

Report

LEARNING EVENT: 28 April 2016, 9.00 – 16.45, Helvetas Bern Integrating Disaster Risk Reduction (DRR) into market system development (MSD) projects

Frame

Market system development (MSD) projects – earlier frequently referred to as ‘making markets work for the poor’ (M4P) including e.g. value chain development – are common approaches aiming at a systemic development. The MSD approach helps us understand two key aspects of the systems of our work. First, it gives us frameworks to look into the wider system and its specific functions in which the target groups and individuals are embedded. Second, it guides us to understand the underlying systemic causes for underperformance/failure and not just their symptoms.

The integration of Disaster Risk Reduction (DRR) as cross cutting topic aims at avoiding hazards and reducing risks threatening the project’s core interventions. Different to classical DRR interventions the presented approach will focus on a risk analysis closely linked to project’s core objectives and the prioritisation of DRR interventions, aiming at a systemic approach including all relevant players in the market system.

The learning event with presentations of case studies, a specific guideline on climate risks in market systems, interactive discussions and group works shall illustrate how to identify major risks and measures linked to market development interventions.

Objective:

Participants understand direct and hidden risks in MSD projects and the added value of integrating DRR measures and have examples for possible entry points to integrate DRM in MSD projects.

Summary of Learning Event Results:

Bellow some key points of the main messages. Please check the corresponding ppt presentations for more explanation.

Opening

Program, objectives, participants’ presentation (cf. annex with expectations).

In a nutshell participants’ expectations refer to:

- Practical examples.
- Guidance how to integrate DRR in projects applying a MSD approach.
- Guidance how to apply a MSD/ systemic approach for DRR interventions.

Conceptual input: Introduction to MSD

- MSD; responding to development challenges
- Different tools and the approach
- What it is not - what it is not
- MSD in PCM: four key elements: strategy – understanding systems – vision – implementation – monitoring and results measurement

Three lessons & challenges:

- Time-consuming to achieve results, expectation have to be managed
- Long-term and large-scale impacts require appropriate and honest monitoring system and culture.
- Applying an MSD approach is dynamic, complex and requires a good facilitation.

Three takeaways:

- MSD is not new, but a (re)definition of the development agencies' role might be required.
- MSD refers to analysis and interventions beyond markets and private sector actors
- MSD is not prescriptive as a tool.

Conceptual input: Introduction to DRR

- Facts & figures of disasters
- Hazard ≠ Disaster ≠ Risk
- DRR at the international level: SFDRR
- Integrated Disaster Risk Management
- Risk staircase

Three lessons & challenges

- Reactive actors and systems instead of pro-active
- DRR is often considered as a “burden” or cost and not as investment
- Complexity of DRR refers to the high variety of measures, actors and time scales.

Three takeaways:

- There is an increase in the frequency and impacts of disasters
- DRR measures should be selected and adjusted based on priorities
- Disasters as opportunity: Successful DRR offers co-benefits.

Conceptual input: Entry points linking MSD and DRR

- A few challenging differences between DRR and MSD interventions exist...
- ...though generally there is a high potential for mutual learning between DRR and MSD:

1. MSD approach for DRR interventions (MSD > DRR):

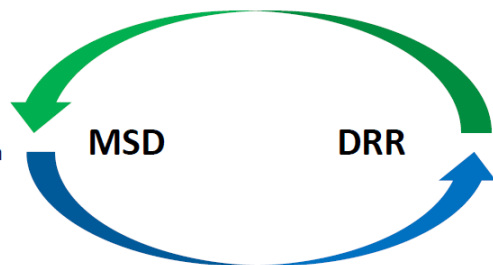
A systemic approach to improve DRR interventions.

- Systemic analysis: embedding in context
- DRR measures: understand interests, create incentives

2. DRR in MSD interventions (DRR > MSD):

common interests and goals:

- 1) Why to consider disaster risks
- 2) Scope of disaster risks in MSD approach
- 3) DRR measures in MSD



- (Economic) damage/loss with „hidden impacts“ of disasters (interrupted business continuity) are the main common rationale in both fields of MSD and DRR.

Entry point 1: Analysis of “hidden risks” related to interrupted business continuity

- Assess and communicate (economic) hidden impacts. In order to...
 - ...seize disaster events as momentum for change
 - ...use DRR as entry point for systemic changes: governance, participation and collaboration between actors.

Entry point 2: Risk assessments.

- According assessments have to be done broader in terms of hazards, risks, time, actors, process/functions.

