

EMERGENCY MARKET MAPPING AND ANALYSIS (EMMA)

Credit, Labour, Soap and Oral Rehydration Salts Market Systems

Sunamganj district
BANGLADESH



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OXFAM

Authors and Acknowledgements

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EXECUTIVE SUMMARY

The haor region in north-eastern Bangladesh is a wetland ecosystem characterised by the presence of large bowlshaped floodplain depressions (the haors). Despite its fertile agricultural soils and productive fisheries, it is a region which is generally considered to have lagged behind the overall progress of national development in Bangladesh¹. The haor is used during the dry period (December to mid-May) for agriculture and during the rainy season (June-November, when farming fields and roads are submerged) for fishing. The haor basin is indeed subject to extensive annual flooding. Strong wave and erosion actions wash away pieces of land on a yearly basis, thus posing a major threat to many *haatis*². People living in the haor are physically exposed to shocks and chronically vulnerable: flash flood is the main hazard. Livelihoods options in the haor (mainly Boro rice farming and fishing) are very limited and are extremely dependent on rainfall pattern. Sunamganj was the focus of this study, due to Oxfam and its partners' presence in the district and the fact that it was amongst the worst affected districts by the late March/early April 2017 flash floods. The Government of Bangladesh

¹ CARE, 2015, strategy in the Haor: 2015-2020

² Haatis are elevated mounds above the flood water level where people live.

(GoB), as well as other NGOs including Oxfam, have responded in many affected areas with typical humanitarian instruments such as cash grants and rice distribution.

This EMMA in Sunamganj district focused specifically on those markets that are critical for supporting basic and livelihoods recovery needs of the flash flood affected people. The analysis focused on identifying both direct interventions targeting affected households and indirect interventions targeting key market actors to improve their capacities to provide basic needs and services. The specific objectives of the EMMA study were as follows:

- Identify key lessons learnt from previous Pre-Crisis Market Analyses (PCMA) in Bangladesh.
- Raise awareness of national and local stakeholders about the importance of market analysis in programming (for local leadership).
- Strengthen Oxfam in Bangladesh's team and partners' capacity to carry out market analysis and use market analysis findings in programming.
- Identify how critical market systems have been affected by the flash floods.
- Assess the impact of the flash floods on affected populations and the needs gap (WASH & EFSVL)
- Identify the most appropriate interventions to meet emergency and recovery needs of flash flood affected population in the haor region.

Methodology

29 participants from 16 different organizations attended the 4-day Training of Trainers (ToT) in Dhaka from May 31st to June 3rd 2017: Oxfam (lead), CODEC, SKS, BNPS, SWF, CNRS, CARITAS, CHETONA, DSK, ERA, AKK, MJSKS, NSS, Ashroy Foundation, JASHIS and DPHE- Sunamganj. There was a mix of skills in the EMMA team, with more than half of the trainees familiar with the haor context. Most participants were programme staff, covering a range of fields such as WASH, food security, livelihoods, monitoring & evaluation and project management. While a few trainees had previously participated in the PCMA conducted by Oxfam in Gaibandha in 2016, the vast majority had no market analysis experience. Although the focus was on EMMA concepts, logic and processes, the training also covered:

- market analysis in preparedness, building from the findings of previous PCMA exercises;
- rapid market assessment right after a shock, as the south-eastern part of the country was hit by Cyclone Mora a day prior to the start of the training; this additional shock offered a timely occasion to train a small team to carry out a rapid assessment in Chittagong using the 48hr tool and some components of the Rapid Assessment for Markets (RAM) tool.

The EMMA participants were organized in 3 sub-teams; each one was headed by a Market Team Leader and covered one of the 4 selected market systems. For each market system, 2 maps were produced, the first showing how the market systems function in a normal, non-flash-flood-affected situation (or baseline, March - April 2016), and the second capturing the current crisis (May-June 2017). The EMMA assessment in Sunamganj district that followed the ToT offered additional on-the-job training to the 17 team members during the 5-day fieldwork (June 5th-10th, 2017), under the overall supervision of the Global EFSVL Advisor in the field. The EMMA team members conducted 27 FGDs (women only, men only and 3 mixed), interviewed 28 key informants and 32 traders (small and large). From Tahirpur and Derai, the team travelled by country boats to reach the affected and remote communities.

