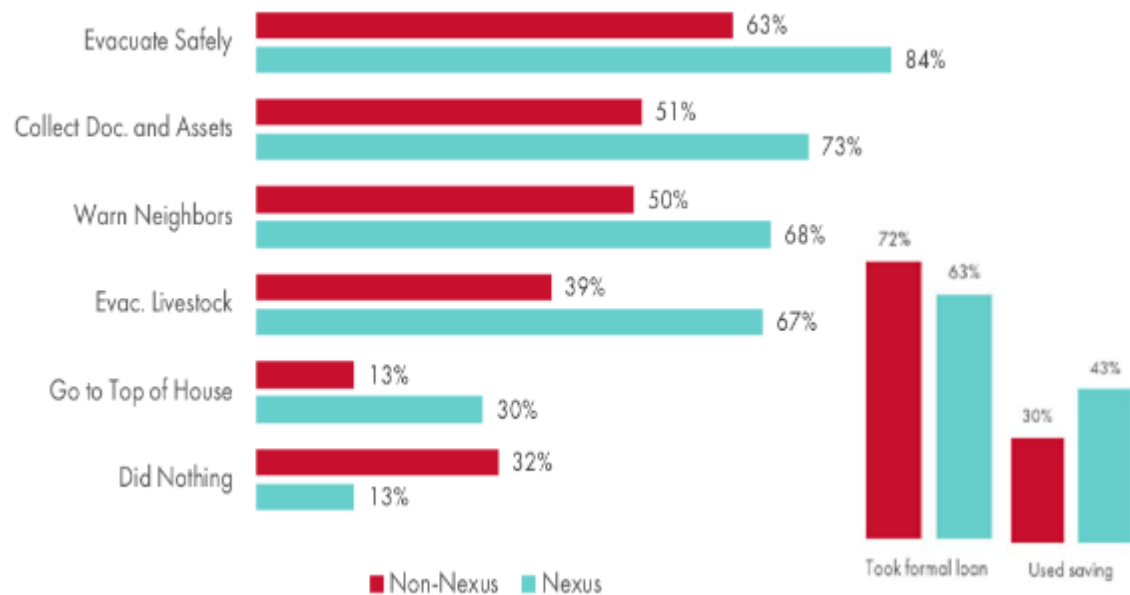
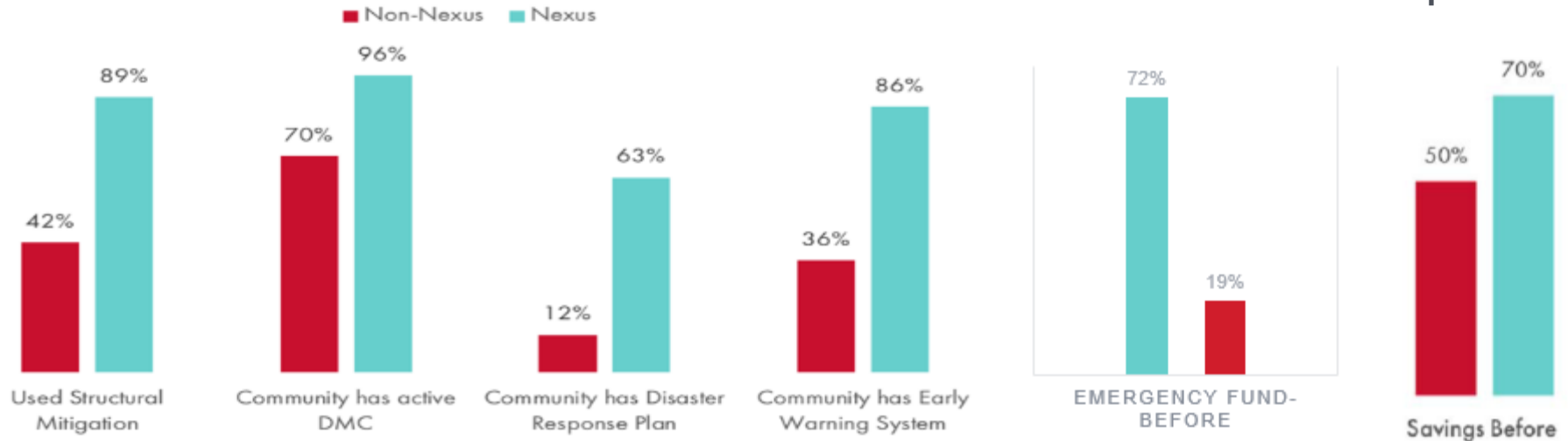
Community Based  
Disaster Risk Reduction

