Building resilience through market -based solutions in fragile and conflict-affected settings

RESILIENCE & ADAPTATION LEARNING FACILITY

MARCH 2026 | SASHA MUENCH AND DANIEL HUDNER



ZAINAB, A SMALLHOLDER FARMER SUPPORTED BY THE THABAT PROGRAMME IN SUDAN

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Acronyms

ADRA	Adventist Development and Relief Agency
BLOOM	Building Livelihoods and Opportunities for Optimised Markets
CBO	Community-based organisation
CCS	Cash Consortium of Sudan
CCY	Cash Consortium of Yemen
CSA	Climate-smart agriculture
CVA	Cash and voucher assistance
DRC	Democratic Republic of the Congo
DREAMS	Delivering Resilient Enterprises and Market Systems
ENSURE	Enhancing Food and Nutrition Security in Rakhine State
FCAS	Fragile and conflict-affected settings
FCDO	UK Foreign, Commonwealth and Development Office
GC	Global Communities
GEDSI	Gender equality, disability and social inclusion
HAPF	Horn Afrique Poultry Farm
HIC	High-intensity crisis
ILO	International Labour Organization
INGO	International non-governmental organisation
IFDC	International Fertiliser Development Centre
ISF	Institutional and social fragility
ISP	Informal Social Protection
LIFT	Livelihoods and Food Security Fund

MBP	Market-based programming
MFI	Microfinance Institution
MIC	Medium-intensity crisis
MPCA	Multi-purpose cash assistance
MSD	Market system development
MSME	Micro, small and medium enterprise
MVMW	Making Vegetable Markets Work
NSA	Nutrition-sensitive agriculture
PRIME	Pastoralist Areas Resilience Improvement through Market Expansion
PSP	Private sector partner
RIPA-North	Resilience in Pastoralist Areas
RRA	Rural Resilience Activity
SAFE	Strengthening Agricultural Markets and Food Security
SCI	Save the Children International
SHARPE	Strengthening Host and Refugee Populations in Ethiopia
SPARC	Supporting Pastoralism and Agriculture in Recurrent and Protracted Crises
USAID	United States Agency for International Development
VSLA	Village Savings and Loan Association

Executive summary

In fragile and conflict-affected settings (FCAS), where climate and conflict shocks increasingly converge, market systems are often the backbone of how communities survive, adapt and recover. Even when disrupted by violence or climate-related disasters, markets rarely collapse entirely; they continue to shape access to goods, services and livelihoods. When humanitarian and development actors invest in strengthening these systems, they can meet urgent needs more effectively, expand local economic opportunities and build resilience that reduces long-term aid dependency.

This paper sets out the case for prioritising market-based programming in FCAS, including the value-for-money advantages in such approaches. It introduces a practical conceptual model, illustrates how different market-driven interventions can be applied across diverse contexts and programme objectives, and identifies the conditions required to achieve both immediate impact and lasting change.

Factors for success

Based on a programme review and expert analysis, there are key factors that contribute to programming success and impact across the range of FCAS. Recommendations for analysis, intervention approaches, coordination and learning include:

- Understand local contextual differences before determining programme approaches, including market and conflict dynamics, local coping capacities and key actors, and climate-related risks.
- Intervene at the systems level early to address wider constraints and ensure all direct support aligns with real market demand from employers, buyers and suppliers.
- Monitor market and context changes through regular light-touch assessments and adapt programmes frequently in response.
- Use and strengthen local capacity, especially through private sector partnerships, to reinforce, and not undermine, existing coping systems.
- Plan for conflict and climate-related shocks by developing crisis-context adaptations, flexible guidelines and new structures, such as crisis modifiers or anticipatory action.
- Set longer-term outcomes across programmes and portfolios, align humanitarian and development teams, and share learning across contexts.
- Coordinate more effectively across implementers, authorities and donors to enable more effective, area-based responses.

Conclusion

Even in the most fragile contexts, markets continue to operate in some form, and crisis-affected populations rely on these systems and their trusted networks far more than on external assistance. This reality underscores the need for humanitarian and development actors to integrate market-based approaches across the full spectrum of programming – from life-saving support in active conflicts to efforts that strengthen economic resilience and food security in areas of chronic institutional and social fragility. To be effective, such approaches must be layered, adaptive and grounded in local market dynamics, supported by policies flexible enough to respond to rapidly shifting conditions. Together, these elements enable crisis-affected communities not only to cope with shocks but to reduce long-term reliance on aid and rebuild more resilient livelihoods.

Introduction and rationale

Markets supply essential goods, services and income to local populations and they continue to function even amidst conflict and climate shocks. Far more people depend on local market systems and community networks to cope with and adapt to crises than ever receive humanitarian or development aid. Markets are also highly adaptive, often adjusting to changing conditions more quickly than aid programmes can be designed or deployed. Yet, in fragile contexts they face significant constraints; businesses are disrupted, costs rise, access routes change and markets shrink.

Evidence consistently shows that access to functioning markets is a critical source of resilience.[1] Households supported to maintain or strengthen market access experience more stable food security and economic outcomes during crises,[2] and are better able to sustain these gains afterwards.[3] This underscores the importance of leveraging market-based interventions to reduce future humanitarian need.



LATE SUMMER SORGHUM HARVEST CULTIVATED BY A FARMER PRODUCER ORGANISATION SUPPORTED BY THE THABAT PROGRAMME IN SUDAN
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"Relief should not necessarily nor always be prior to livelihoods support. Conflict can rapidly erode assets, break up social networks and undermine livelihoods. Early responses, as soon as possible after fighting breaks out, may protect some livelihoods, or at least mitigate the effects of conflict. If support is delayed, those options may be lost."[5]

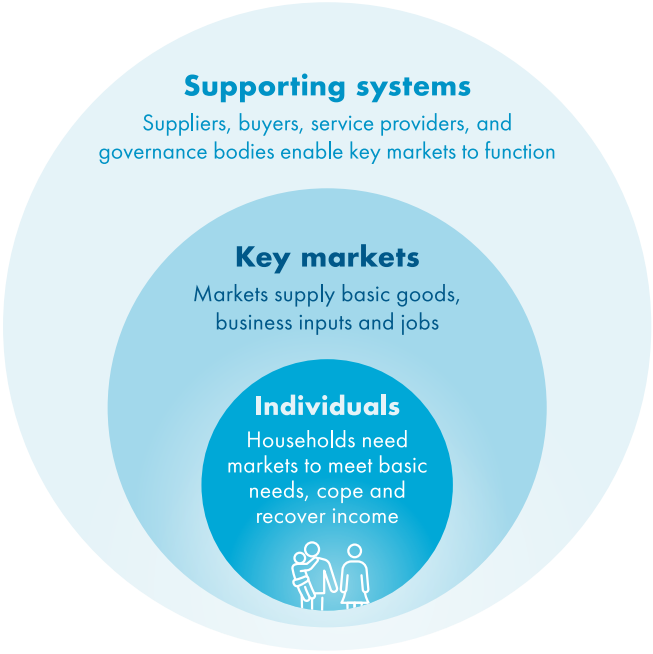


Figure 1: Markets and actors

Given the central role of local market systems (Figure 1), aid actors must understand how to engage with them across different contexts and for multiple objectives: meeting immediate needs more effectively; laying the foundations for long-term well-being and resilience; and enabling crisis-affected communities to drive their own recovery.[4] It is equally important to ensure that aid does not inadvertently weaken market systems, thereby undermining communities' ability to reduce their reliance on external aid.[5]

1 The Wages of War, February 2018
2 Enhancing Resilience to Severe Drought: What Works, January 2017
3 Meeting Immediate Needs and Protecting Development Gains, December 2022
4 Integrating Gender, Equity, Disability and Social Inclusion (GEDSI) analysis into resilience programming is critical for any people-centred interventions that recognise diverse experiences, needs and vulnerabilities - especially among marginalised groups Understanding and responding to differential risks in crisis-affected communities is a core element of programme design and delivery
5 Quote taken from Livelihoods and markets in protracted conflict: a review of evidence and practice, 2021