Target areas and population

This EMMA focused on 2 out of the 11 sub-districts (or upazila) of Sunamganj: Tahirpur (3 unions targeted) and Derai (2 unions targeted). These upazila and then unions were identified as the most severely affected by Oxfam and local partners. The target population groups are mainly subsistence and marginal farmers and the majority of the households have no cultivable land. The livelihoods of all the households mostly depend on agricultural day-labour and fishing.



Crisis

Heavy rainfall as well as runoff from the upstream hills in India have led to early flooding of haor and low-lying areas in the Northeast of Bangladesh. Flash floods started on 28th March to 5th April 2017 and gradually affected 6 districts: Sunamganj, Habiganj, Kishoreganj, Moulavibazar, Netrakona, and Sylhet. Rising water overflowed and breached embankments in many places and inundated vast swathes of cropland and

houses. The unusually early flash floods destroyed the 2017 crop of Boro rice at its blooming stage. The country lost more than 800,000 MT of Boro rice. Distress selling of livestock as a negative coping mechanism was already reported in May 2017. This loss of the primary crop, together with the associated loss of income for agricultural labourers and the loss of fish has created severe food insecurity on top of chronic poverty in Sunamganj. The damage is estimated to exceed BDT 30 billion as 404,713 ha of Boro rice, 305 MT of fodder, 2,000 MT of fish and thousands of ducks were lost³.

Critical Market Systems

Market systems were selected on the basis of affected populations priority needs and Oxfam in Bangladesh's strategy. Based on consultations within Oxfam and partners, the EMMA team decided to analyse the following critical market systems:

- Credit
- Labour
- Bathing soap (for hand-washing)
- Oral Rehydration Solution (ORS)

These are some of the most important commodities or services needed by the flood affected people in Sunamganj district. These commodities and services play a critical role in people's lives, livelihoods and survival and these market systems have been severely affected by the flash floods.

Credit market system:

Main findings:

The need for credit becomes even more acute in a stressed situation. The flash floods have generated a loss of 80-90% of boro rice crops. All target villages mentioned that households are currently not able to cover their basic needs. Triangulation of information collected from FDGs and KIIs indicates that the current credit flow only represents 20-25% than what it was before the flash floods. Access to credit of affected households especially ultra-poor and poor households has substantially decreased. The key barriers constraining access to credit are:

- Ultra-poor and poor affected households are not in a position to pay back their regular credit installments due to the losses in assets and crops they experienced, their lack of financial resources and lack of employment opportunities until the next rice harvest season⁴.
- Loan repayment and installment mechanisms have been seriously disrupted and the level of trust between the different actors has been eroded.
- Traditional credit providers are reluctant to issue new loans as applicants do not have collaterals