NEXUS

Market System  
Development

# POST FLOOD STUDY

## Access to Capacities

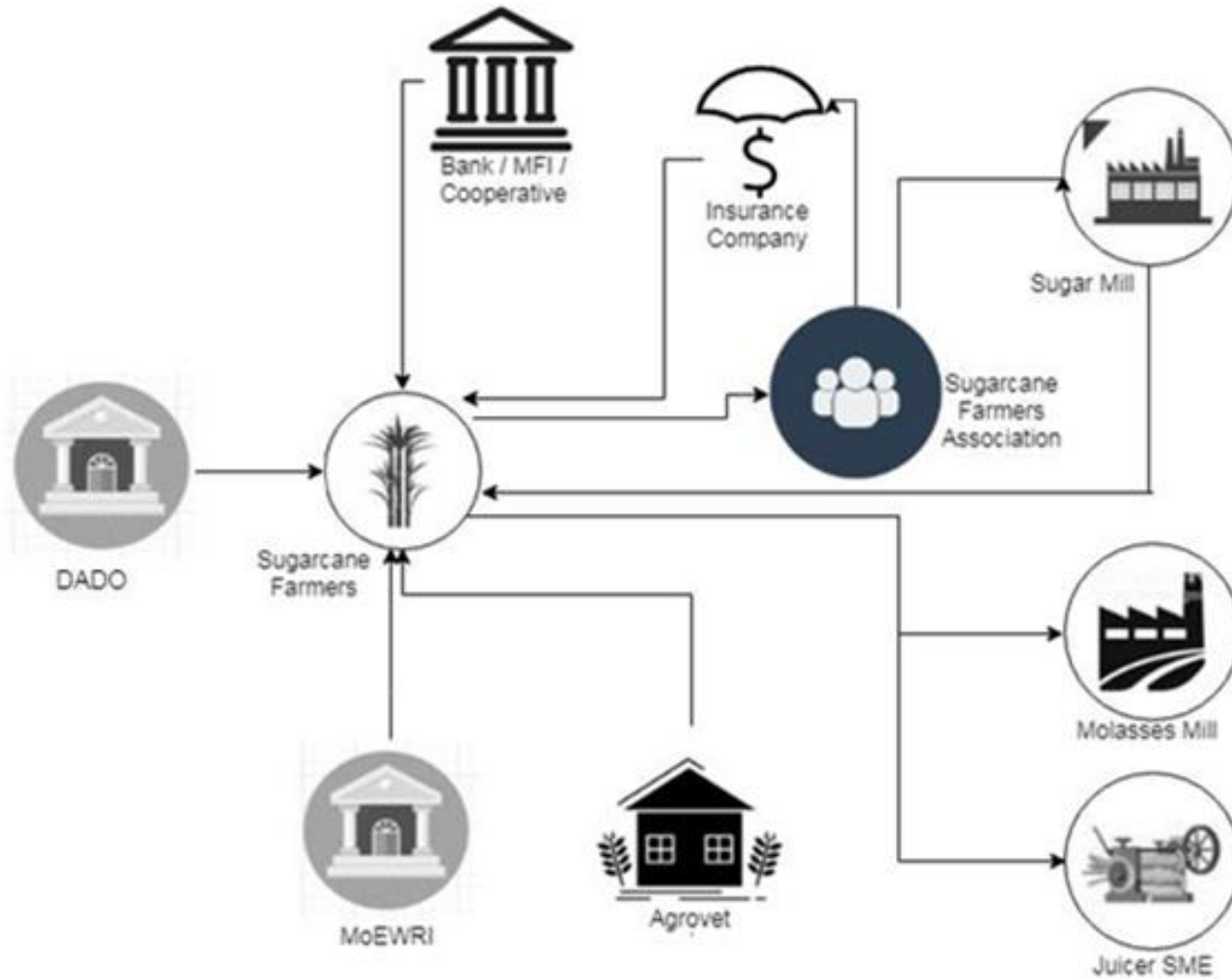


## Use of Capacity to Respond

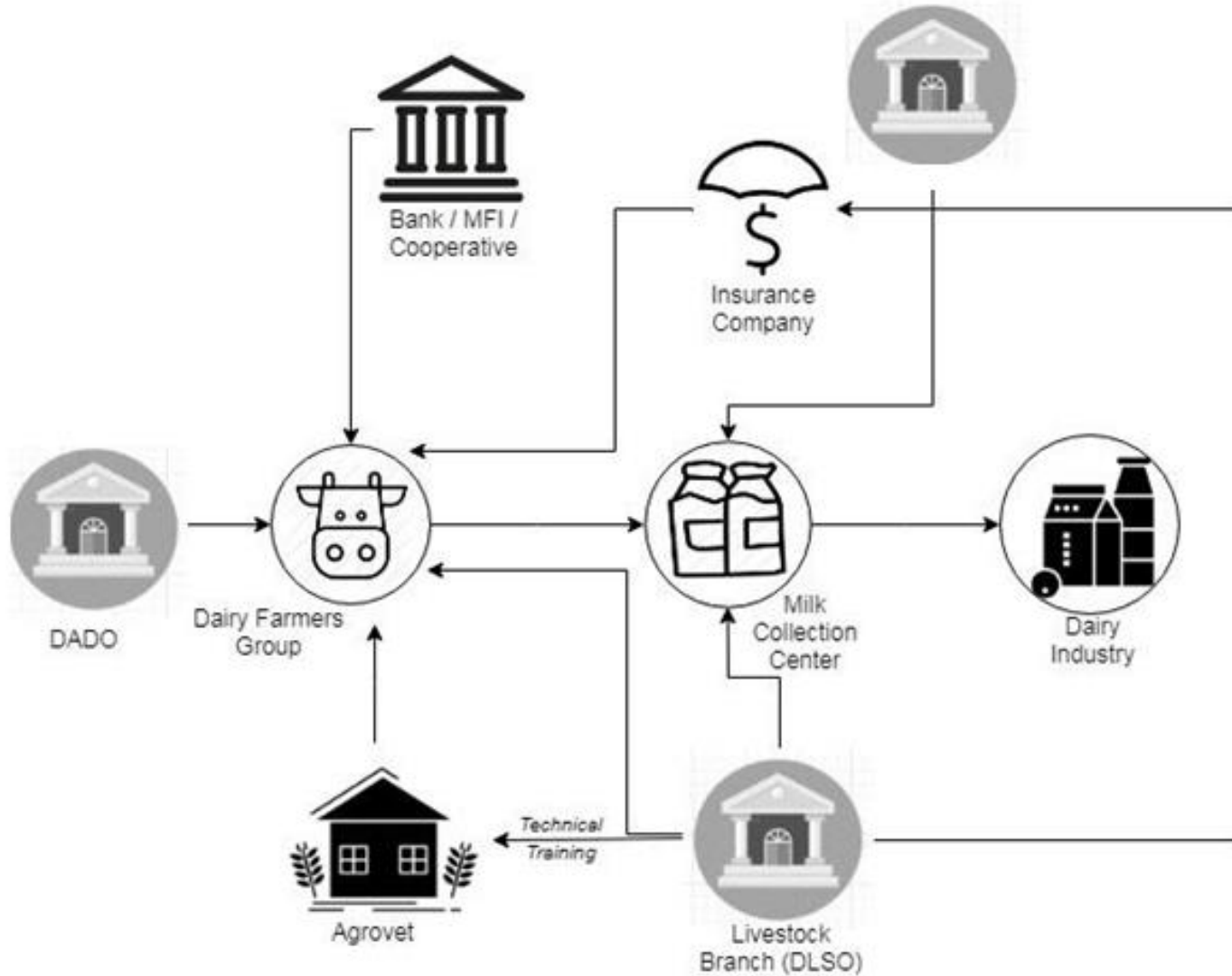
- Households had to rely on **fewer negative coping strategies** and **lost fewer crops**
- Higher levels of **recovery** 3-months after flooding events and more **confident** in their ability to recover from similar shocks in the future.