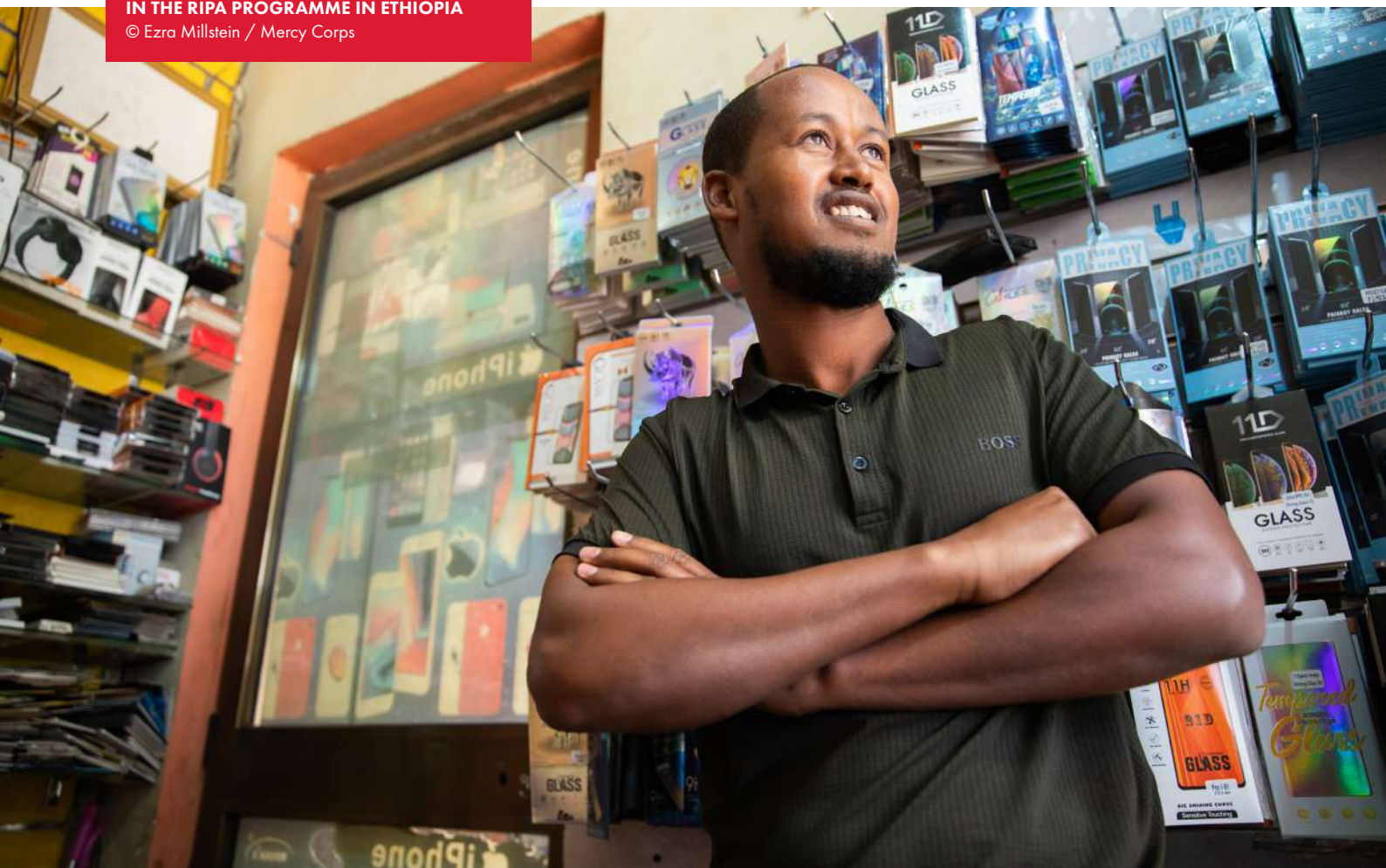
Shock-affected populations rely primarily on local systems, especially market systems, to cope with and adapt to crises. However, these systems are affected differently depending on the type, scale and location of the shock. People fleeing instability, violence or disaster often lose assets, information networks, and sources of credit and income. They may struggle to earn income due to a lack of legal status or tensions with host communities, or they may be displaced into settings with stronger markets and become economically active.

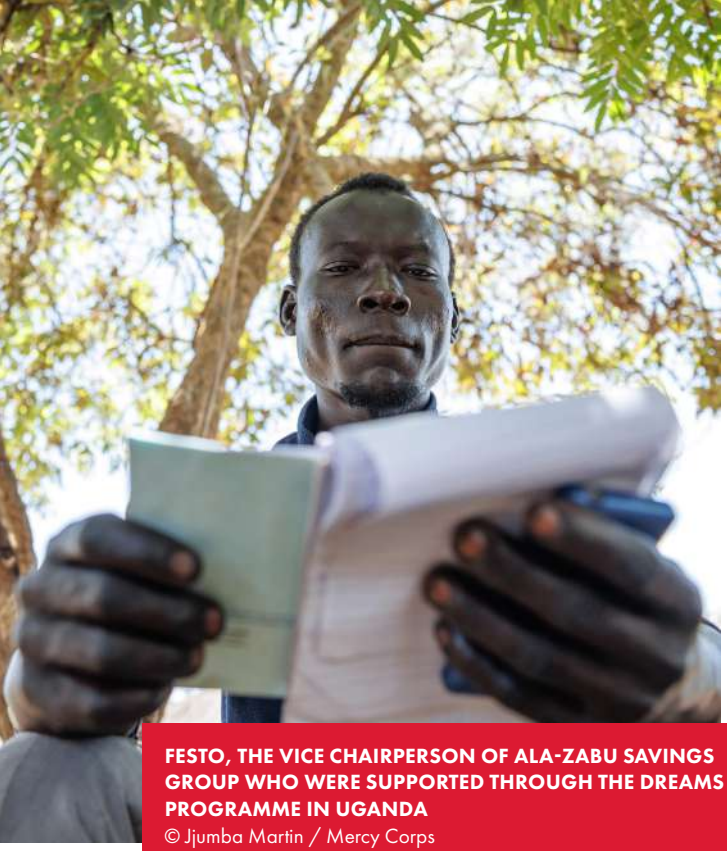
Those who remain at or near their homes may retain market and social relationships, but conflict frequently depletes their sources of capital, disrupts supply chains and undermines the markets on which they depend. In large-scale conflicts and disasters, national supply chains and institutions may fail, while local systems continue functioning in stable areas. In localised conflicts or climate shocks, key economic infrastructure may be destroyed even as national capacity remains intact. Across protracted crises, market systems suffer but also adapt quickly, adjusting to new constraints and continuing to serve local populations and seize new opportunities.[6] Understanding these dynamics is essential. When humanitarian and development actors fail to account for how shocks affect markets and different population groups, they risk undermining local private sector and community actors, reducing coping capacity, exacerbating fragility, and creating long-term aid dependency.[7]

"The costs of transport and trading have risen substantially. Insecurity and conflict dynamics have triggered a loss of market integration… Although the entrepreneurship and resilience of Darfuri traders is well known, they are now operating in and adapting to the toughest environment they have yet encountered."[7]

6 Graphic reproduced from Beyond cash: making markets work in crisis, 2018
7 Quote taken from The impact of war on trade and markets in Darfur: destruction, resilience and adaptation, April 2025

KHADER, SHOP OWNER AND PARTICIPANT IN THE RIPA PROGRAMME IN ETHIOPIA
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FESTO, THE VICE CHAIRPERSON OF ALA-ZABU SAVINGS GROUP WHO WERE SUPPORTED THROUGH THE DREAMS PROGRAMME IN UGANDA
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Vision

Humanitarian and development actors can be more effective by designing programmes that respond to localised market realities and the diverse ways crises affect different groups. The goal is to increase the scale and impact of programming, enhance sustainability and ensure programmes do no harm. Engaging local market actors who remain active in high-intensity conflict can help reach areas inaccessible to international entities and preserve critical networks that support future stability.

Market-based programming (MBP) offers a pathway to achieve this vision. It spans immediate humanitarian aid delivered through market actors, to multi-year systems change approaches, also called market system development (MSD). It recognises that immediate humanitarian aid is crucial but should be implemented in ways that support, rather than disrupt, local markets, for example through cash and voucher assistance (CVA) rather than in-kind distributions.

Ultimately, the vision is for the full range of market-based interventions to function as a cohesive, layered portfolio. This allows implementers to shift between levels of engagement as contexts evolve, while consistently strengthening affected populations' ability to cope with shocks, adapt to change and rebuild resilient livelihoods.

Purpose

This paper sets out the case for prioritising market-based programming in FCAS, including the value-for-money advantages in such approaches. It introduces a practical conceptual model, illustrates how different market-driven interventions can be applied across diverse contexts and programme objectives and identifies the conditions required to achieve both immediate impact and lasting change.

It is one of four companion papers under a broader fragility and resilience framework. The framework explains how the strength of local systems interacts with fragility factors, how increasing climate stresses deepen crises, and which types of interventions can help affected populations cope, adapt and ultimately thrive. Further details on the overarching framework, the scope of all four papers and methodologies used are provided in the Reference Document.

Conceptual overview

To connect the vision to practice, it is helpful to understand how programmes engage with markets to achieve a range of aims in different contexts. The Market-Based Programming Framework codifies three levels of market engagement, which have been adapted as follows:[8]

- Use markets to provide essential goods and services and meet immediate needs. For example, by providing cash transfers to purchase key food and non-food items.
- Directly support market actors to ensure the availability of, and access to, essential goods and services, and enable market participation. For example, giving grants to key local businesses to stock assets.
- Facilitate market system change to build competitive, inclusive, resilient systems that serve the long-term needs of local populations. For example, coinvesting with larger businesses to expand their operations to crisis-affected areas.

8 The MBP Framework was developed by the Markets in Crises (MiC) Community of Practice in 2015 and updated in 2017 and 2022. The document can be found in English, French, Spanish, and Arabic on the MBP Framework landing page

While it is common practice to **use markets** in a humanitarian response and **facilitate market system change** in a longer-term programme, all three levels can, and should, be used concurrently in and across programmes to address different needs and timescales and thus support immediate coping, longer-term recovery, and resilience in different fragility contexts, as illustrated below:

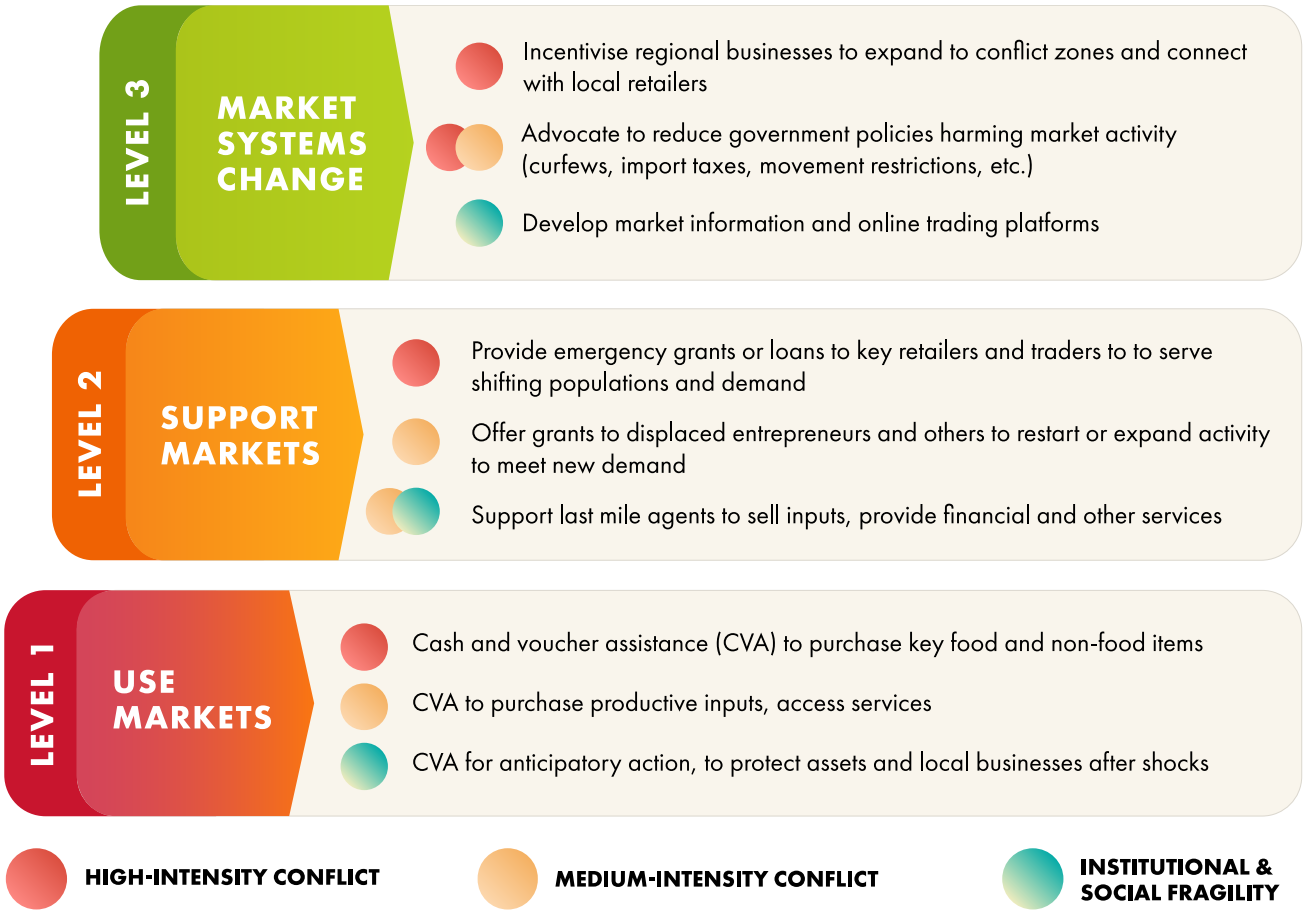


Figure 2: Adapted Market-Based Programming Framework

These interventions all begin with specific groups in mind, such as households impacted by shocks, displaced populations or marginalised groups, such as women and young people. They are designed to address the barriers these groups face through support that leverages market systems to improve the scale and sustainability of results for large numbers of crisis-affected individuals.

Value for money

Market-based approaches can significantly increase value for money in FCAS. In high-intensity conflicts, cash-based responses generate strong multiplier effects: the Yemen Cash Consortium analysed the impact of multi-purpose cash assistance (MPCA) distributed in two communities in 2023 and found that "every US dollar (USD) of MPCA distributed in Ad-Dali generates an estimated USD 2.06 of economic activity, and USD 2.29 of economic activity in Ja'ar."[9] This demonstrates how market-delivered aid can extend the reach and impact of limited resources.

Interventions that support market activity more directly can yield even greater returns. During the drought response under the Resilience in Pastoralist Areas, North Programme (RIPA-North) in Ethiopia, "Commercial destocking resulted in more than 23,500 animals purchased...Livestock sales to subsidised buyers resulted in total household income of $1.19 million (£950,000) to 5,000 households, stimulated by an investment of just $115,000 (£92,000) from the [programme]."[10] The majority of programme participants also reported avoiding negative coping strategies, further reducing the likelihood of future humanitarian need.

ROSE IS A MEMBER OF THE UNIT BUSINESS GROUP WHO WERE SUPPORTED THROUGH THE DREAMS PROGRAMME IN UGANDA
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PROGRAMME EXAMPLE

A 2025 Mercy Corps study in Ukraine analysed grant recipients in two business and agriculture recovery programmes and found that, after the programme, 80% of microbusinesses (compared to 8% at baseline) and 67% of small-scale farmers were no longer dependent on humanitarian aid.

The study also found that livelihood support generated a significantly higher income per person than humanitarian or state assistance. Monthly profits for microbusiness grantees averaged £410, or £124 per person per month (pppm). The net income pppm was 90% higher than the MPCA transfer value (£65 pppm) and 136% higher than the Government of Ukraine's minimum subsistence level assistance (£53 pppm).

In contexts of institutional and social fragility, market system development approaches also demonstrate strong value for money. An evaluation of the Innovation for Agribusiness (InovAgro) Programme in Northern Mozambique found that between 2015 and 2021, InovAgro's 37,800 participants generated a cumulative additional £5 million in net income, achieving a benefit-cost ratio of 2.64.[11]

9 The multiplier effect of multipurpose cash assistance in Ad Dhali and Ja'ar sub-districts in Yemen, November 2024
10 Meeting immediate needs and protecting development gains: lessons from Ethiopia's drought response, 2022
11 The impact of market system development approaches: the case of InovAgro in Mozambique, October 2022

Leveraging private sector partners further enhances value for money. Even in medium-intensity conflicts, programmes can bring in co-investment. In Sudan in 2025, the Enhancing Community Resilience Programme (THABAT), operating in three of the more stable states in Sudan, supported 87 MSMEs in the agriculture value chain with a commitment of £6.2 million in grants matched by £2.76 million of the MSME's own capital.

In contexts of institutional and social fragility, the investment ratio can swap. In Northeast Nigeria, the Rural Resilience Activity (RRA) utilised £2.8 million in investment funds to mobilise over £29 million in private sector investment that benefited almost 1 million participants.[12] RRA also transferred most activities to private sector ownership – including the Nigeria Seed Information Management System - ensuring sustainability beyond the programme's lifespan.

Additional programme-level examples of value for money are provided in Annex 2.[13]

"Attending to matters at community, district and national level may benefit more people than supporting individual farms, herds and businesses. Many households affected by conflict do not get any support directly. But they can benefit from interventions at community, district and national levels — for example, improving roads to market, supplying better technical and market information to producers, and providing public services such as schools and health posts."[13]



NAOMI, PARTICIPANT IN THE RRA PROGRAMME IN NIGERIA
© Ezra Millstein / Mercy Corps

Intervention typologies and examples

The following table provides a longer list of interventions, categorised by level of market engagement and how they can appropriately be applied in the three levels of fragility. This is not an exhaustive list of all possible interventions but offers a broad range, based on the programmes reviewed. Annex 3 includes two detailed case studies that illustrate some of these interventions in real programmes.

12 Mercy Corps' economic opportunities. Value for money: how our market system development approach contributes to high returns on investments, April 2025

13 Quote taken from Livelihoods and markets in protracted conflict: a review of evidence and practice, 2021

ILLUSTRATIVE INTERVENTIONS BY MARKET ENGAGEMENT LEVEL & FRAGILITY CATEGORY

MARKET ENGAGEMENT	HIGH-INTENSITY CONFLICT (HIC)	MEDIUM-INTENSITY CONFLICT (MIC)	INSTITUTIONAL & SOCIAL FRAGILITY
USE MARKETS TO PROVIDE ESSENTIAL GOODS AND SERVICES AND MEET IMMEDIATE NEEDS			
CASH & VOUCHER ASSISTANCE (CVA)	CVA for meeting immediate needs and supporting local businesses	CVA for purchasing productive inputs, accessing services	CVA for anticipatory action, to prevent sale of assets after shocks and support local businesses
PRIVATE SECTOR CONTRACTING	Contract traders to deliver aid, financial institutions (FIs) to distribute CVA		
SUPPORT MARKETS TO ENSURE AVAILABILITY OF, & ACCESS TO, ESSENTIAL GOODS & SERVICES, & ENABLE MARKET PARTICIPATION			
SUPPORT TO PRIORITY BUSINESSES	Emergency grants to vital businesses to restart, recapitalise, offer credit and/or meet increased demand	Grants to displaced entrepreneurs and others to restart or expand activity to meet new demand	
ENTERPRISE DEVELOPMENT		Grants to start/support enterprises run marginalised groups to provide goods and services in demand locally Support last mile agents to sell inputs, provide financial and other services (including veterinary & mechanised ag services)	
SKILLS DEVELOPMENT & EMPLOYMENT		Soft, technical, and business skills training to support employment and entrepreneurship	
			Support apprenticeships with local private sector
FINANCIAL SERVICES SUPPORT	Facilitate access to secure payment platforms and remittances Support savings groups to continue	Support MFIs and banks to improve their reach to local businesses Develop savings groups and connect them to MFIs and banks	
			Guarantee loans for businesses
ECONOMIC INFRASTRUCTURE SUPPORT	Rehabilitate key economic infrastructure, such as marketplaces, warehouses, and irrigation facilities		
FACILITATE MARKET SYSTEM CHANGE TO BUILD COMPETITIVE, RESILIENT SYSTEMS THAT SERVE THE LONG-TERM NEEDS OF LOCAL POPULATIONS			
IMPROVING MARKET INFORMATION	Provide information on fluctuating prices and costs for key commodities	Provide information to customers and sellers on market prices, demand, climate forecasting, regulations, and new techniques, products, and services for improved competition, transparency and resilience building	
	Provide information on identification and business registration for IDPs/refugees		
EXPAND MARKET LINKAGES	Link local businesses to regional wholesalers and traders		Develop market information and online trading platforms
		Connect last mile agents to suppliers, buyers Connect households to financial institutions	
INCREASE AVAILABILITY OF GOODS AND SERVICES AND LOCAL MARKET ACTIVITY	Incentivise regional businesses to expand to conflict zones Help smaller, local market actors to partner with aid agencies and increase competition Establish joint humanitarian & private sector groups to share plans, support needs, and market demand Provide information on agriculture and livestock coping strategies	Offer smart subsidies to incentivise adoption of new products, technologies, and services Incentivise FIs to reach new markets, develop new products, and expand insurance Incentivise businesses to hire employees, develop in-house training programmes, sell to new markets, etc Support information provision on nutrition-sensitive and climate-smart ag production	

Factors for success

A review of programme documentation, evaluations and expert interviews reveals several common success factors for market-based programmes in FCAS. These factors relate less to the specific intervention and more to how well it is adapted to local market dynamics, conflict conditions and the needs of different population groups. The success factors that follow are organised into four areas: (i) the analysis required to understand context and market dynamics; (ii) approaches that support sustainability and resilience; (iii) effective local partnerships; (iv) operational, coordination and learning considerations.