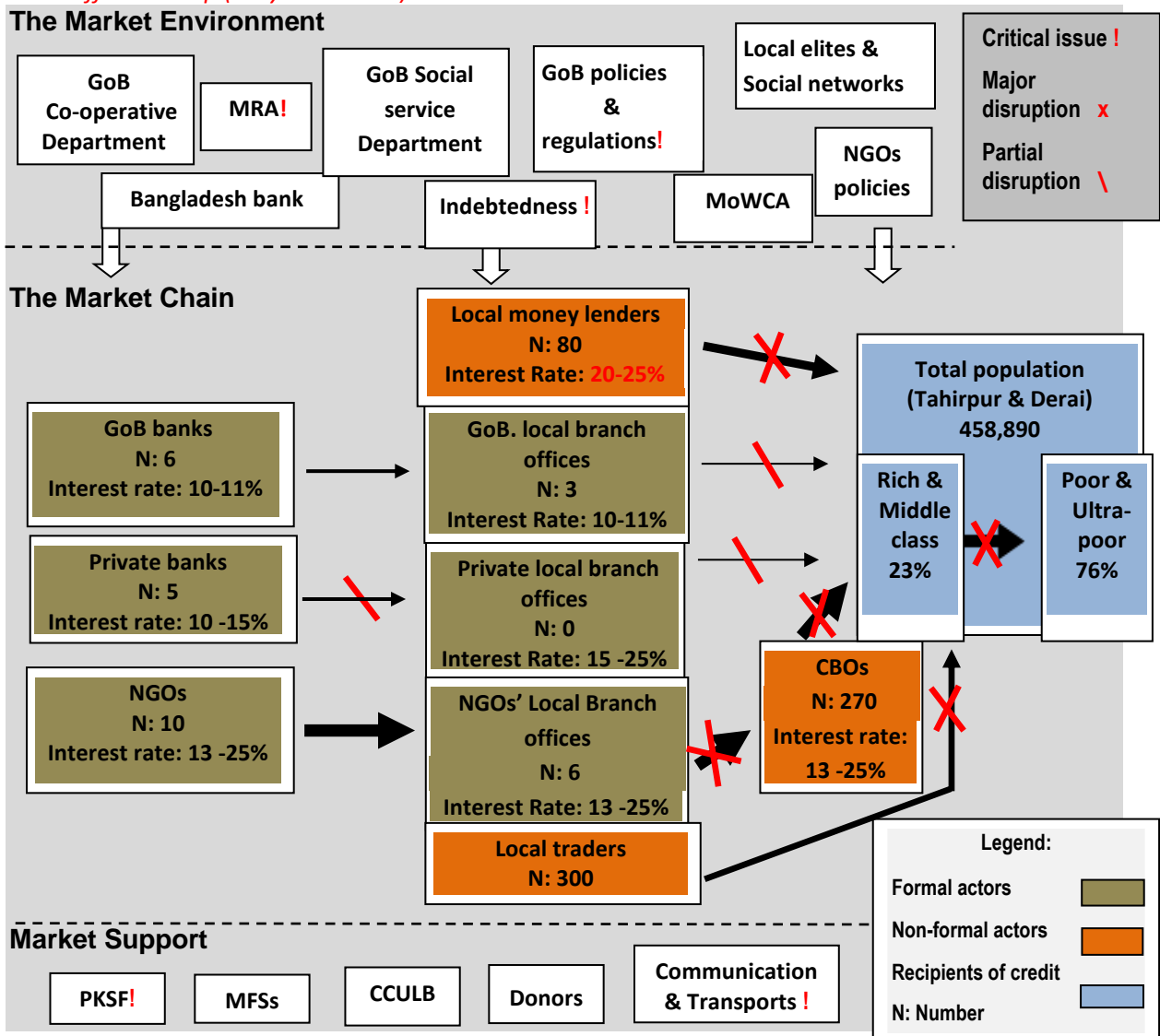
³ HCTT Coordinated Needs Assessment Report, May 2017.

⁴ Almost non-existent rice harvest day labour; extremely limited fishing opportunities due to the contaminated water and consecutive impact on the fish population.

- Only about 5% of households are able to repay part of their debts and are able to get a new loan.

Affected households have to use negative coping strategies as borrowing is often no longer an option due to unsettled debt. 10-20% of households (mostly those better-off who were able to pay some of the loan installments) were able to access new loans, mostly to purchase food, fodder and fishing equipment. Seasonal migration to urban cities started earlier this year, leaving many mothers having to take care of the children, the elders and sick family members at home on their own, which further limits their ability to travel to markets, to seek assistance or to explore livelihoods options. The major challenges for restoring livelihoods were identified as the extremely limited financial resources of the ultra-poor and poor affected households, lack of alternative income source, poor demand for day labour and lack of livelihood assets (mostly agricultural inputs and fishing material).