# Key Market: Sugarcane



# Key Market: Dairy



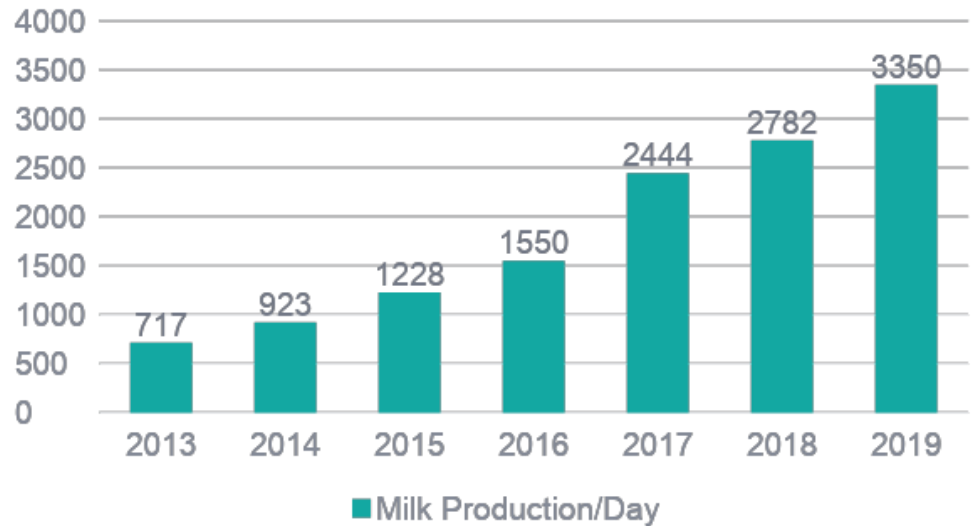
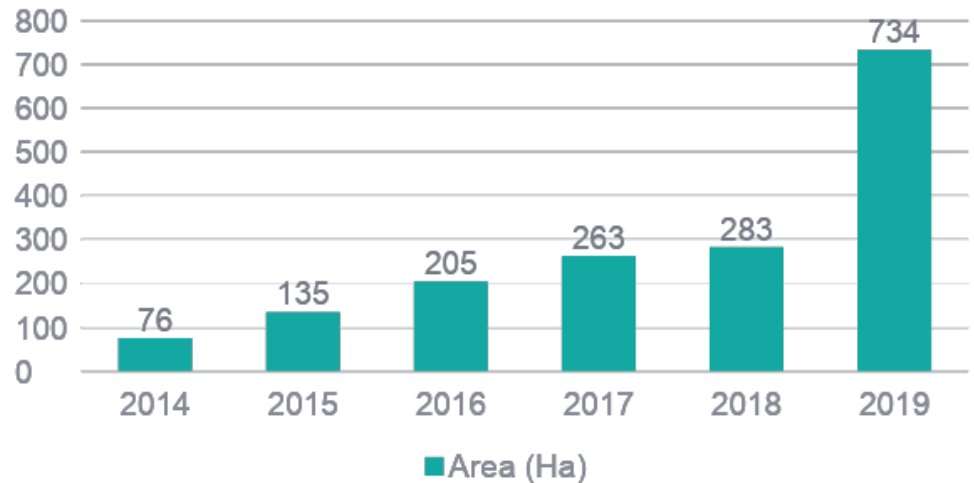
# Key Result