1. Contextual analysis

UNDERSTAND LOCALISED DIFFERENCES BEFORE DETERMINING PROGRAMME APPROACHES

Among the broad range of FCAS, **there are significant localised contextual differences** and these contexts can evolve rapidly, faster than international aid can respond. For example, in 2025, some states in Sudan deteriorated into increasingly active conflict and affected populations needed lifesaving support, while other areas became stable enough for farmers to produce large yields of lifesaving crops. Conflict and climate-related shocks also manifest differently in different environments, such as urban and rural contexts.

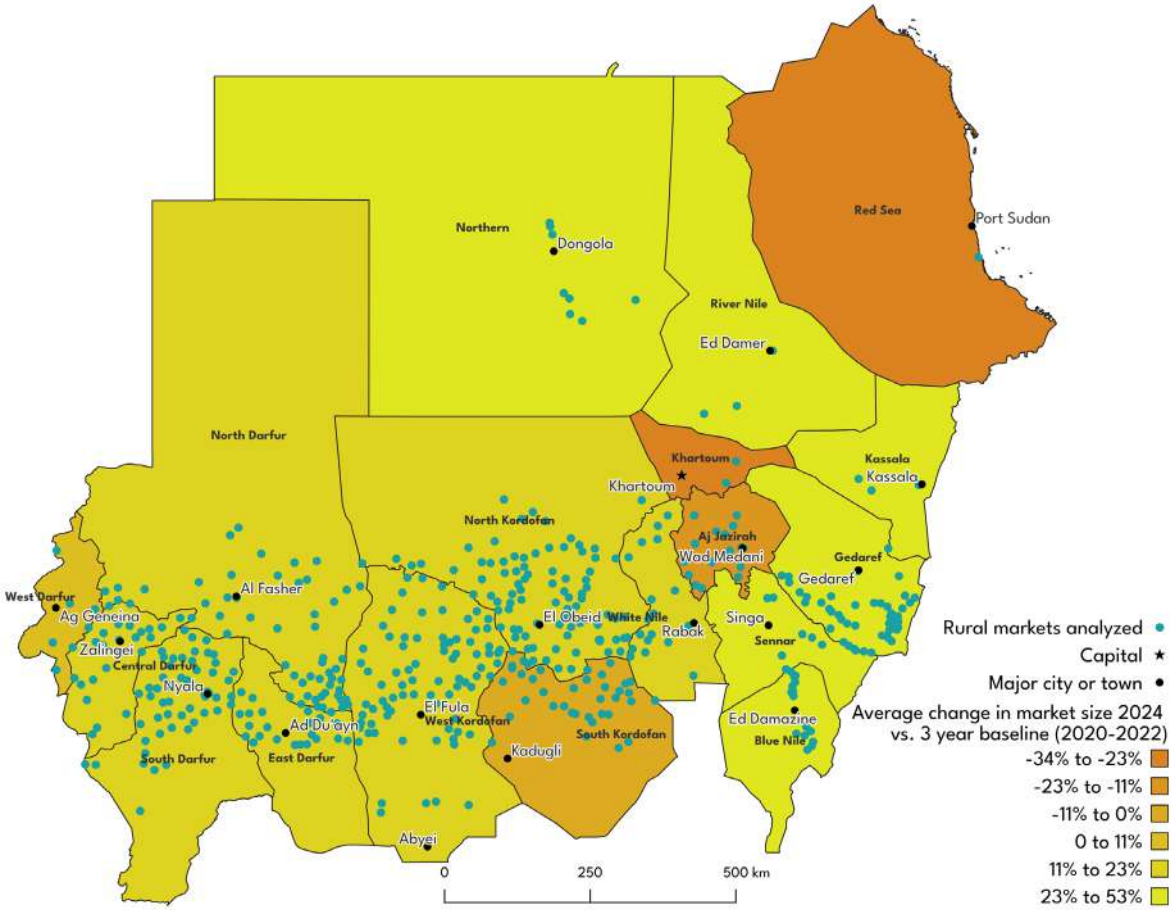


Figure 3: Map of shifts in Sudan market activity from pre-2023 - 2024

Across all contexts, markets almost always function. However, the way they function (affordability, frequency) and their level of accessibility (security) will differ.[14] This variation is highlighted in a 2025 study, Using Satellite Imagery to Map the Impact of Conflict on Rural Markets in Sudan, which found that "individual markets showed a wide

14 Livelihoods and markets in protracted conflict: a review of evidence and practice, 2021

range of changes from pre-conflict (the average of 2020 - 2022) to 2024, with some growing sharply and others shrinking markedly. Only nine out of 484 identified markets stopped entirely, though."[15]

"Women…clearly see such formalisation as advantageous: VSLAs can attract external assistance, including training and start-up support for income-generating activities…and they can allow expansion of social networks beyond one's own village. Being part of larger, more structured groups…allows members to invest in productive activities beyond the petty commerce of many informal tontine members."[17]

IDENTIFY LOCAL COPING NETWORKS

Within these different contexts, **shock-affected populations already have mechanisms and relationships they use to cope with and adapt to shocks.** These include trusted ties to local market actors, community-based organisations (CBOs) and informal networks, which can be summed up as Informal Social Protection (ISP). These networks are crucial for building resilience to regular shocks and improving lives, but they can also become depleted in protracted crises and inadvertently undermined by aid programmes.

A study of ISP in Yemen found that MPCA supported local coping systems by injecting large amounts of cash when local networks were becoming exhausted. However, communal ties sometimes required MPCA recipients to share their assistance with family and neighbours, which was against programme rules.[16]

Several programmes in Niger have supported traditional women's savings groups, called tontines, that promote women's empowerment, livelihood development and mutual aide. By helping existing groups formalise into VSLAs and join federations, aid agencies increased the tontines' capacity to support both income generation and community resilience.[17] Aid programmes should first understand local ISP networks, including who has access to them and who does not, and then enhance these coping mechanisms.

INCORPORATE CONFLICT AND MARKET ANALYSIS INTO ASSESSMENTS AND INTERVENTION DESIGN

Traditional MBP and MSD approaches do not include conflict dynamics in their market systems assessments but, in FCAS contexts, it is crucial to **remain both market and conflict sensitive.** This requires additions to assessments and programme design to understand group relations, power dynamics and the political economy, and then ensure programming does no harm.[18] As an example, during the long-running war in Syria, the government continued to purchase wheat from rebel-controlled areas of the Northeast in exchange for other food and pharmaceuticals, with armed groups deeply involved in supply chains.[19]

It is also important to understand how poor economic conditions may influence insecurity and ensure interventions contribute to stability. An evidence review of aid programmes in South Sudan found that limited income opportunities fuelled cattle raiding by young people, which contributed to further intra- and inter-communal conflict. While many programmes supported the recovery of agriculture and livestock activity, youth livelihoods development and ex-combatant reintegration, none of those programmes fully understood the complex conflict

15 Using satellite imagery to map the impact of conflict on rural markets in Sudan, 2025
16 The unseen assistance: measuring informal social protection in Yemen, November 2024
17 Local social solidarity and mutual assistance mechanisms in Niger: a rich and varied repertoire for resilience and crisis response, 2025
18 For more info on analysing multiple contextual elements, see Market systems resilience in programming: implementer experiences
19 Quote taken from Livelihoods and markets in protracted conflict: a review of evidence and practice, 2021

dynamics or the intersection with poor economic opportunities. That gap, along with a focus on short-term results, especially for youth livelihoods, resulted in limited long-term outcomes for either conflict reduction or sustainable economic growth.[20]

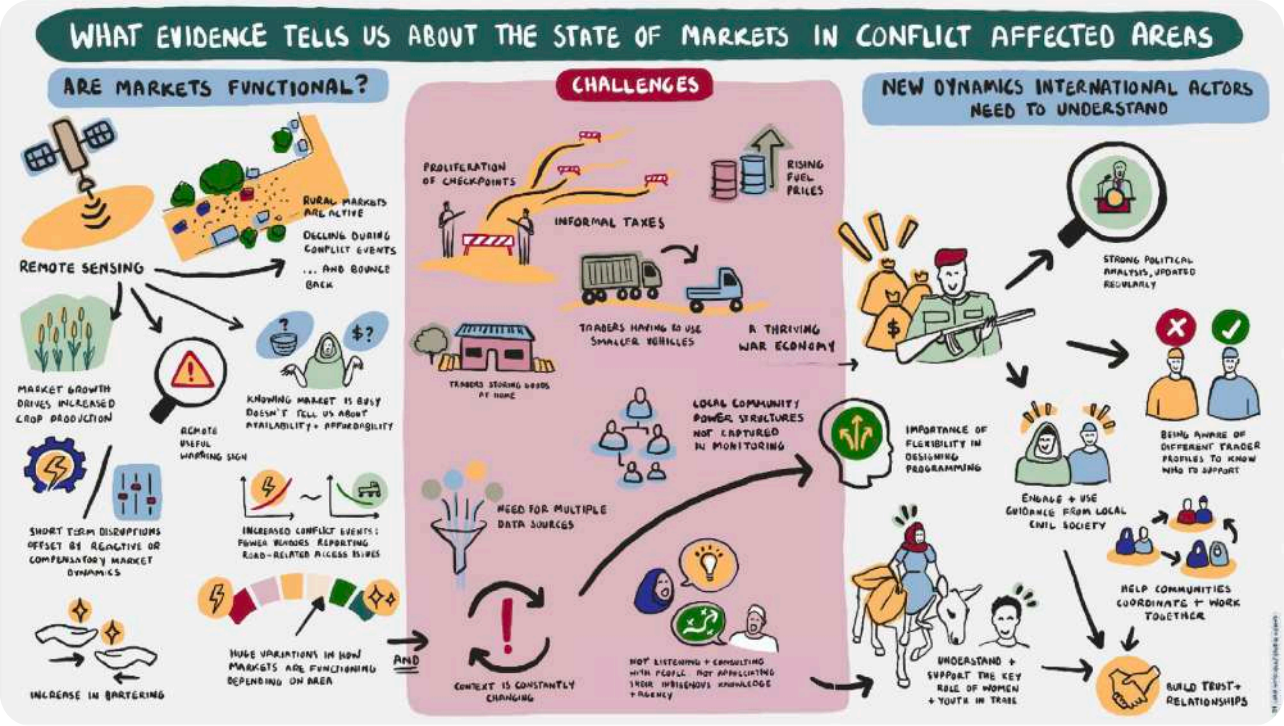


Figure 4: Factors to consider for markets in conflict-affected areas[21]

UNDERSTAND THE IMPACT OF CLIMATE-RELATED SHOCKS AND STRESSES, AND FOCUS ON CLIMATE ADAPTATION

Where possible, programmes should **assess current and future climate-related risks, vulnerabilities and impacts** as well as opportunities to support adaptation through market systems. This includes understanding the potential trade-offs between economic recovery and growth and climate resilience, the private sector's incentives to support or hinder climate adaptation, and how specific market actors may or may not be equipped to deal with climate shocks and stresses.