Crisis affected map (May-June 2017):



Labour market system:

Main findings

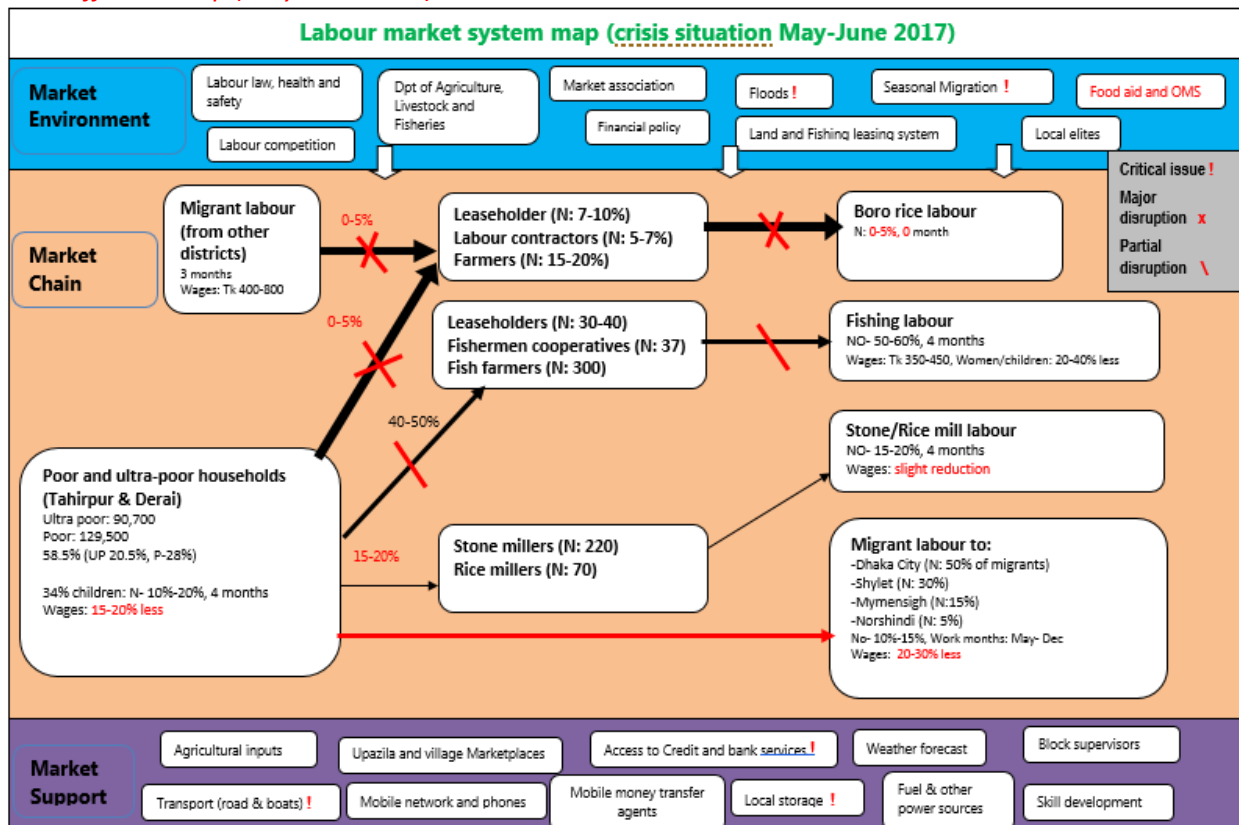
The supply of manpower in Sunamganj exceeds demand all year, except during the rice harvest. For the rest of the year, the demand for labour is insufficient to absorb the supply. In normal times, there are 4-6 days of labour per week, while after the flash foods, these labour days represent only 0-2 day on average per week, mostly in fishing. The flash flood happened at a time when demand for casual labour is at its highest. 90% of the rice fields were completely inundated just before harvesting. From March, employment opportunities have been almost non-existent in the target areas and the rice labour market system completely froze from April 2017. There has been a significant decrease of labour opportunity for 5 months till the upcoming fishing season (October- December). The boro rice planting season only starts in January. Labourers working during the boro rice harvest usually earn sufficiently to run households for 4-5 months. Households relying on labour lost on average BDT 60,000-70,000 of income because of the lack of employment during 4-5 months⁵. Currently only 20-25% of the total labour force has some sort of low paid work like stone crushing mill (15-20%) and trade and transport (5-10%). 20% of the total labour force might find some work on stone crushing sites until September 2017. Around 20% of the poor households have small piece (less than 1 ha) of boro field that support 4-6 months food security. The small farmer lost about BDT 95,000- 150,000 due to damaged boro rice field and lost harvest. There are fewer number of casual jobs available with a lower daily wage (40-50% less). Considering the months in which job opportunities were lost, we can say that approximately 60% of households relying on labour need support for 3 months (June-Aug) and 35% HHs need support for 5 months to meet their basic needs.