Entry point 3: Four priorities of Sendai Framework for DRR with a MSD lens.

- Broader risk assessment, institution building, promotion of DRR investments, prepare for plan B/ contingency planning.

Entry point 4: Promote (co-) benefits of DRR measures.

- Cost-benefit analysis: cost of DRR measures versus avoided damage or (co-)benefits.

Entry point 4: Risk stair case with interventions of MSD approach.

- Risk informed investments
- Policy dialogue / awareness rising
- Access to information, insurances etc.

Guideline: Assessing climate risks and vulnerabilities in market systems (HELVETAS Swiss Intercooperation)

Objective and audience:

- To identify most climate resilient sub-sectors in a given context and to determine the potential impacts and relevant measures in the field of ACC and DRM to further increase resilience in the market system.
- To guide (small-scale) businesses(private and public)in better understanding climate risks and opportunities in their sub-sector(s), identify where emerging market opportunities exist and develop a comprehensive climate risk management approach, as part of the enterprise.

Approach

- 8-Step approach towards climate resilient subsectors (cf. picture)
- Not a new tool but builds on existing tools and approaches in CC/DRM and MSD.
- Participatory process of all actors involved in the sub-sector (not a desk tool).
- Also a capacity building tool for understanding the impacts and opportunities of CC/DRM in their subsectors.
- Application of the guideline in Nepal on coffee and banana sub-sector



Relevance and application

- Actors for the selection of the most resilient sub-sectors.
- Actors adapt their involvement in a market system based on climate risk resilience.
- Actors determine options to make a sub-sector more climate resilient.
- Actors understand the impacts of climate change on natural resource based sub-sectors in the short and mid-term.

Case study 1: DRR in livestock farming value chain project MOLI in Georgia (HEKS/EPER)

Context:

- Rural development project 2011-2018, incl. DRR a cross cutting topic.
- Project objective: increase the dairy and meat production, enhance market access and, together with local governments, create a successful business-enabling environment.

Main steps

- DRR assessment during inception phase: major Impact on the livestock sector, value Chain Analysis through the DRR lenses
- DRR training for HEKS/EPER staff and partners
- Definition of DRR as a transversal theme

DRR in MOLI:

- DRR included in the Governance and Advocacy activity of the project (incl. support of pilot projects)

- Incentivizing DRR fields of animal health and nutrition through including it in business plans of enterprises active in this field

Example of DRR interventions:

- DRR as topic in Business Development Plans with SME's and/ or memorandums of cooperation with Input/Service/Information providers operating on national level
- Drought tolerant crops and humidity conservation practices
- DRR as integral topic in information and advice dissemination
- DRR as recurring theme of the business forums

Case study 2: Systemic approach in DRM with the experience of Market Makers (MM) project in Bosnia and Herzegovina (HELVETAS)

Context:

- Balkan floods 2014: Worst event in 120 years, over 27 % population affected, several billion USD damage and economic loss.
- Business interruption with indirect mid-term consequences: losses and/or reduced income > no investments > no job creation.
- Market Maker project objective: job creation for youth in food production & processing (ICT, tourism, tradeable services) seriously concerned by flood impact.

Process of integrating DRM in MM project:

- Status analysis: What was done, what is known? Why to introduce DRM?
- How to integrate DRM: Which risks, which partners to involve? How to define DRM measures and provide support?
- DRM measures: How to collect evidence? How to capitalize and scale results?

Concrete example of Lipnica:

- DRM –MSD business model between business zone and municipality: efforts/costs and benefits for both actors.
- Co-financing for a flood protection project increasing flow capacity.
- Round tables with local stakeholders for transparency, awareness, experience sharing
- Involvement of local population and actors for project implementation.

Outlook:

- Intervention triggered further DRR projects financed by the municipality
- Documentation as show case for experience sharing in a wider public (in process)

Group works

- Two group works in parallel sessions: group 1) DRR in a value chain approach. Group 2) DRR in a broad MSD approach.
- Some background information and specific instruction tasks were given to each of the groups. The group works were presented and complemented in plenary
- Results: cf. picture group work in annex.
- Note: Not only the documented results, but also the group discussions leading there was aimed by the given exercise.

Group work 1: Risk assessment along fruit value chain

Tasks

- Define potential «hidden» risks (beyond production) and specific risks for certain actors a selected along fruit value chain.
- Which are 3 main risks for threatening the projects' core objective/intervention?
- Define DRR measures corresponding to different value chain steps

Group work 2: DRR business model for main actors

Tasks

- Select a DRR measure and define key actors with a common interest to reduce disaster risks
- Define efforts (inputs, investments) and benefits (quantitative/economic, qualitative) for each actor.

