Preparing for Market-based Programming in WASH in emergencies

WASH programming is expected to be market sensitive at all times, and market-based whenever feasible. To ensure this, market assessment and analysis are essential steps.

Direct assistance (in-kind goods and service provision) and market-based programming (cash, vouchers, market support) are programme delivery modalities that need to be given equal consideration when planning and designing emergency preparedness measures. Current preparedness measures are still focused to a large extent on delivering direct assistance. Market-based programming (MBP) require specific preparedness measures, as summarized below.

1. **Assess relevant markets and cash and voucher assistance (CVA) appropriateness and feasibility in general (in collaboration with Cash Working Groups and other clusters) to identify preliminary programme options**

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| Market system function | * Look into critical markets for: water, sanitation, hygiene. * This will ensure that your programming is market-sensitive and can prepare the ground for CVA and / or market support interventions. * Tools: [Pre-crisis market analysis guidance](https://www.emma-toolkit.org/sites/default/files/bundle/PMCA_FINAL_WEB.pdf) and the [Market analysis guidance (MAG)](https://www.icrc.org/en/doc/assets/files/publications/icrc-002-4200.pdf). |
| Acceptance of the CVA modalities by communities, government and donors | * Assess what is politically possible from a donor and government perspective, and preferences of affected people in terms of programme delivery modality. |
| Potential transfer mechanisms and capacity of (financial) service providers | * Assess mechanisms to be used in case of crisis: cash in hand, paper voucher, (mobile) banking, mobile phones, e-vouchers. * Assess the capacity of financial and IT service providers. * Tool: Mercy Corps’ [Delivery Guide: Scoping the Humanitarian Payments Landscape](https://www.calpnetwork.org/publication/the-delivery-guide-scoping-the-humanitarian-payments-landscape/). |
| Risk assessment and analysis | * Assess contextual, programmatic and institutional risks that can hinder the implementation of MBP |
| Capacity assessment (cluster partners and national social protection systems) | * Determine if the capacity for implementing MBP exists within partner organizations or the national social protection system and define whether additional capacity and resources are needed and when |

If the answers to the above questions show that overall MBP is not feasible and no viable programme options can be identified, it is advisable for the cluster to revert to the direct assistance modality (in-kind and service provision).

1. **Identify and set up mechanisms and procedures (including signed agreements with partners) to support MBP implementation**

Based on the options identified through step A above, the following measures need to be implemented:

* MBP learning needs are included in the learning plans of the cluster and partner capacity is built;
* Cluster partners initiate procurement processes for identified financial service providers and framework agreements are signed with them. The CaLP Programme Quality Toolbox offers a number of [resources](https://www.calpnetwork.org/toolset/partnership-preparedness/) ;
* The cluster works closely with the Cash Working Group (where this exists) and with the ICCG to coordinate CVA preparedness. The cluster focuses on coordinating sectoral CVA and market support preparedness, while the CWG and the ICCG focus on multi-sectoral preparedness and on feasibility elements such as CVA acceptance, financial service provider assessment, risk assessment, capacity assessment.