Seasonal calendar for labour (purple = peak season; text in red = flash flood impact)

Labour market yr 2017	J	F	M	A	M	J	J	A	S	O	N	D
Boro rice				80-90% labour: substantial decrease (90%)								
Amon+ vegetable												
Fishing								20-25% labour: likely to be less		40-50% labour likely to be less		
Stone/Rice crushing						20% labour: has increased						
Production /trade	10-15% labour											

⁵ During that period men, women even children work in the paddy harvesting and get higher wages (Tk 300-500/day).

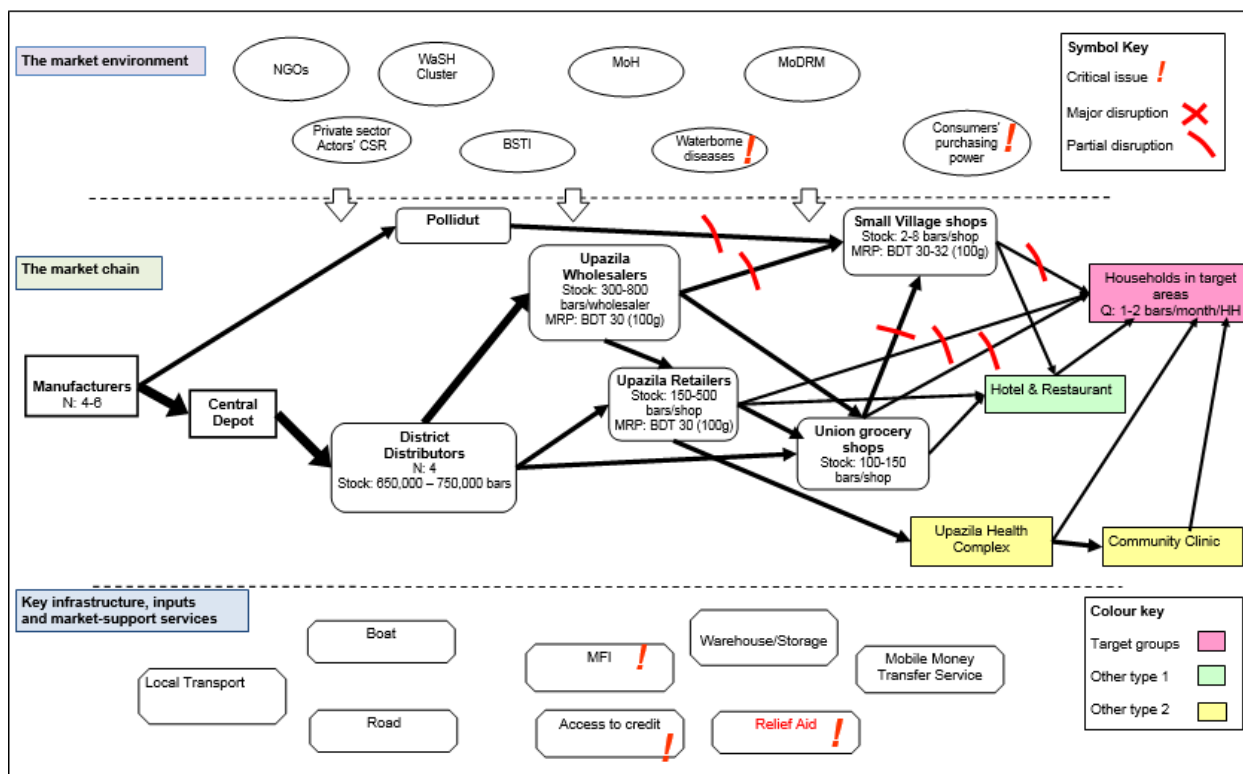
Crisis affected map (May-June 2017):