The Strengthening Host and Refugee Populations in Ethiopia (SHARPE) programme realised that the poultry houses and practices they were promoting to refugees were not suited to rising temperatures. They adapted their private sector-implemented shed design, ensuring poultry would remain viable in the future but also increasing costs for farmers.[22]

There also may be positive incentives to adopt more climate-friendly approaches. The high price of fuel after the outbreak of conflict in Sudan in 2023 spurred greater interest in, and willingness to pay for, solar power products for both business use and farm irrigation.

20 Ibid
21 Illustration from Markets as lifelines: strengthening our response to the Sudan crisis, June 2025
22 Climate adaptation resilience: an assessment of SHARPE, October 2024

2. Programme approaches

LAYER SYSTEMS-LEVEL SUPPORT ONTO DIRECT APPROACHES AS EARLY AS POSSIBLE

While direct support may be necessary for lifesaving and immediate coping measures, it is important to **factor market forces into interventions** from the beginning. At a most basic level, this means limiting distributions of in-kind aid, such as food, seeds or assets, and instead using markets by providing CVA. However, as noted above, trusted market actors play in a crucial role in local coping strategies – not just moving goods in and out, but also suppling information and linking communities together. Supporting these actors can significantly enhance coping and adaptation, and studies have shown that early efforts to ensure they remain capitalised and functional can reduce the need for longer-term assistance.[23] For example, in 2025, the Cash Consortium of Sudan (CCS) added business grants to their CVA programming to support vital local retailers and build markets.

In addition, even in high-intensity crises, local market barriers often have roots in systems-level constraints, such as regional transport issues, under-development of last mile services, taxes or regulations, and may be unlocked with less costly interventions that facilitate system change with market actors and government. Therefore, it is important to **intervene at the systems level as early as possible.** In 2024, the Central Bank of Sudan limited daily cash withdrawals and bank transfers through the digital payment platform (Bankak). The stated intent was to reduce the circulation of forged and stolen notes and encourage the use of mobile money. In practice, these limits severely hindered traders' and individuals' ability to buy and sell goods, partly due to the very limited mobile banking infrastructure.[24]

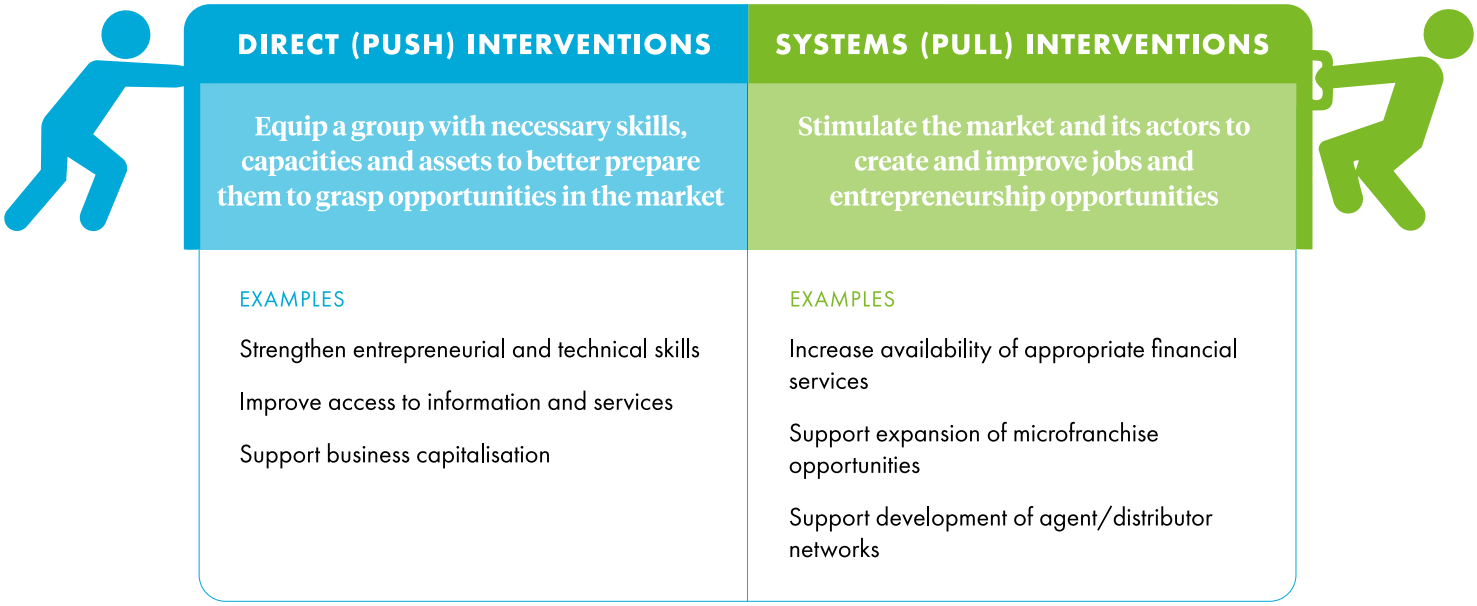


Figure 5: Push-Pull approach

In emergency programmes and those addressing longer-term economic recovery and adaptation, a focus on the most vulnerable groups, such as young people, women or displaced people, often leads to provision of support directly to these groups. In these cases, it is critical to **ensure that direct interventions occur within market systems that have viable potential employers, buyers, and suppliers** and sustainable opportunities. This requires connecting any individual activities, such as skills building, enterprise development and employment creation, to longer-term market demand and addressing any systems-level constraints. This approach can also

23 Livelihoods and markets in protracted conflict: a review of evidence and practice, 2021
24 Cash Consortium of Sudan: commercial markets analysis, June and July 2024

be called Push-Pull, which is illustrated here using the International Labour Organization's (ILO) framing for job creation for displaced populations.

The Delivering Resilient Enterprises and Market Systems (DREAMS) programme in East Africa combines a poverty graduation approach, including direct subsidies, skill building and mentorship for marginalised refugees and host communities, with an MSD approach that utilises private sector partnerships to strengthen market linkages and create an enabling environment that benefits a much larger population. In Uganda, in 2025, after three years of implementation, a randomised control trial found that participants had a 17% increase in consumption, 20% increase in income, and 108% increase in savings compared to the control group.[25] In addition, the evaluation found that members of the wider community increasingly participated in the targeted economic sectors, became more interested in starting their own businesses, and had easier access to goods and services within the community.

CONDUCT REGULAR LIGHT-TOUCH ASSESSMENTS AND ADAPT PROGRAMMES FREQUENTLY

It is also essential to conduct regular, light-touch assessments to understand shifts in context and then **adapt programmes frequently** in response, allowing them to adjust downward to more humanitarian activities when situations worsen and upward to more systemic responses when stability improves.[26]

In the early stages of the Ukraine response, Mercy Corps emphasised CVA to support basic needs but also conducted agriculture sector mapping that enabled the team to integrate economic recovery and resilience interventions, such as business recovery grants to MSMEs and farmers, and offering financial advisory services. This work led to the 2025 launch of the Building Livelihoods and Opportunities for Optimised Markets (BLOOM) Programme, which is utilising a Push-Pull approach to reach over 31,000 Ukrainians with a combination of direct business recovery support and systems-level engagement to catalyse local investment and financial inclusion.

In contrast, in Myanmar, the ENSURE programme, funded by the Livelihoods and Food Security Fund, built on Mercy Corps' long experience utilising MSD approaches to expand the county's vegetable market system to support farmers in Rakhine State, in 2023 and 2024. As the security situation worsened, the team continually adjusted methodologies to support 7,414 farmers, firstly with vouchers for seeds and inputs, and then with restricted cash, along with alternative training methods, to ensure they could continue to produce crops without undermining local markets or endangering staff and participants (see Annex 3 for more detail on this case).[27] Programmes can even adapt to different approaches in different geographies within the same programme, as the Palestine case illustrates.



BUKAR, CEO OF AN ANIMAL FEED PRODUCTION COMPANY SUPPORTED BY THE RRA PROGRAMME IN NIGERIA
© Ezra Millstein / Mercy Corps

PROGRAMME EXAMPLE

In 2023, Global Communities (GC) was implementing an MSME Competitiveness and Growth Programme, funded by the Swedish International Development Cooperation Agency, in both Gaza and the West Bank when the situation in Gaza deteriorated significantly. GC maintained its growth focus in the West Bank, connecting MSMEs to larger firms offering marketing, investing and purchasing opportunities. In Gaza, it shifted its approach to address immediate coping needs, providing direct business grants and technical assistance.

25 Full publication forthcoming; key results shown at the Global Impact Evaluation Forum Session "Layering, sequencing, and collaborating to build resilience"

26 The Markets in Crises Community of Practice offers guidance on selecting appropriate tools for market assessments in humanitarian contexts and Market systems analysis A practical toolkit for a 'good enough' approach provides detailed advice

27 Enhancing food and nutrition security in Rakhine State (ENSURE) final narrative report, December 2024. Mercy Corps internal document.

