

BUREAU FOR HUMANITARIAN ASSISTANCE



Economic Recovery and Market Systems

OVERVIEW

Economic recovery and market systems (ERMS) interventions help populations restore their livelihoods and support critical market systems at the household, local, and regional levels, in accordance with USAID's Bureau for Humanitarian Assistance (USAID/BHA) mandate to reduce the economic and social impact of disasters.

ERMS programs complement individual and community recovery and resilience efforts to mitigate the effects of disasters and facilitate recovery. Crucially, ERMS activities integrate economic factors and power dynamics, such as affected populations' purchasing power and access to market systems, into programming to ensure interventions effectively support marginalized populations.

In FY 2022, USAID/BHA provided more than \$109 million in ERMS assistance to support activities throughout Africa, Asia, Europe, Latin America, and the Middle East, including \$7.2 million toward Climate Adaptation ERMS activities.

USAID/BHA ERMS
Funding in FY 2022

\$109,032,207

Strengthening Community-Based Earnings and Savings in Syria

Nearly 70 percent of Syria’s population—approximately 14.6 million people—required humanitarian assistance in 2022, following more than a decade of conflict compounded by the coronavirus disease (COVID-19) pandemic, historic levels of drought that significantly reduced harvests, the impacts of Russia’s invasion of Ukraine on markets in Syria, and record-high food prices as a result of an escalating economic crisis. Moreover, conflict and deteriorating economic conditions drove and perpetuated displacement, with nearly 80 percent of internally displaced person (IDP) households displaced for more than five years, further reducing vulnerable households’ access to markets and undermining resilience. In response, with USAID/BHA support, six nongovernmental organization (NGO) partners conducted ERMS activities across Syria to improve livelihoods and strengthen affected populations’ self-reliance during FY 2022.

One USAID/BHA NGO partner established more than 40 village savings and loan association (VSLA) groups across Syria, which enable community members to regularly contribute small amounts of money to a collective savings account used to support community members’ business investments and provide financial safety-net during difficult times. As a result of the project, 750 people, one-half of whom were women, participated in VSLA groups, disbursing nearly 370 loans and supporting charitable community projects with their contributions. Furthermore, a separate USAID/BHA NGO partner established VSLA groups and provided business management or job-related training and cash transfers to support entrepreneurs across Syria. Nearly 70 percent of program participants lived in adequate housing after the program compared to 34 percent prior to the support, and 65 percent of participants secured regular employment after completing the program, compared to 8 percent of participants prior to starting the program. A third USAID/BHA NGO partner supported 300 at-risk individuals to launch home-based agro-processing businesses such as cheese, pickle, and yogurt production, creating income-generating opportunities. The NGO also connected the participants to supermarkets to provide them with reliable buyers of their products.

Complementing Food Assistance With Livelihood Support in Colombia

Persistent violence among non-state groups and recurring natural disasters in Colombia continue to limit Colombians’ ability to access crops, essential goods and services, and livelihoods. Additionally, deteriorating economic and political conditions in Venezuela—marked by basic medicine shortages, hyperinflation, limited food availability—have increased humanitarian needs and triggered an outflow of Venezuelans into countries across Latin America and the Caribbean, with nearly 1.8 million Venezuelans seeking refuge in Colombia as of 2022, where they face limited access to social services, especially in border areas.

In response, USAID/BHA supports seven NGOs through two consortia, led by Action Against Hunger and Mercy Corps, respectively, to provide livelihood assistance by building upon cash transfers for food. For example, a subset of cash recipients can participate in community savings groups, receive job search support, or access financial support and training to start and manage a small business, permitting Colombian returnees, Venezuelan migrants, and other affected households to access support and earn a viable living for their families.



USAID/BHA NGO partner provides training on household budgeting and financial management in Colombia. *Photo by Laura Meissner/USAID.*

Moving From Rapid Response to Recovery in Mali

Protracted insecurity and climatic shocks—including drought and seasonal floods—in Mali have generated displacement, food insecurity, and widespread humanitarian needs since 2012. Approximately 412,000 people were displaced internally in the country as of December 2022, according to the International Organization for Migration (IOM). The UN estimated that 7.5 million people across Mali—nearly 40 percent of the country’s population—required humanitarian assistance in 2022, representing a nearly 30 percent increase compared to the previous year.

In response to this protracted crisis, five USAID/BHA NGO partners provided economic recovery assistance in Mali, including livelihoods restoration, financial services, and new livelihoods development. In Mopti Region, one USAID/BHA NGO partner supported 6,600 people with income-generating activities and cash-for-work to improve longer-term resilience and recovery. Another NGO partner supported 2,000 women and youth in host and displaced communities with the formation of VSLA and the distribution of income-generating activity kits, enabling women’s access to better economic opportunities. The partner also conducted a risk analysis related to potential climate shocks, helping community members develop mitigation strategies for their livelihoods.

More information on USAID/BHA sectors can be found at [usaid.gov/humanitarian-assistance/what-we-do/humanitarian-sectors](https://www.usaid.gov/humanitarian-assistance/what-we-do/humanitarian-sectors)