Soap and ORS market system:

Main findings and crisis affected map (May-June 2017): SOAP

Diarrhea and skin diseases cases have increased since the flash floods. During flash floods, new actors scale up their operations in the soap market (ie: relief actors) while others are forced to reduce their volume of trade. Households have reduced their consumption from 3-4 bars/month to 1-2 bars/HH/month due to lack of purchasing power. Stocks from District distributors are reduced due to the higher turnover. Migration of men outside of the area for employment is common, and women often do not feel comfortable traveling to the upazila market by themselves, and they more commonly purchase soap at small village shops.

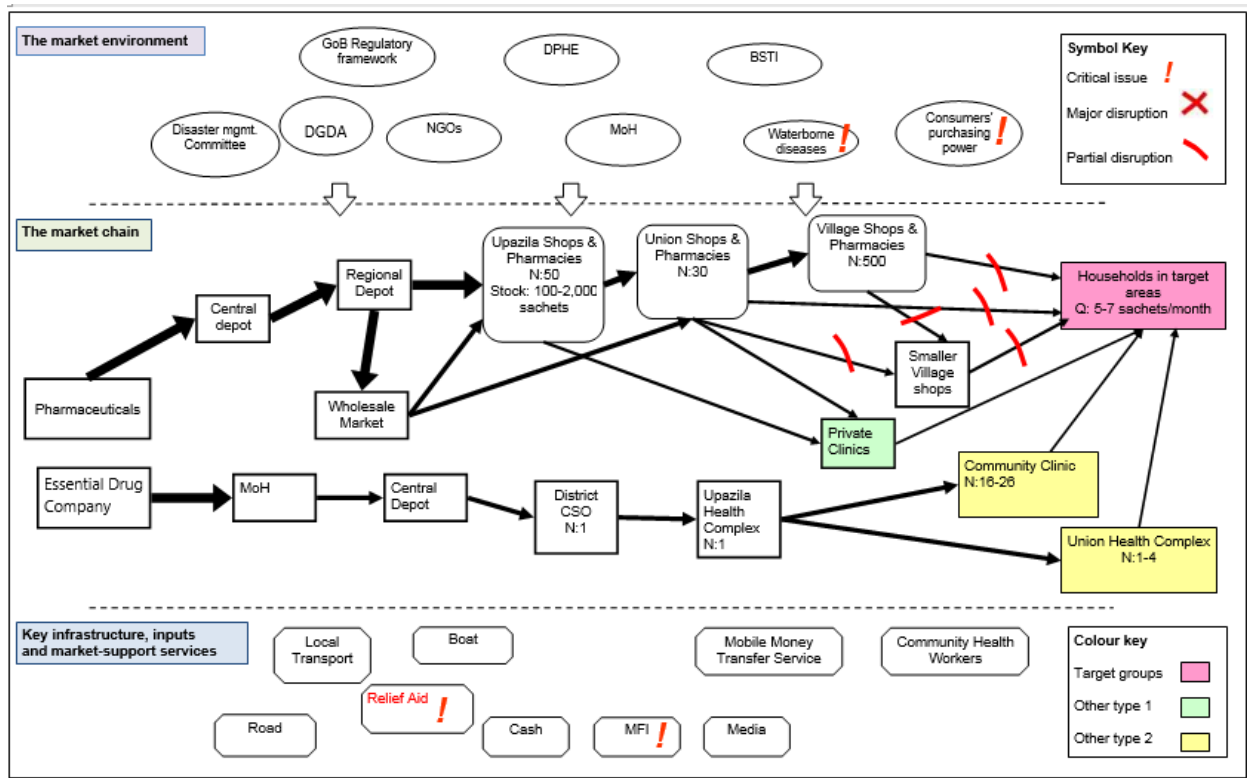


Main findings and crisis affected map (May-June 2017): ORS

During flash floods, partial disruptions from the different sources of supply for affected consumers are limited to union and village levels. As with the soap markets, the main impact is felt at the small village shop level. Flooding often affects the ability of these shops to function due to difficulties to procure and stock ORS. Although less affected than the small village shops, some union level shops may also have to close when affected by flooding. It has been reported that these shops can typically repair any damages and restart operating after 15 days. Supply lines to these union shops are not affected. Upazila level shops remain largely unaffected during flash floods and supply lines remained uninterrupted.

Upazila health clinics receive additional ORS stocks from the CSO, which are delivered to Community Health Clinics for distribution at village level through Community Health Workers (CHWs). CHWs distribute ORS, free of charge, to households which are suffering from diarrhoea (5 sachets per HH). This is typically limited in scope, however, as CHWs do not have a budget for transportation, their reach is limited, which represent a hindrance in the Community Health Clinics's distribution strategy. Extremely limited purchasing power of affected households in remote villages is affecting the volume of sales of ORS by small traders. As of mid-June 2017, no agency has started distributing soap bars. The average household consumption of ORS should increase in crisis times due to the challenge to access safe drinking water, but data collected tend to indicate that average household consumption slightly diminish due to conflicting expenditures needs and limited purchasing power.