PLAN FOR ADAPTATIONS TO ADDRESS CONFLICT AND CLIMATE-RELATED SHOCKS AND CONTEXTUAL SHIFTS

Contexts can change rapidly and significantly. For longer-term programmes working in FCAS, it is important to **develop crisis readiness plans and build flexible response funds into budgets**. Ideally, this anticipatory action includes developing formal partner relationships and signing conditional service agreements for quick responses. This planning should examine both short-term and long-term risks.

The Climate Smart Jobs Programme in Uganda, funded by the UK Government's International Climate Fund, includes 10-year climate risk factors in all business modelling and intervention planning, which has led the programme to adapt its agriculture approach and support the development of new seed varieties.[28]

While humanitarian responses may not have the time and resources to deeply analyse longer-term climate risk, even lighter touch, short-term risk analysis can help programmes ensure they do not contribute to maladaptation, such as supporting farmers with water-intensive crops that are no longer viable.[29]

SET LONGER-TERM OUTCOMES ACROSS PROGRAMMES AND PORTFOLIOS

Programmes with short timeframes can build the foundations of resilience that can be accelerated by longer-term programmes, if portfolio approaches **enable layering, including across programmes** as stability allows.

A seminal example of this comes from the Somali Region of Ethiopia, where Mercy Corps first applied MSD approaches in 2012, under the Pastoralist Areas Resilience Improvement through Market Expansion (PRIME) and later RIPA-North programmes. Mercy Corps supported the passage of the Ethiopian mobile banking law and partnered with Somali MFI (now Shabelle Bank) and BelCash, to pilot the first MFI-led mobile and agent banking in the country. In 2019, the SHARPE programme built on that work, and utilised those partnerships, to extend mobile financial services into refugee camps.



IFRAH, SHOPKEEPER AND FARMER, AND PARTICIPANT IN THE RIPA PROGRAMME IN ETHIOPIA
© Ezra Millstein/Mercy Corps

PROGRAMME EXAMPLE

In the Somali Region of Ethiopia in 2022, the RIPA-North programme was utilising an MSD approach to develop resilient, sustainable economic opportunities for pastoralist communities when consecutive failed rains led to a severe drought that displaced pastoralists and endangered their livelihoods. RIPA-North activated a crisis response fund, enabling them to support 23,000 households by offering cash to those in most critical need, vouchers for animal fodder to protect herds and incentives to livestock traders to purchase over 23,500 distressed livestock from pastoralists, while the animals still had monetary value.[30]

28 Adapting on the edge: accelerating climate resilience through market systems development in fragility and displacement contexts, 2025

29 Humanitarian action on climate and conflict: narratives, challenges and opportunities, 2024

30 Programme example taken from Meeting immediate needs and protecting development gains: lessons from Ethiopia's drought response, December 2022

Local partnership considerations

WORK WITH KEY LOCAL MARKET AND COMMUNITY ACTORS (NOT AGAINST THEM)

In many contexts, local market actors and CBOs can access remote, conflict-affected areas more easily, negotiate better with local power brokers and move faster than aid agencies, making these decisions independently of international aid.

In Sudan, soon after the April 2023 outbreak of conflict, Sudanese traders could move goods across conflict lines and bring in cash remittances over international borders. In Yemen, the CBO Food4Humanity negotiated community water access in Taiz amidst active fighting.[31]

It is never too early to work with market actors. At the same time, humanitarian aid can unintentionally hinder the private sector's ability to serve local populations. A classic case of this is the agriculture input distributions that undermine local producers, traders and sellers.

To ensure programme success, it is important to analyse which specific market actors are supporting communities and engage with them. In prolonged conflict, national institutions may fall but local ones are more likely to endure. In addition, in war economies, elites tend to control large companies and capture lucrative markets.

In high and medium-intensity conflicts, it may make sense to **establish local partnerships as well as market and institutional engagement**. Even in more stable contexts, local market actors may have more interest and motivation to partner.



WALEED, PARTICIPANT IN THE SAFE PROGRAMME IN SUDAN
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PROGRAMME EXAMPLE

In June 2023, two months after the outbreak of conflict in Sudan and with the planting window for the crucial summer agriculture season rapidly closing, the Strengthening Agricultural Markets and Food Security (SAFE) Programme worked creatively with its long-term seed supply partner to quickly identify seed stocks, move them to regional hubs and engage local agents to transport seed across conflict lines.

The SHARPE programme initially partnered with a national poultry firm to support small-scale refugee poultry farms. However, the local context did not fit the firm's model and national economic challenges affected its commitment. SHARPE switched to partnering with a locally based poultry firm, Horn Afrique Poultry Farm (HAPF), that was already exploring the refugee market. HAPF was more adaptive and responsive to participants' realities, resulting more successful refugee poultry farms.[32]

DEVELOP PRIVATE SECTOR PARTNERSHIPS WITH MUTUAL BENEFITS

It is important for humanitarian and development agencies to **enhance core business focus and support long-term market relationships and competitiveness.** This includes avoiding creating perverse incentives or monopolies, especially with direct assistance.

31 Cash Consortium of Sudan: commercial markets analysis, June and July 2024; Making adaptation work – addressing the compounding impacts of climate change, environmental degradation and conflict in the Near and Middle East, 2023
32 Going beyond the last mile: adaptation to increase refugee adaptation, January 2025

A study in Eastern DRC found that international agency procurement of large quantities of certified seed incentivised traders to illegally import seed, produce fake certification documentation and artificially depress local grain prices.[33]

Even at the outset, it is important to understand the interests and incentives of local market actors and create partnerships that enhance their ability to effectively serve local populations. This includes being conflict sensitive.

The SAFE programme recognised the need to work with agriculture input traders from different ethnic groups to reach all prioritised farmers in divided communities.

The focus on incentives should extend to longer-term programming, for programme sustainability and for conflict sensitivity. Achieving mutually beneficial partnerships requires budgeting within programmes for technical support and specialised staffing or consultants and planning the time for conducting market assessments, developing strong informal relationships with partners, and building market linkages.

The Yemen Fresh Horizons Programme partnered with a local entity, the Mahrati Institute, who led technical and business training for fish traders in Aden, and in Lebanon, the ILO worked to develop benefits for both Lebanese farm owners and Syrian farm workers to reduce tensions around the presence of Syrian refugees.

Additional factors

ADAPT REGULATIONS TO SPECIFIC CRISIS CONTEXTS

In FCAS contexts, concerns about risk, authority and financial and regulatory compliance can hinder attempts to partner with actors truly committed to their communities. It is necessary to **adapt donor requirements and implementing agency regulations** to respond better to the rapid evolution of markets and the loss of institutional capacity and documentation. This includes a range of efforts, such as not requiring pre-approvals for partnerships, creating more flexibility to shift plans and partners, and removing compliance barriers that make partnering difficult, including with unregistered businesses.

In Sudan, in 2023, Mercy Corps wanted to partner with known, trusted agriculture input suppliers to help farmers plant vital staple crops. However, the mass exodus from Khartoum meant firms did not have all their business documentation or access to bank accounts. Compliance requirements, as detailed as who was the official owner of the firm's bank account, made it extremely challenging to sign agreements.

It is also important to **break down silos between humanitarian and development teams** and restrictions on programming. One example cited by an FCDO staffer was that humanitarian funds could support the development of informal VSLAs but could not then incentivise formal banks to partner with the VSLAs and extend their reach to crisis-affected areas, limiting the ability of programmes to facilitate systems change and support longer-term resilience.

PROMOTE BETTER COORDINATION AND PORTFOLIO APPROACHES

Programmes frequently work at cross-purposes, especially in high-intensity conflicts when direct humanitarian aid can inadvertently undermine efforts to support longer-term resilience. To avoid this, it is important to promote better coordination from the donor level to the local implementing agency level. Donors need to **ensure their strategies are not undermined by others.** This includes funders and implementors, and also other departments and programming within their own agencies. Donors have the greatest power to influence the approaches implementing organisations utilise in programming and that power should be used to ensure maximum effectiveness

33 Feed the Future Enabling Environment for Food Security Project, SEEDCLiR: Democratic Republic of the Congo, September 2019

and impact. For example, in 2025, FCDO and the Swiss Agency for Development and Cooperation co-hosted a donor training and convening on MSD programme design and coordination in South Sudan. This becomes even more challenging, and more critical, when attempting to coordinate beyond humanitarian actors.

> **"These are very dynamic environments – don't reinvent the wheel."**
> FCDO staffer

SHARE LEARNING ACROSS CONTEXTS

It is also crucial to dedicate more resources to capturing and sharing lessons between contexts. This should include more ex-post evaluations of programmes and monitoring of the spillovers and systemic effects that market-based approaches support. It should also include looking at the longer-term impacts of even short-term aid in high-intensity crises and what behaviour changes have sustained, adapted or reached scale.

Conclusion

Within fragile contexts, markets rarely disappear: they adapt and people continue to rely on them – and on the social networks that sustain them – far more than on external aid. These local systems form the core of how households cope and begin to recover.

For humanitarian and development actors, this makes it essential to understand local market dynamics and work with existing actors rather than bypassing them. Market-based approaches can link immediate support to longer-term economic opportunities, ensuring that assistance reinforces rather than disrupts the systems people depend on.

Programmes in these contexts should be designed as a flexible and cohesive portfolio, allowing implementers to move between meeting basic needs in high-intensity conflicts and building long-term resilience in areas of institutional and social fragility. When implemented well, MBP can leverage local capacities, incentives and investment. It can extend the reach of assistance and help crisis-affected populations to move beyond reliance on aid toward more resilient livelihoods.



LATE SUMMER SORGHUM HARVEST CULTIVATED BY A FARMER PRODUCER ORGANISATION SUPPORTED BY THE THABAT PROGRAMME IN SUDAN
© Suliman Fadlallah / Mercy Corps

Annex 1: Glossary

What do we mean by markets?[34]

A market is any formal or informal structure (not necessarily a physical space) in which people who need something (buyers) and people who can provide it (sellers) exchange goods (e.g. vegetables, household appliances, land) or services (e.g. medical treatment, legal assistance, education) for cash or for other goods and services.

Market actors can be any organisation or individual within the private or public sectors, civil society, academia, etc. who form part of the system. This does not include temporary actors funded by donors, such as international NGOs.

