

Economic Recovery and Market Systems Sector Update

HIGHLIGHTS OF FISCAL YEAR (FY) 2014 ACTIVITIES | OCTOBER 2014

SECTOR OVERVIEW

Natural disasters and conflicts adversely affect local economies by destroying homes and businesses, damaging productive assets, and disrupting transportation and markets. To help communities resume economic activity and rebuild livelihoods, USAID's Office of U.S. Foreign Disaster Assistance (USAID/OFDA) supports economic recovery and market systems (ERMS) activities in disaster-affected communities.

The third pillar of USAID/OFDA's mandate is to reduce the economic impact of disasters. ERMS interventions strengthen key market systems and help populations restore livelihoods and purchasing power at the household, local, and regional levels. USAID/OFDA-supported economic recovery programs complement individual and community efforts to recover from a disaster and prevent reliance on continued humanitarian aid.

In FY 2014, USAID/OFDA provided nearly \$46 million to support economic recovery activities in 26 countries throughout Africa, Asia, the Middle East, and Latin America and the Caribbean, as well as worldwide and regional interventions.

SUPPORTING TYPHOON-AFFECTED POPULATIONS IN RESPONSE AND EARLY RECOVERY



Supporting livelihoods was an important element of the Typhoon Haiyan/Yolanda response in the Philippines.
(Photo by Melissa Opryszko/USAID)

On November 8, 2013, Typhoon Haiyan—known locally as Yolanda—made landfall in the central Philippines, primarily affecting East Samar, Leyte, and Samar provinces. An estimated 5.9 million workers lost income sources due to infrastructure damage, lack of market access, disrupted cash flow, and other effects of the typhoon, according to the Early Recovery and Livelihoods Cluster—a coordinating body for early recovery and livelihoods activities, comprising U.N. agencies, non-governmental organizations (NGOs), and other stakeholders. As the typhoon response shifted from emergency to early recovery, relief agencies began to transition from unconditional cash assistance programs to cash-for-work (CFW) activities, including debris-clearing projects and the repair of public infrastructure, such as hospitals and schools. By April 2014, short-term employment programs had repaired nearly 1,500 kilometers (km) of roads and more than 1,100 km of drainage canals, as

well as restored services in approximately 590 schools, 220 rural health care centers, and more than 30 hospitals. These and other short-term employment programs, in addition to livelihood support and services, by the Early Recovery and Livelihoods Cluster had assisted nearly 118,000 disaster-affected people by April 2014.

As part of the Typhoon Haiyan response, USAID/OFDA provided nearly \$3.3 million to two partners to conduct economic recovery programs in Tacloban City and other affected areas of Leyte Province. With USAID/OFDA support, Handicap International (HI) worked to identify 4,000 of the most vulnerable individuals to restore their livelihoods by providing cash transfers, physical assets, and relevant training. Community livelihood groups—fisherpersons who share boats; land tenants who share harvest; groups of taxi drivers—are common in the Philippines; HI aimed to assist 20 such community organizations in need asset replacement, training, and other support.

USAID/OFDA humanitarian partner Action Against Hunger USA (AAH/USA) focused on restoring livelihoods and rehabilitating market systems, particularly through close collaboration with local government units to repair damaged public markets and access roads. AAH activities targeted 15,000 people, helping to improve their skills, restore economic production and income opportunities, and reestablish access to markets.

REBUILDING LIVELIHOODS OF CONFLICT-AFFECTED POPULATIONS IN MALI



An IDP registers for assistance in Bamako through a USAID/OFDA-supported project. (Photo by Katherine Echeverria/USAID)

In 2013 and 2014, overall food security conditions in most Mali improved compared to previous years. In 2014, the conflict in the north also calmed significantly, prompting nearly 354,000 Malian internally displaced persons (IDPs) and refugees to return to areas of origin by July 2014. Despite improvements, sporadic violence and depleted household resources left many Malian families vulnerable in northern areas of the country.

One of USAID/OFDA's key program strategy approaches in Mali is to scale up early recovery programming in central and northern areas of the country to revitalize the economy and help vulnerable, conflict-affected populations, including returnees, recover their livelihoods. For example, one USAID/OFDA partner is providing skills training, business planning assistance, and cash grants of approximately \$100 each to help affected families launch small businesses or purchase agricultural inputs, like tools and small ruminants such as goats or chickens. This assistance helps approximately 4,000 people in Tombouctou's Goudam and Niafounke *cercles*, or administrative subdivisions.

Another organization is providing both unconditional cash grants that enable vulnerable families to meet basic household needs, as well as conditional cash transfers and technical assistance to help them start or restart livelihood activities—to nearly 7,600 internally displaced people in the capital city of Bamako and Koulikoro Region's Kalabancoro Commune. USAID/OFDA ERMS activities in Mali, which totaled nearly \$2.4 million in FY 2014, continue to help the most vulnerable IDPs and returnees rebuild their lives and livelihoods.

GLOBAL ERMS PROGRAMMING

In addition to country and regional programming to facilitate recovery and reduce risk from disasters, USAID/OFDA funds global initiatives to strengthen ERMS capacity and knowledge throughout the humanitarian community, including through:

- **CaLP:** Supported by USAID/OFDA through AAH/USA, the Cash Learning Partnership (CaLP) provides advanced training, conducts research, maps cash programs, and supports coordination related to the emerging field of cash-based programming. In FY 2014, USAID/OFDA provided support to CaLP in East Asia, West Africa, and Kenya for capacity building, learning, and technical coordination on humanitarian cash programming.
- **Adeso:** An Africa-focused project with Adeso, supported with prior-year funding, complemented CaLP's by providing basic training and training-of-trainers on cash and voucher programming, specifically targeted at local relief agencies in countries with large emergency responses, such as South Sudan and the Democratic Republic of the Congo.
- **SEEP:** The Minimum Economic Recovery Standards, a companion to the Sphere handbook on humanitarian response, received prior year USAID/OFDA support through the Small Enterprise Education and Promotion (SEEP) Network. In FY 2014, SEEP provided training on the Standards, hosted a multi-stakeholder steering committee, and helped implementing agencies roll out the Standards in the field.
- **EMMA:** Through the International Rescue Committee (IRC), USAID/OFDA supports the Emergency Market Mapping and Analysis (EMMA) methodology with prior-year and FY 2014 funding. In FY 2014, IRC organized trainings on EMMA, provided technical assistance to agencies conducting EMMA assessments, and promoted emergency market analysis through a dedicated website, publications, and events.

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