A slight price increase (from 5 to 6 BDT) was observed at village level in 50% of the villages visited. Due to lack of money, affected poor and ultra-poor households cannot purchase the required quantity of ORS needed to address all the cases of diarrhea. All FGDs confirmed that no official distribution of ORS took place. FGDs in 2 villages (Shotonspur and Choturvuz in Tahirpur) reported that 2 University students provided 20 sachets of per household (in addition to 3 soaps to all household in the village of Choturvuz).



Gap analysis for both market systems:

Based on the comparison between the normal situation (April-May 2016) and the flash flood affected situation (May-June 2017), the gap analysis in terms of access to both soap and ORS by the affected population in Tahirpur and Derai is as follows:

Total HHs affected in Tahirpur and Derai is 73,644 (40,000+33,644)

Number of ultra-poor HHs: 34.9% X 73,644 = 25,702

Number of poor HHs :37.9% X 73,644 = 27,911

Total targeted HHs in Tahirpur and Derai upazila: **53,613**

Target Group	Target HHs	Item	HH Need (per month)	HH Shortfall	Total Gap	Duration
Ultra-poor and poor HHs	53,613	Bathing Soap (100g bar)	100g (2 bars)	100g (2 bars)	214,452 bars (100g bar)	2 months (July-August)
		ORS	50 sachets	50 sachets	2,680,650 sachets	2 months (July-August)

The market capacity analysis was estimated using: a) the number of shops selling the critical market items; b) the average stock of items held by market actors and c) stocks held in regional depots/warehouses.

Item	HH Gap	Market Volume (normal time) in 2 months		Market Volume (expandability) in 2 months	
		Tahirpur and Derai upazila	District	Tahirpur and Derai upazila	District
ORS (sachets)	2,680,650	4,000,000	22,000,000	8,000,000	44,000,000

Bathing soap (100g bar)	214,452	163,636	900,000	327,272	1,800,000
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The analysis demonstrates a demand-side problem. The existing market system is capable to supply as per demand but short term financial support to village shops would help ensure coverage in even remote areas. Lack of employment opportunities has further constrained affected poor and ultra-poor households' purchasing power.