What do we mean by market systems?

A market system is the complex web of people, trading structures and rules that determines how a particular good or service is produced, accessed and exchanged. It can be thought of as a network of market actors, supported by various forms of infrastructure and services, interacting within the context of rules and norms that shape the business environment.

Inclusive market systems are those that engage and benefit a range of actors including the poor, women, young people, crisis-affected households, and/or other marginalised groups who are often excluded, or even exploited, by traditional market systems.

What is distinct about markets in FCAS?

In FCAS, markets are often considered 'thin'. This means they have limited trading activity or low liquidity and are characterised by relatively few buyers and sellers and a lack of substantial trading volume. In thin markets, it can be challenging to buy or sell assets or securities quickly without significantly affecting their prices. This contrasts with deep markets, which have a high level of activity, numerous participants and substantial trading volumes.

Support for market systems change aims to make markets more competitive, accessible and equitable, with greater opportunities for poor and marginalised groups to participate and benefit from them. In FCAS, the aim of this work is often to help vulnerable communities move beyond reliance on humanitarian aid and facilitate economic recovery and greater resilience by identifying and addressing systemic opportunities or constraints on producers, businesses and employers.

34 For more information on markets and market systems see BEAM Exchange

Annex 2: Value for money table

	BASIC NEEDS	RESILIENT LIVELIHOODS AND MARKET SYSTEM GROWTH
Using markets	The median cost of £1 in MPCA across multiple contexts is £0.68.[35] Yemen: Each £1 of MPCA led to at least £2 of investment in local economic activity	Ukraine: 67% of farmers and 80% of micro-businesses no longer needed humanitarian aid after receiving cash grants.
Supporting markets	Ethiopia: Subsidised livestock sales resulted in total household income of £950,000 to 5,000 households, stimulated by a RIPA-North programme investment of just £92,000. Over 90% of participants in drought response interventions were somewhat confident, or very confident, in their ability to manage current and future shocks after the drought response.	Ukraine: Microbusiness' net income per person per month (pppm) was 90% higher than the value of MPCA (£65 pppm) and 136% higher than the Government of Ukraine's minimum subsistence level (£53 pppm). Somalia: A study of positive deviants found that participation in VSLAs and anticipatory activities was consistently correlated with more successful coping strategies and higher food security.[36]
Market systems change	Ethiopia: Strengthened access to animal health services, livestock trade and financial services, prior to drought, averted humanitarian needs for 240,000 people, saving over £16 million.[37]	Mozambique: 37,800 agribusinesses generated a cumulative additional net income of £5 million and InovAgro's ratio of income benefits to costs reached 2.64.[38] Nigeria: RRA utilised £2.8 million in investment funds to mobilise over £29 million in private sector investment that benefited almost 1 million participants. Ethiopia: For every £1 SHARPE spent on business grants, partners spent £1.43.

35 Stretching aid funds: Maximising the value of multipurpose cash assistance - cost synthesis of unconditional cash for basic needs, 2025
36 Positive deviance in Somalia: why are some households more resilient than others? September 2018
37 Mercy Corps' economic opportunities. Value for money: how our market system development approach contributes to high returns on investments, April 2025 and Enhancing resilience to severe drought: what works? January 2027
38 The impact of market system development approaches: the case of InovAgro in Mozambique, October 2022

Annex 3: Programme Deep Dives

1. Evolution in Sudan: Supporting food security through immediate agriculture production and then resilience

When large-scale conflict erupted in Sudan in April 2023, the Strengthening Agricultural Markets and Food Security (SAFE) Programme had already been operating for four years. Utilising an MSD approach, SAFE supported 31,000 farmers to increase climate-resilient agricultural yields, improve market linkages, promote sustainable natural resource management practices, advance women's empowerment, and enhance disaster preparedness and response in South Kordofan and Blue Nile States.[39] SAFE worked to strengthen market relationships and incentives in an environment where agriculture employed about 65% of the population but suffered from low investment, low productivity and poor infrastructure where humanitarian distributions undercut local markets. Despite the challenging context, before April 2023, 40,000 farmers purchased seeds, with 25% of those unsubsidised. Their yields increased by 37% and the volume of crops sold more than doubled. Women sold almost nine times the volume of crops after engaging with SAFE and its private sector partners.

Large-scale armed conflict erupted in April 2023, disrupting the economy, displacing millions and shutting down supply chains. As the timing coincided with the start of the main planting season, the SAFE team initially focused on helping farmers save the agriculture season and then utilised the long-term lessons learned and relationships built to continue supporting communities through the crisis, protect the development gains made and plant the seeds of recovery.

Pre-conflict interventions:

- Market systems and resilience analysis to identify incentives, barriers and shock sensitivity.
- Partnerships with national agribusinesses and MFIs to expand rural operations.
- One-time subsidies of certified seeds to incentive farmer adoption and create linkages with suppliers.
- Village agent models to expand agriculture input sales (with national seed suppliers); and financial services and agent banking (with MFIs).

Initial conflict programme adaptations - rapid pivot with existing private sector partners rather than creating parallel humanitarian delivery systems:

- Remote (mobile) surveys to assess farmer intentions and capacities to continue agriculture activities to overcome in-person access challenges.
- Decentralised seed delivery through village agents and low-visibility transport routes, enabling seed access in areas unreachable by humanitarian actors.
- Increased seed subsidies to offset inflation and reduced farmer purchasing power.
- Utilise pre-existing trust built with local government to facilitate activity despite restrictions on humanitarian movement.

39 SAFE operated from 2019-2026 with funding from the Swedish International Development Agency (Sida) and implemented under a consortium led by Mercy Corps, with its international partner, the Adventist Development and Relief Agency (ADRA), and national partners, Ebdaa and Irada Banks and Al Zahra, RANS and Arab Sudanese seed companies. Reflecting the protracted conflicts and challenges in the region, the programme included refugees, internally displaced people, and host communities

Over time programme developed a split strategy based on localised conflict dynamics:

- Expanded in more stable areas of Sudan (Blue Nile and Gedaref) and relaunched MSD interventions. Utilised one-time subsidised seed sales to spur farmer adoption.
- In South Kordofan, as conflict intensified, shifted to remote methodologies and continued to support famer seed access to maintain crop cultivation.

RESULTS, AS OF END OF 2025, SAFE HAD:

- Facilitated sales of subsidised seeds to 47,785 farmers through its private seed supply partners,
- Trained 36,789 farmers on improved techniques through community extension workers and formed and/or strengthened 91 cooperatives with over 37,000 members.
- Supported agriculture system sustainability by creating a digital farmer information platform that received over 30,000 unique calls.
- Established 116 last-mile seed sales points connected to seed wholesalers.
- Partnered with two MFIs who formed 482 savings and lending groups and disbursed 7,696 individual loans to farmers, while also strengthening their digital banking and management capacity.

Expanding approaches across programmes as contexts allow:

The lessons learned from SAFE were then utilised and further adapted in several additional programmes, in particular the Enhancing Community Resilience (THABAT) programme.[40] THABAT was launched in 2024 to support greater food security in the country by reviving staple crop production in the more stable, agriculturally productive areas of Sudan. THABAT combines both direct and MSD approaches, providing seed directly to farmers but also supporting the growth of key agriculture supply chain actors, such as tillage service providers, agriprocessors and traders. THABAT supports development of an online commodity trading hub and private sector-driven solar powered irrigation schemes. THABAT has incorporated key successes from SAFE, such as the last-mile agent model. It has added additional approaches, in particular the deeper engagement with SMEs to help them rapidly fill gaps in an agriculture supply chain that was heavily disrupted in 2023. This support includes financial assistance, business development services and market linkages.

AS OF END OF DECEMBER 2025, THABAT HAD:

- Supported over 20,000 farmers to cultivate over 52,300 hectares of staple crops and linked them to service providers and buyers.
- Partnered with 87 SMEs and 266 farmer or consumer cooperatives to strengthen supply chains.
- Co-developed with a private sector actor an online commodity trading platform.

40 THABAT is a programme funded by the STARS Donor Fund and managed by the World Bank. Implementing partners include WFP, UNICEF, Mercy Corps, and CRS. This summary covers the portions of THABAT implemented by Mercy Corps in Gedaref, Kassala, River Nile, and Northern States

2. Gradual deterioration in Myanmar: Shifting approaches to maintain impact

Initially designed to support Myanmar's rural economic growth after years of isolation and restrictive sanctions, the Making Vegetable Markets Work Programme (MVMW) used an MSD approach to increase the incomes of 15,000 vegetable farmers and support agriculture sector growth in Southern Shan, Chin and, later, Rakhine States. MVMW created inclusive business partnerships with more than 35 market actors in the vegetable supply chain that enabled 25,663 farmers to utilise improved inputs and services.[41] The programme was extremely successful in Southern Shan, where there was already a well-established vegetable sector, with experienced farmers, well-developed marketing channels and a stable political environment.

Differences in the Rakhine agriculture sector, as well as increasing political violence and restrictions, necessitated a shift in approaches there. In particular, severe weather destroyed farmers' plots in May 2017 and intercommunal violence in August 2017 caused market disruptions. MVMW adapted to spend more time stimulating vegetable farmers to adopt improved technologies and techniques through on-farm demonstration plots and training lead farmers as well as strengthening the network of small-scale buyers and local retailers to incentivise production of higher quality vegetables. As a result of this divergence in context, over 98% of MVMW's economic benefits to farmers came in Southern Shan, rather than Rakhine.

OVERALL RESULTS:

- MVMW reached 25,633 farmers (17,276 men, 8,387 women) with improved services including extension services, inputs/technology and market information.
- A voucher system enabled farmers to purchase subsidised inputs and new technologies introduced through extension services. More than 5,000 farmers purchased technology, investing £68,000 of their own money while the project contributed £37,000 in subsidies.
- Farmers in Southern Shan increased their vegetable income an average of 120%. In Rakhine farmers reduced input costs (-30%) but also saw a smaller decline in income (-15%).