Area Protected  
1400 Hectare

Nexus:  
850  
Hectare



780K  
Income



# Key Result

## Project Contribution

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MRED

22%

Government

40%

Community

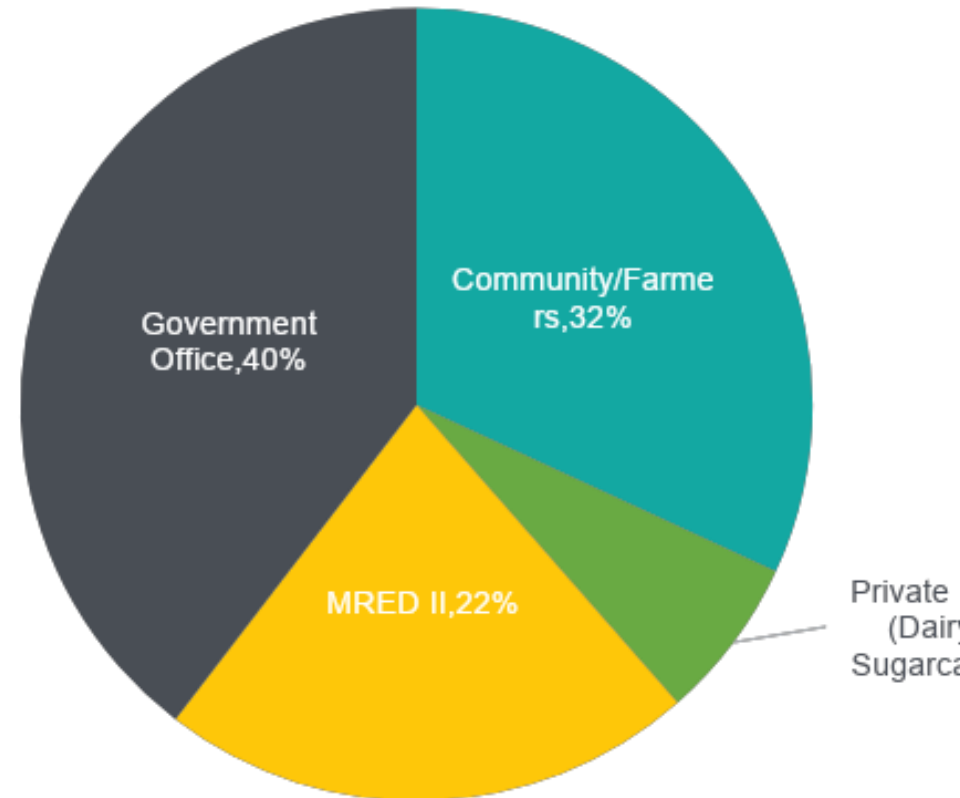
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32%