Preferred modality for assistance in soap and ORS:

- **Cash in hand:** out of the 24 FGDs, 9 (representing together 6 villages) confirmed that there is no access issues to local markets even after the floods; the analysis shows there is a correlation between preference for cash and short distance to the local market.
 - **In-kind:** from the 8 villages that expressed preference for in-kind distribution, 7 of them have a market that is more than 1 km away.
 - **Mixes modalities/vouchers:** 3 FGDs (all of them female only FGDs); the analysis does not seem to indicate that women tend to prefer a specific modality.
 - **Mobile phones:** all villages have either a very good or a good network coverage. In all villages, Grameen phone is reported to be the strongest network. Only 1 FGD (women) mentioned that only 50% of the participants have a handset, otherwise all FGD mentioned that ownership of a handset at household level is high. Women explained that in most cases men control the handset. Although the proportion of households having an actual account is low, all villages said they have easy access to mobile money transfer agencies, particularly Bkash. All parents of school goers have MMT accounts⁶.
- A commodity voucher seems to be an appropriate modality to help affected households get access to soap and ORS, ideally using mobile phones to facilitate monitoring.**

Recommendations

Credit	Short-term & early-recovery
	<ul style="list-style-type: none"> - Unconditional multipurpose cash grant to affected poor and ultra-poor households (mobile money) - Support to selected small traders with recovery grant/loan - Support NGOs' micro-credit programmes - Lobby GoB Bank and MRA to provide interest free loan to affected traders and producers
	Recovery & DRR
	<ul style="list-style-type: none"> - Advocate for interest free/low interest loan for target households' livelihoods recovery - Support existing CBOs/saving groups with a recovery loan/grant; explore opportunities to link this with the meso-level flood insurance project - Encourage GoB to increase primary school stipends for target households in crisis affected areas

Labour	Short-term & early-recovery
	<ul style="list-style-type: none"> - Support to fishing (ie: access to equipment with vouchers & lobby local elites for better share of water bodies & khas land) - Conditional support to land-endowed small & medium rice farmers with vouchers for agriculture inputs for the rice planting season - Cash for work & advocacy with GoB for infrastructure work (relevant CFW schemes could be: embankment, road repairing, houses plinth raising, floating beds for gardens, school field raising, pond excavation, canal digging)

⁶ Rupali bank sure cash for primary level students and DBBL rocket for high school level.

	<p>Recovery & DRR</p> <ul style="list-style-type: none"> - Explore income generating activities solutions for alternative: <ul style="list-style-type: none"> *animal feed (eg: using fish by-products/waste and insects) *biofuel (using cow dung & water hyacinth) - Support Local Labour associations (or the establishment of labour associations) to raise awareness around child labour & better enforce labour law in the informal sector - Establish flood brigades with buckets to protect warehouses & offices from flooding - Support start & scale up of floating vegetable gardens - Advocacy to improve Social Protection programmes: <ul style="list-style-type: none"> *analyze the role that influential individuals play in selecting recipients of SP programmes. *lobby for transfer via electronic payments (secure cash cards/mobile money) - Advocacy work with Expatriates' Welfare and Overseas Employment Ministry to explore twinning between fast developing towns in Jordan/UAE/Oman/Qatar and Sunamganj - Advocacy work with large scale private sector actors in Jordan/UAE/Oman to explore opportunities to establish training centers in Sunamganj for future expatriate workers - Explore collaboration opportunities with the expatriate welfare bank (Probashi Kalyan Bank) to reduce costs of remittances, particularly in crisis times
<p>Soap & ORS</p>	<p>Short-term & early-recovery</p> <ul style="list-style-type: none"> - Support access to soap and ORS through paper voucher system - Liaise with other NGOs and banks to provide short-term support to village shops and traders (with loans or grants)
	<p>Recovery & DRR</p> <ul style="list-style-type: none"> - Explore joint initiatives with private sector actor (eg: Unilever?) to: <ul style="list-style-type: none"> *increase awareness around the risk of washing hands without soap (ie: only using ash or soil) *reduce the price of soap (eg: local production?) - Advocate for involvement or support of Community Health Workers in Relief actors' work (eg: vouchers for boat transport during flood)