DRR in MSD blog

- Announcement of a MSD blog, which includes a session on DRR in MSD (Blogs are still open for contribution and comments)
- MSD blog: <http://blog.helvetas.org/on-systemic-approach/>
- DRM in MSD blog: <http://blog.helvetas.org/integrating-disaster-risk-management-drm-into-projects-applying-a-systemic-approach-2/>

Closure and evaluation

- Closing remarks with key message (cf. below)
- LE evaluation with based on Platform template.

Key Messages, Recommendations and follow up:

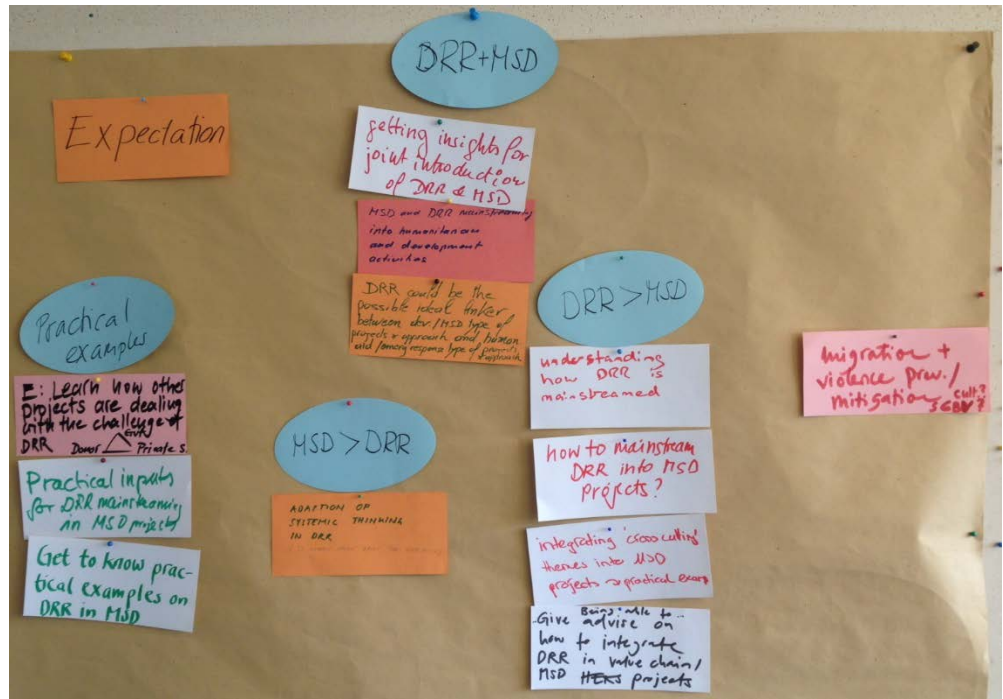
- Despite certain differences MSD and DRR have many common objectives; there is scope for mutual learning and combination of both approaches e.g.:
 - DRR in MSD approaches: think broader for risk assessments and interventions, promote cost-benefit analysis.
 - MSD in DRR projects: promote co-benefits of DRR measures, match actor's interest to increase sustainability of DRR measures for results beyond project duration.
- So far only little concrete experience exists, documentation of best practices and practical adjusted guidance would be useful.
- The LE was a first input to merge the two topics of DRR and MSD, there is scope and interest by the participants to follow up.

Reference list:

- IFAD, Climate change risk assessments in value chain projects (how to do note) <https://www.ifad.org/documents/10180/30b467a1-d00d-49af-b36b-be2b075c85d2>
- Fisheries, aquaculture and climate change (how to do note) <https://www.ifad.org/documents/10180/8201cba3-66db-4e89-affd-ad74910f3c37>
- SDC, Climate, Environment and Disaster Risk Reduction Integration Guidance (CEDRIG) <http://www.cedrig.org/>
- Blog Helvetas Eastern Europe https://easterneurope.helvetas.org/en/publications_blog/blogs/
- Burnet, Final Report: Stage 2 – Supporting Climate Resilient Value Chains <http://www.evidenceondemand.info/final-report-stage-2-supporting-climate-resilient-value-chains>
- iisd, Promoting an Integrated Approach to Climate Adaptation: Lessons from the coffee value chain in Uganda, CLIMATE RESILIENT VALUE CHAINS AND FOOD SYSTEMS, 2014 https://www.iisd.org/sites/default/files/publications/value_chains_coffee_uganda_briefing_note.pdf
- Oxfam, Value Chain Climate resilience – a guide to managing climate impacts in companies and communities <http://www.oxfamamerica.org/static/oa4/valuechainclimateresilience.pdf>
- FAO, Disaster risk management systems analysis - a guide book, 2008 <http://www.fao.org/3/a-i0304e.pdf>.
- Building Effective and Accessible Markets: <https://beamexchange.org/>
- MSD blog: <http://blog.helvetas.org/on-systemic-approach/>
- DRM in MSD blog: <http://blog.helvetas.org/integrating-disaster-risk-management-drm-into-projects-applying-a-systemic-approach-2/>