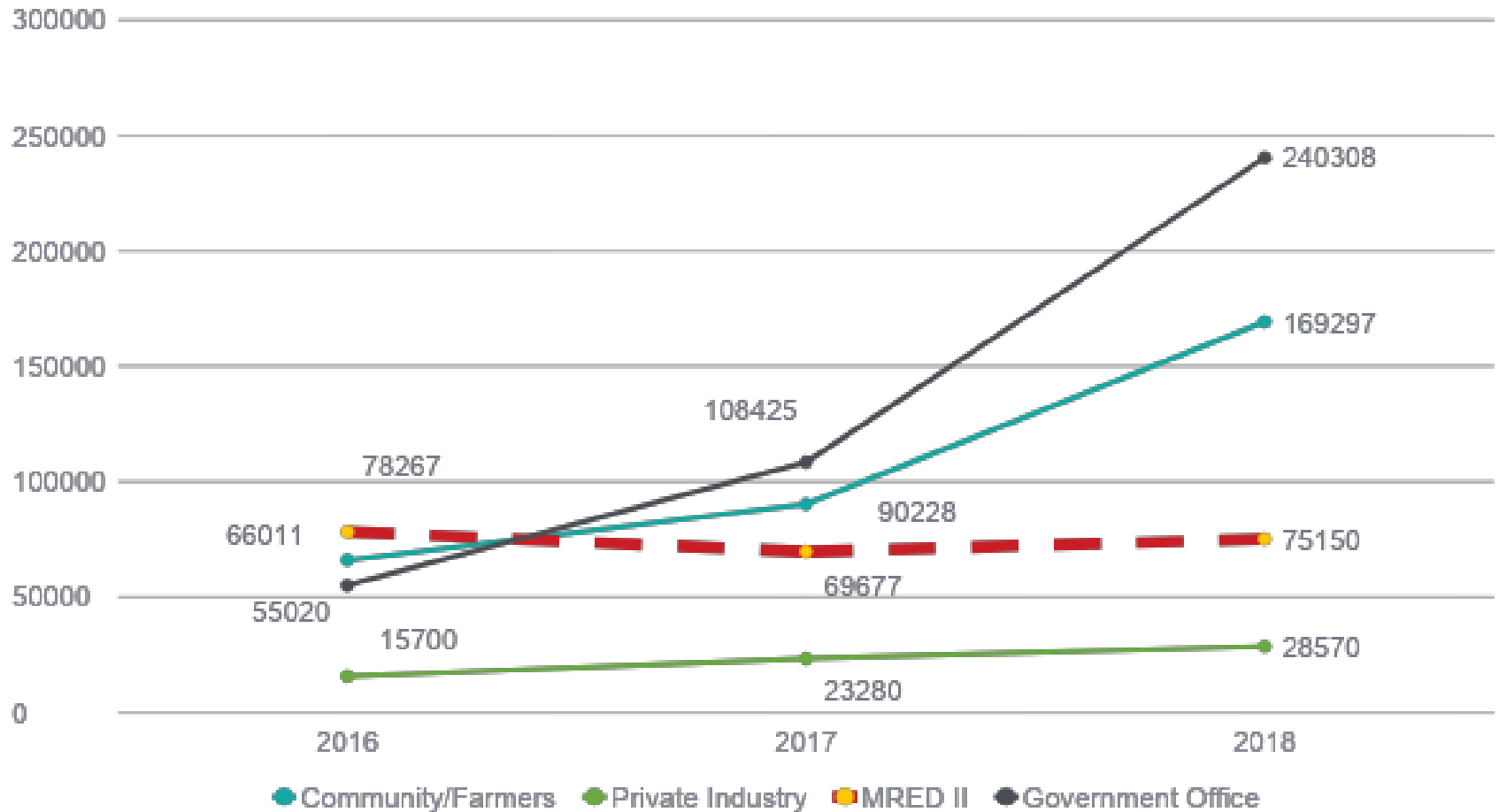
Private

7%

Area (Ha)



# Cost Sharing Trend





# Humanitarian Market Characteristics

The overall goal of BHAKARI is that **emergency food needs** of vulnerable and socially excluded households in Karnali River Basin are met while simultaneously building **food security and resilience for the future.**

The BHAKARI activity established mechanisms for **short-term cash and voucher assistance** — through both the activities and government's systems— while **linking longer-term resilience to agriculture, water, financial inclusion, DRR and community capacity strengthening.**



# Background



## Response Context

- Rapid response
- Slow onset
- Anticipatory action

## Response Modalities



Cash for Work



Agriculture input voucher



Multi-purpose Cash Grant



Value voucher



Shock Responsive Social Protection  
(SRSP)

 **MERCY  
CORPS**



# Market Analysis Tool

- Rapid Assessment of Markets (RAM)
- Emergency Mapping Market Analysis (EMMA) Toolkit
- Market Analysis Guidance (MAG)
- Market Information and Food Insecurity Response Analysis (MFIRA)
- Pre-Crisis Market Mapping and Analysis (PCMMA)
- 48-Hour Assessment Tool
- MARKit – Price Monitoring, Analysis and Response Kit

[comparative-table-of-market-analysis-tools-final.pdf](#)  
[\(calpnetwork.org\)](#)



# Characteristics in different ecological zone

1. Market interconnectedness
2. Access
3. Capacity
4. Supply chain
5. Compliance and regulation
6. Banks and financial institutions
7. Digital implementation environment
8. Safety and security

# Experience

1. Partnered with more than 150 merchants
2. Technology evolved
3. Primary and secondary market
4. Dignity, choice, transparency
5. Risk and mitigation
6. Web based market **information**
7. Decision making support on CVA modality

**Thank you**