Shifting to a private sector-led approach:

For the next phase of activity in Rakhine, under the Transforming Rakhine's Vegetable Market (TVeg) Programme, the implementers shifted roles, with the private sector entity, East-West Seeds, acting as programme lead and co-investing with the aim of sustaining its presence in the market. The INGO, Mercy Corps, provided support, particularly with community mobilisation, market assessments and conflict analysis.[42] TVeg utilised market-based approaches but focused on farmer productive capacity, providing 501 lead farmers training and co-financing to establish demonstration plots for good agronomic practices and appropriate agricultural technologies. Local market actors were also identified and connected to farmers through field days and a vegetable fair.

OVERALL RESULTS:

- TVeg reached 9,658 farmers with training demonstrations and market linkages.
- 501 lead farmers were supported to demonstrate good agriculture practices.

41 MVMW was a US$4 million programme funded by the multi-donor Livelihoods and Food Security Trust Fund (LIFT), with an additional US$ 1 million provided by Mastercard and Shell to expand the programme into more townships of Rakhine State and expand activities on land law and business advisory services. It was implemented by Mercy Corps, Swisscontact, and East-West Seed from 2014 to 2018

42 TVeg was a £250,000 programme funded by the DFID DaNa Facility's Business Innovation Window and implemented from 2018 to 2020 by a consortium led by East-West Seeds in collaboration with Mercy Corps

Crisis response as the situation deteriorates:

In 2023, Rakhine State faced compounding crises, starting with Cyclone Mocha that hit in May 2023 and devastated the region's infrastructure, including transportation and electricity networks. In November 2023, the conflict escalated and parts of the State were heavily affected by airstrikes, landmines, disrupted communication networks and road blockages, leading to shortages of food and basic supplies. In addition, banks were closed, causing severe cash shortages.

The Enhancing Food and Nutrition Security in Rakhine State (ENSURE) programme was launched just after the cyclone in five townships in Rakhine State to bolster food and nutrition security for small-scale farmers by strengthening local food production systems.[43] As the situation in Rakhine had deteriorated greatly, ENSURE utilised a more direct market-based approach and, during its initial phase, provided vouchers to farmers to purchase inputs at local retailers, strengthened farmer savings groups, and disseminated information on Climate-Smart Agriculture (CSA) and Nutrition-Sensitive Agriculture (NSA), so farmers would have the knowledge needed to apply adaptive and sustainable agricultural methods. As the security situation worsened in November, limiting staff access to field sites and retailers, ENSURE shifted modalities again. Instead of vouchers, farmers were given restricted cash grants that they could use to purchase inputs at any retailer and cover other key expenses.

OVERALL RESULTS:

- ENSURE provided vouchers and/or cash to 7,414 agricultural producers (1,260 female 6,154 male).
- The programme reached 7,563 farmers (5,436 female, 2,127 male) with CSA/NSA training.

Annex 4: Recommended resources

Beyond cash: Making markets work in crisis

Cash and Voucher Resources

Livelihoods and markets in protracted conflict: A review of evidence and practice

Livelihoods and markets in protracted conflict: A review of evidence and practice. Annexes

Market-Based Programming Framework

Market-Based Programming (MBP): What's it all about?

Market systems resilience in programming: Implementer experiences

Market systems analysis: A practical toolkit for a 'good enough' approach

MSD in fragile and conflict-affected situations: Lessons for donors

The humanitarian development nexus in action: A review and mapping of market-led approaches in forced displacement contexts

43 ENSURE was funded by the multi-donor Livelihoods and Food Security Fund (LIFT) and implemented from May 2023 through September 2024 by Mercy Corps

Annex 5: Programme table

PROGRAMME NAME	COUNTRY	DATES	DONOR	IMPLEMENTER	SUMMARY
Delivering Resilient Enterprises and Market Systems (DREAMS)	Ethiopia, Tanzania, Uganda	2021 - 26	Conrad N. Hilton Foundation, ICONIQ Impact, IKEA Foundation, Sea Grape Foundation,The Patchwork Collective	Mercy Corps & Village Enterprise	The programme adopts an innovative model that combines poverty graduation with market systems development in refugee and host community settlements.
Pastoralist Areas Resilience Improvement through Market Expansion (PRIME)	Ethiopia	2012 - 19	USAID	Mercy Corps, Aged and Children Pastoralists Association (ACPA), Action for Integrated Sustainable Development (AISDA), CARE, Ethiopian Centre for Disability and Development (ECDD), Haramaya University, Horn of Africa Voluntary Youth Committee (Havoyoco), Kimetrica, SOS Sahel.	The programme aimed to increase household incomes and promote resilience to climate change through innovative, scalable, market-driven approaches in the pastoralist areas of Afar, Somali and Oromiya.
Resilience in Pastoral Areas - North (RIPA-North)	Ethiopia	2020 - 25	USAID	Mercy Corps, CARE	The programme aimed to improve the resilience capacities of households, markets and governance institutions, collectively contributing to enhanced food security and inclusive economic growth.
Strengthening Host and Refugee Populations in Ethiopia (SHARPE)	Ethiopia	2019 - 25	FCDO	DAI	The programme aimed to catalyse transformational system change to the protracted refugee contexts in Ethiopia by using an MSD approach to strengthen the economies of the target communities in Dollo Ado and Jijiga (Somali region) and Gambella.
Innovation for Agribusiness (InovAgro)	Mozambique	2010 - 21	Swiss Agency for Development and Cooperation (SDC)	DAI	The programme aimed to increase income and economic security for smallholder farmers in Northern Mozambique through improved agricultural productivity and enhanced connectedness to market systems of selected high-potential value chains.

PROGRAMME NAME	COUNTRY	DATES	DONOR	IMPLEMENTER	SUMMARY
Enhancing Food and Nutrition Security in Rakhine State (ENSURE)	Myanmar	2023 - 24	Multi-donor Livelihoods and Food Security Fund (LIFT)	Mercy Corps and partners	The programme aimed to bolster food and nutrition security for small-scale crop producers by strengthening local food production systems.
Making Vegetable Markets Work (MVMW)	Myanmar	2014 - 18	Multi-donor Livelihoods and Food Security Fund (LIFT), Mastercard Corporation, Shell Foundation	Mercy Corps, Swiss Contact, East-West Seed	The programme aimed to improve the livelihoods of smallholder farmers by enhancing the vegetable market system in Shan, Chin and Rakhine States.
Transforming Rakhine's Vegetable Market (TVeg)	Myanmar	2018-20	DFID's DaNa Facility	East-West Seeds, Mercy Corps	The programme supported smallholder farmers in Rakhine thought a private sector-led model.
Feed the Future Nigeria Rural Resilience Activity (RRA)	Nigeria	2019 - 24	USAID	Mercy Corps, International Fertiliser Development Centre (IFDC), Save the Children International (SCI)	The programme aimed to move people out of chronic vulnerability and poverty by expanding economic opportunities, strengthening resilience capacities and facilitating recovery in conflict-affected areas. It employed an MSD approach, supporting smallholder farmers, MSMEs, women and young people through interventions in financial inclusion, climate-smart agriculture and adaptive programming.
Supporting Micro, Small, and Medium-sized Enterprises (MSMEs) Competitiveness and Growth in Palestine (SMCGP)	Palestine	2022-2026	The Swedish International Development Cooperation Agency (Sida)	Global Communities	The programme uses an MSD approach to strengthen economic resilience, promote inclusive growth and address systemic market challenges in Palestine.
Strengthening Agricultural Markets and Food Security (SAFE)	Sudan	2019 - 24	Sida	Mercy Corps, Adventist Development and Relief Agency (ADRA)	The programme focused on improving the livelihoods and food security of smallholder farmers by using market systems development approaches to strengthen agricultural input/output and financial markets, build private sector partnerships and support sustainable service delivery.

PROGRAMME NAME	COUNTRY	DATES	DONOR	IMPLEMENTER	SUMMARY
Enhancing Community Resilience Programme (THABAT)	Sudan	2024 - 26	Sudan Transition and Recovery Support (STARS) multi-donor trust fund.	Mercy Corps, World Food Programme	THABAT has two main components. The first focuses on provision of basic services. The second focuses on improving food security. This component supports increased resilience and production of select crops and protection of livestock assets in rural areas; agricultural value chains; and the scaling-up and strengthening of community consumer cooperatives, organisations and community food centres that distribute agricultural outputs and provide affordable food to vulnerable groups.
Building Livelihoods and Opportunities for Optimised Markets (BLOOM)	Ukraine	2025 - 26	FCDO	Mercy Corps, IRC, Swisscontact, Right to Protection (R2P)	The programme aims to address immediate livelihoods needs and market barriers in conflict-affected oblasts, so that people can secure their food needs and build long-term self-reliance by stimulating local economic recovery, stabilising livelihoods and reducing aid dependency.

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About Mercy Corps

Mercy Corps is a leading global organization powered by the belief that a better world is possible. In disaster, in hardship, in more than 40 countries around the world, we partner to put bold solutions into action — helping people triumph over adversity and build stronger communities from within. Now, and for the future.

About The Resilience Learning Facility

While evidence and analysis of "what works" in resilience building has grown in recent years, much of it remains fragmented and hard to operationalise, particularly in dynamic and politically complex contexts.

With the support of FCDO, Mercy Corps undertook a six-month project, the 'Resilience Learning Facility' to provide practical, actionable evidence to support donors and delivery partners to identify opportunities to link immediate crisis response with long-term resilience in a range of settings. Four reports focus on the following themes:

1. Markets based responses to build resilience in FCAS where conflict risks and climate intersect;
2. Land and natural resource governance to increase household resilience;
3. Getting finance to actors and affected populations who need it most;
4. Integrating a 'systems change' element into programmes and approaches.

Each report draws on existing research and case studies from multiple FCAS and has been developed in consultation with FCDO staff and a range of external experts. Together, they explore what is feasible and appropriate across different contexts, considering levels of conflict and fragility, the functionality of existing systems, and the range of resilience outcomes that different approaches can deliver.

CONTACT

Selena Victor

Senior Director, Policy & Advocacy

svictor@mercycorps.org

MERCY CORPS

96/3 Commercial Quay

Edinburgh

EH6 6LX

mercycorps.org

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