Annexes:

1) Participants' expectations



1) Group work 1: DRR in value chain

Example of cherry value chain in Armenia:
Relevant Climate and disaster risks, actors and measures

Cherry	Climate/Disaster relevant Risk	Actors Relevant Measures
(Production) Harvest	Hail, (Frost) Snow, Mudflow (flood) <u>heavy rain</u>	
Processing	<u>polluted water (mining)</u> Hail/ <u>heavy rain</u> (outside drying)	*adequate facilities (install/improve) ↳ farmers (cooperatives) ↳ buyers
Storage	humidity	*
Transport	Mudflow, Flood, Snow, land slide <u>heavy rain</u>	
Marketing/Selling	<u>mining pollution</u>	quality control (state) info campaign (farmers, processors)

2) Group work 2: DRR business model

Example of municipality and private sector company for garbage "business":

Municipality

Investment → introduce + enforce regulations on garbage disposal (incentives ↔ capacities)

- infrastructure, incentives to private companies separating/sorting garbage (PPP)
- garbage management + awareness raising (education, show alternatives, media) + support garbage-reducing practices + set up + enforce a strict control (fines)
- gather wide range of actors having an interest in a 'intact' nature (fishermen, tourism, WWF,

Private sector

- Recycling start ups; making a business of receiving, sorting, processing + selling 'garbage'
- Start businesses dealing with tata + packages, ~~the~~ which are bio degradable

Benefits:

- Business investment opportunity
- Political capital (re-join community)
- job creation
- cross sectoral growth (inclusive growth)

Benefits:

- it's business expansion to other sectors
- less risk than river overflows
- better use of tax payers money than holding up after disaster
- gain of image + respect status

Example of private sector company and construction company for flood resilient construction "business":

<p><u>Business Company</u> (established, independent)</p> <p><u>Cost</u></p> <ul style="list-style-type: none"> - Financial cost (expensive material etc.) availability... - Time (longer construction) - Maintenance - Transaction costs (search good construction company...) <p><u>Benefits</u></p> <ul style="list-style-type: none"> - Business continuity (continued production/sales, keep staff, reputation...) - Prevent loss of infrastructure, equipment, goods... - Visibility - Possibly reduced insurance cost 	<p><u>Construction Company</u></p> <p><u>Cost</u></p> <ul style="list-style-type: none"> - Building up expertise in staff - Investment in marketing (publicity, do cost-benefit-calculations, etc.) <p><u>Benefits</u></p> <ul style="list-style-type: none"> - Profit - Diversification of business: construction and advisory services - Visibility
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Build back better flood resilient (Re-) construction

Programme Outline:

Time	Content	Methodology	Responsible
9.10	Opening, program, objectives, participants presentation		Eveline
9.30	<u>Introduction</u> of key concepts of MSD and DRR	Presentations, clips	Zenebe / Eveline
10.15	<u>Rational</u> for DRR in MSD and conceptual entry points	Presentation	Zenebe
10.40	Coffee Break		
11.10	<u>Guideline</u> to integrate climate risks in market systems - 8 step approach - experience from Nepal	Presentation 20' Q&A 10'	Nicole
11.50	Potentials, challenges and experience of disaster risk aspects in MSD projects	Plenary discussion 30'	all
12.20	Lunch Break 12h15 -13h15		
13.20	<u>Case studies</u> 1) DRR in value chains MOLI/ Georgia 2) DRR in MSD Market makers / Bosnia	presentation & Q&A each 30'	Silvia/ HEKS Eveline/ Helvetas
14.20	<u>Group work</u> on a case study	Group work 60'	all
15.20	Coffee Break		
15.50	Group work feedback Plenary feedback and conclusions	Plenary presentation / discussion	all
16.20-16.45	Launch of blog on DRR in MSD Evaluation and closure	Website snap shot Evaluation form	Zenebe / Eveline

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